

E c o n o m i c &

S o c i a l A f f a i r s

# Innovations in Governance in the Middle East, North Africa, and Western Balkans

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Making Governments Work Better  
in the Mediterranean Region



United Nations

# **Innovations in Governance in the Middle East, North Africa, and Western Balkans**

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**Making Governments Work Better  
in the Mediterranean Region**

Department of Economic and Social Affairs



**United Nations**

New York, 2007

## **DESA**

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The Department of Economic and Social Affairs of the United Nations Secretariat is a vital interface between global policies in the economic, social, and environmental spheres and national action. The Department works in three main inter-linked areas: (i) it compiles, generates and analyses a wide range of economic, social and environmental data and information on which Member States of the United Nations draw to review common problems and to take stock of policy options; (ii) it facilitates the negotiations of Member States in many intergovernmental bodies on joint courses of action to address ongoing or emerging global challenges; and (iii) it advises interested Governments on the ways and means of translating policy frameworks developed in United Nations conferences and summits into programmes at the country level and, through technical assistance, helps build national capacities.

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ST/ESA/PAD/SER.E/93

United Nations publication

Sales No.: E.07.II.A.2

ISBN: 978-92-1-104565-9

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Printed by the United Nations, New York

## Foreword

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Encompassing Northern Africa, parts of Western Asia and Southern Europe – including the Balkans – the Mediterranean region is a diverse region containing countries with many similarities yet each having its own unique social, political, and economic systems. The very diversity of this region provides excellent opportunities for the countries to exchange experiences and learn from each other about how government can work better for the benefit of all citizens. Furthermore, because the countries in the Mediterranean region are so close geographically to one another, they all share a common interest in the continued development and prosperity of the region. That prosperity depends largely on each country's ability to make the public sector more efficient and responsive to a changing world.

In line with the above, in 2003 the United Nations Department of Economic and Social Affairs (UNDESA), through its Division for Public Administration and Development Management (DPADM), established a Programme for Innovation in Public Administration in the Mediterranean region – InnovMed, which promotes the dissemination and transfer of innovations in public administration. Its ultimate goal is to contribute to the improvement of governance systems in the countries of the Euro-Mediterranean area including the Middle East, North Africa, and the Western Balkans. In June 2006, UNDESA launched the first Network of Innovators in Governance in the Mediterranean region to further promote knowledge-sharing among the countries of the Arab region and Western Balkans.

The objective of this book, which is one of the substantive outputs of the InnovMed, is to describe and analyse some of the innovations that are taking place in the public sector both at the local and national levels in the countries of the Mediterranean region to disseminate lessons learned on innovation in government. This publication is intended for academics, practitioners and policy-makers interested in managing change and promoting public sector innovations that can increase the quality of life of citizens.

All the innovations we discuss in this book are significant, whether the innovation is large or small, in one government institution or across the board, a successful transformation or merely a small first step on the way to reform. They indicate each country's willingness to change, to be open to new ways of thinking and running the government. It is that spirit of openness to change that is the key not only to survival but also to future prosperity, for all of us, in the Mediterranean region and around the globe.

We hope the innovations in governance that we examine throughout this book will provide helpful answers to public administration challenges – and will inspire other nations to consider adapting these innovations to their needs and vision for the future.



Guido Bertucci, Director  
Division for Public Administration and Development Management  
Department of Economic and Social Affairs, United Nations

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## Acknowledgements

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This publication is based on research and analytical work undertaken by both international and national experts, as well as on the findings of the Meeting on Sharing of Best Practices and Innovation in Governance and Public Administration in the Euro-Mediterranean region organized by UNDESA under the auspices of the Ministry of Civil Service and Administrative Development, Office of the Prime Minister of the Government of Tunisia. The Meeting was organized within the framework of the Programme for Innovation in Public Administration in the Euro-Mediterranean region, which is implemented by UNDESA, through DPADM. The Programme is made possible by the generous support of the Ministry of Foreign Affairs of the Government of Italy.

The Meeting took place in Tunis, Tunisia, from 15 to 17 June 2005. The overall objective of the gathering was to provide a platform for government officials and experts of the Mediterranean region to present and discuss significant innovations in public administration in their respective countries and territories, including Albania, Algeria, Bosnia and Herzegovina, Croatia, Egypt, Jordan, Lebanon, Libyan Arab Jamahiriya, Morocco, Palestinian National Authority, Serbia and Montenegro (now two independent States), Syrian Arab Republic, The former Yugoslav Republic of Macedonia, Tunisia, and Turkey. More than 80 participants from over 20 countries of the Mediterranean region, including the Middle East, North Africa and the Balkans, as well as international experts took part in this event which was the first of its kind in the region.

This publication was prepared by the Division for Public Administration and Development Management of the United Nations Department of Economic and Social Affairs under the responsibility of its Director, Guido Bertucci. Adriana Alberti was the team leader of this research project and editor of the publication, together with Laila Fala. External professional editing was undertaken by Susan Seliger. Eliot Sela was responsible for designing the entire book, including the cover, maps, graphs, tables and text layout. Sakura Tagawa was very helpful in finalizing editorial changes to the publication. Bechir Bouzid provided invaluable support in organizing the above mentioned meeting. Tanima Bossart and Corazon Cabigao provided helpful administrative support.

Special thanks go to H.E. Monsieur Zouhaier M'dhaffar, Minister Delegate to the Prime Minister in Charge of Civil Service and Administrative Development of the Government of Tunisia, for hosting the meeting and to his team, in particular Abdellatif Hmam, Director-General for Human Resources, and Khaoula Labidi, for the support provided during that event. We are also very grateful to the experts who contributed to this publication and to the government innovators for sharing with us their experience, including: Artan Shkempi, Mayor of Pogradec, Albania; Zhani Shapo, Director of the Department of Public Administration of the

Government of Albania; Saihi Abdelhak, Department of Health and Population, Government of Algeria; Jakob Finci, Director, Civil Service Agency, Government of Bosnia and Herzegovina; Antun Palaric, State Secretary, Central State Office for Administration, Government of Croatia; Zlatko Lukenda, Head of the Information Technology Sector, Ministry of Justice, Croatia; Drazen Komarica, President and author of the Judges web program, Croatia; Yasser Farag, Assistant to the Minister of Administrative Development, Government of Egypt; Akil Beshir, CEO of Telecom Egypt; Amer Al-Hadidi, Deputy Minister of Administrative Development, Executive Director, Public Sector Development Administration, Government of Jordan; Salem A. Quheiw, Deputy Director General and Standardization Department Director, Jordan Institute for Standards and Metrology, Amman, Jordan; Lamia El Moubayed, Director, Institute of Finance, Beirut, Lebanon; Mohamed Aliat, Secretary-General, Ministry of Modernization of Public Sector, Government of Morocco; Basil Jabir, Director General, Reform Coordination and Technical Support Unit, Prime Minister's Office, Palestinian National Authority; Muawaffac Daraghme, Office of the Director of the Bethlehem Governor National Palestinian Authority; Aleksandar Panovski, Advisor, Republic Committee for Resolving Conflicts of Interest Belgrade, Serbia; Eng. Mohammad Saeed, Director of Information and Archiving at Prime Minister's Office, Damascus, Syria; Lt. General Mahmoud Alkam, Deputy Minister of the Interior, Ministry of the Interior, Damascus, Syria; Mohamed El Fadhel, Chargé de mission auprès du Premier Ministre, Responsable for the Quality of Public Service, Office of the Prime Minister, Tunisia; Mr. Sadun Emrealp, Secretary-General, IULA-EMME, Government of Turkey; and Metodija Dimovski MSc, Secretary General, Civil Servants Agency, The former Yugoslav Republic of Macedonia.

## Methodological Note

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The cases presented in Part One of this book are based on a review of the nominations and supporting documentation submitted for the United Nations Public Service Awards (UNPSA) between 2003 and 2006 by public sector agencies, academia, Non-Government Organizations (NGOs) and other organizations from the Mediterranean region.

The innovations analysed in Part Two of the book were prepared by national experts in consultation with relevant government officials (innovators). These cases were presented and discussed at the previously mentioned Meeting organized by UNDESA, within the framework of InnovMed, and under the auspices of the Ministry of Civil Service and Administrative Development, Office of the Prime Minister of the Government of Tunisia. In preparing the case studies, the experts were invited to respond to the following questions:

1. What was the problem the innovation tried to solve?
2. What are the main characteristics of the innovation?
3. Who were the stakeholders involved in designing, implementing and assessing the innovation?
4. What are the tangible results of the innovation and which groups did it benefit the most?
5. What challenges were encountered in designing and implementing the innovation and how were they overcome?
6. What were the main steps of the process of design and implementation of the innovation?
7. Is the innovation an isolated reform effort or has it created a positive environment for reforms in other areas leading to the attainment of national long-term development goals?
8. What makes this innovation adaptable to other countries?



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## **Executive Summary**

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Change is never easy, for individuals and nations alike. Forging innovations in the way a country governs itself is especially difficult and often painstaking, but when it takes place – and when it works to make life better for citizens and communities – it is a great achievement. When innovation works – when a government can take a good idea through all the necessary and difficult steps that implementation requires, all benefit.

This book leads us through the journey of innovation by analyzing the challenges and opportunities that countries in the Mediterranean region have faced to improve their governance systems. Accordingly, the book is divided into three parts. Part One provides an overview of successful practices from across the Mediterranean region nominated for the UNPSA between 2003 and 2006. Part Two of the book examines innovations that have taken place in eleven countries, namely, Albania, Bosnia and Herzegovina, Croatia, Egypt, Jordan, Lebanon, Morocco, Syria, Tunisia, Turkey, and The former Yugoslav Republic of Macedonia through case studies. It also includes a contribution on the Dubai Awards Programme and its significance on the degree of innovation that has occurred in the city since its inception. Part Three distills lessons learned and key policy recommendations.

At the outset, this publication provides a conceptual framework on innovation in governance and tackles key questions, including why governments need to innovate; what are the emerging principles and strategies in governance and public administration innovation for achieving the Millennium Development Goals (MDGs); and what is innovation in governance. The authors underscore that governments face both external and internal pressures to innovate and manage change. At the international level, countries have to grapple with emerging global issues such as cross-border terrorism, migration, and health epidemics, while readjusting their policies to integrate into the world economy. At the domestic level, countries are faced with three main challenges: they must provide higher-quality services with reduced resources; they must make public institutions more accountable and responsive, and they must respond adequately to the demands from citizens for greater participation.

Chapter 2 gives a brief synopsis of innovations in governance and public administration from the Mediterranean region nominated for the UNPSA between 2003 and 2006. The aim of all of these innovations was to improve citizens' lives. Whether the country was providing water to the rural populations (Morocco), or enhancing the efficiency of customs (Jordan), or modernizing public employment service (Spain), they all had one thing in common: they came up with solutions to enhance public sector performance and ultimately benefit their citizens, their businesses, and their country's future stability and prosperity.

Part Two of the book takes a look at twelve countries in the Middle East, North Africa, and Western Balkans that made government work better through specific

innovations. The case studies presented in this book follow one of four broad types of innovation: conceptual innovation with a particular focus on engaged governance; organizational and management innovation in traditional bureaucracies; process innovation to improve service delivery (including use of Information and Communication Technologies – ICTs in government operations); and institutional innovation in post-conflict countries. The case studies are therefore grouped and presented by type of innovation in government rather than in alphabetical order.

Albania and Turkey undertook innovations to engage citizens and encourage local participation in governance. In 2003, Albania launched a pilot project, rating the maintenance of schools in seven municipalities according to a new technique called the Trained Observed Rating (TOR), to make a transition from a previously centralized system to one in which local entities became responsible for maintaining and operating primary and secondary schools. TOR set up uniform standards to judge the condition of schools. This innovation was later replicated in nine schools in Pogradec and in six other cities and communes in Albania.

Turkey initiated the Local Agenda 21 (LA-21) to engage and give voice to local communities in public affairs to achieve sustainable development and improved service delivery. Turkey is paving the way for a new local governance model by encouraging local stakeholders to get involved in decision-making processes that were once centralized. Under the framework of LA-21, local communities in Turkey strengthened the participation of women and disadvantaged groups in social, economic, and political spheres and sustained historical and cultural heritage by engaging citizens.

The innovative cases of Egypt, Jordan, Lebanon, Morocco and Tunisia involve management change in traditional bureaucracies, with a particular focus on human resources. Whether turning around an underperforming state-owned enterprise in Egypt, professionalizing systems managing human resources in Jordan, changing to functional differentiation in organizational setups in Lebanon, right-sizing the public sector through attractive severance arrangements in Morocco, or supervising the quality of public service delivery in Tunisia, the public sector came with innovative ways to manage staff and organize human resources to become more efficient and responsive to its citizens.

In Egypt, recent reforms in Telecom Egypt (TE) provide valuable lessons in turning around a state-owned enterprise, one characterized by a centralized, hierarchical structure with a lethargic culture, no marketing department, very little sensitivity to customer service, and overstaffed with unskilled and unmotivated employees. In 2003, TE embarked on an extensive and innovative management reform that also included strategic alliances to hedge the company against uncertainty. TE began by downsizing staff through reviewing the number of employees and building a detailed cost structure model to allow the company to position itself in future tariff negotiations with the National Telecommunication Regulatory

Authority (NTRA). The Company also implemented highly effective and efficient human resources reforms through intense and effective training programs and improved financial reporting systems, while attempting to address market competition locally through a strategic planning unit and internationally through studying overseas trends.

In Jordan, the Jordan Institute for Standards and Metrology (JISM) recently set out to professionalize the management of human resources. JISM is a center of excellence in the area of standardization and related fields, playing a leading and proactive role in protecting the interests, health, and safety of the Kingdom's citizenry and environment and enhancing the competitiveness of Jordanian products in the national, regional, and international markets, all in keeping with national goals. JISM has adopted a strategic approach to human resources management by linking all processes starting from recruitment and placement, through training, promotion, and succession. The Department uses both quantitative and qualitative indicators to increase the efficiency of its services. It gathers daily statistics, conducts inspections, and issues reports on whether deals and transactions have been handled in a timely fashion.

In Lebanon, the Ministry of Finance (MOF) introduced new tax policies along with organizational change in several offices. Launched in 2002 as part of wider tax policy reforms, the Value-added Tax (VAT) was implemented to widen the tax base, modernize the taxation system, develop the economy, and satisfy international and regional trade obligations, some of which require eliminating customs on imported products. By customizing internationally proven systems to the local requirements and circumstances and by initiating training for the staff of the newly established Directorate, the MOF could implement these reforms.

Morocco's innovation to reinvigorate the public sector involved the implementation of a voluntary retirement programme. Suffering from constantly increasing wage expenses in a bloated public sector, the Ministry of Public Sector Modernization (MMSP) was handed the task of right-sizing the public sector through voluntary departure. Completed in June 2005, some 38,000 civil servants, or close to 7.5 per cent of the employees, took part in the voluntary departure programme. As a consequence, Morocco expects to save 5 billion Moroccan Dirham in 2006, and the same amount in 2007. Successful right-sizing, however, is only one part of a successful, comprehensive human resources management reform. MMSP is also implementing additional reforms, including limiting recruitment, redeploying existing staff, revising salary-grid and promotion systems, and simplifying personnel statutes.

In Croatia, the collaboration among judges, law professors, lawyers, and law students, through an NGO, has created a web-based legal information infrastructure, called the Judges' Web, to improve the transparency and efficiency of Croatia's judicial system, as well as to increase citizens' access to justice. Initially established in 1999, an on-line searchable database of judicial rulings was launched in May 2001.

In Syria, recent reform efforts to modernize public administration involved computerizing the civil records system, which became fully operational in 2004. This innovation provides insights into the challenges of managing the transition from paper to paperless record keeping.

In Bosnia and Herzegovina, the adoption of the Civil Service Law in 2002 marked the launch of a process establishing a professional, merit-based civil service, aimed at providing unbiased expertise and professional continuity in the state-level institutions. Adopting the law paved the way to the establishment of the Civil Service Agency, which is now considered a very successful innovation.

Concluding Part Two is the exemplary case of innovation in public administration in Dubai. Although the United Arab Emirates was not part of InnovMed, the case is included because it is a model for success that other countries can replicate. Dubai has grown at an exponential speed. This continued growth and systematic expansion of Dubai could not have happened without the support of a public administration that is efficient, effective, people centered, and service oriented. This kind of support did not happen overnight. Like any developing environment, Dubai's public administration struggled to cope with the fast-changing environment. The solution was to set up a competitive system to inspire change from within. In 1997, Sheikh Mohamed Bin Rashid announced the Government Excellence Award program, which was conceived as an incentive to accelerate the pace of change and drive all administrations toward innovations that would bring increased efficiency and effectiveness. This competitive tool aimed at rewarding performance. The Award Program has stimulated many innovative changes in Dubai's government – new thinking prevails and the process of transformation continues.

Part Three of this publication looks at the key lessons drawn from the successful innovations presented in the course of this book and also maps out strategies for innovation in governance. The authors underline that the design of an innovation is as important as its implementation and that great detail should be given to planning and involving all stakeholders in the innovative project. Innovative strategies that build a sense of ownership, empower citizens, and encourage active participation have a greater chance of success.

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## Acronyms

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### **ADSL**

Asymmetric Digital Subscriber Line

### **ARENTO**

Arab Republic of Egypt National Telecommunication Organization

### **ASYCUDA**

Automated System for Customs Data

### **BOT**

Build-Operate-Transfer

### **CA**

Custom Administration

### **CDMA**

Code division multiple access

### **CEELI**

Central European and Eurasian Law Initiative

### **CEO**

Chief Executive Officer

### **CIDA**

Canadian International Development Agency

### **CMR**

Caisse marocaine de retraite

### **COMAP**

Cadastre Organization Modernization and Automation Project

### **CSO**

Community Service Office

### **DLRC**

Directorate of Land Registration and Cadastre

### **DOR**

Directorate of Revenues

### **DPA**

Democratic Party of Albanians

### **DPADM**

Division for Public Administration and Development Management

### **DVLD**

Drivers and Vehicles Licensing Department

### **EACCE**

Etablissement autonome de contrôle et de coordination des exportations

### **EC**

European Commission

### **ECYL**

Regional Public Employment Service

### **ECLSG**

European Chapter for Local Self-Government

### **EGCC**

E-Government Consultation Center

### **EGP**

Egyptian Pound

### **ENP**

European Neighborhood Policy

### **EPQM**

European Foundation for Quality Management

### **ERP**

Enterprise Resource Planning

### **ETSU**

Economic and Technical Support Unit

### **EU**

European Union

### **FAO**

Food and Agriculture Organization of the United Nations

### **FYROM**

The former Yugoslav Republic of Macedonia

### **GDP**

Gross Domestic Product

### **GNP**

Gross National Product

### **GOL**

Government of Lebanon

### **GRPS**

General Poverty Reduction Strategy

### **ICT**

information and communication technologies

### **ICZM**

Integrated Coastal Zone Management

### **IDAL**

Investment Development Authority of Lebanon

### **IDP**

Internally displaced persons

### **IMF**

International Monetary Fund

### **IMRO-DPMNE**

Internal Macedonian Revolutionary Organization, Democratic Party for Macedonian National Unity

### **INEM**

National Institute of Employment

### **INNOVMED**

Programme for Innovation in Public Administration in the Euro-Mediterranean Region

### **IOC**

Intergovernmental Oceanographic Commission

### **IOF**

Institute of Finance

### **IRZ**

German Foundation for International Legal Cooperation

### **IT**

Information Technology

### **ITACA**

Información, Tramitación y Atención Ciudadana en Alcobendas

### **IULA-EMME**

International Union of Local Authorities – Section for the Eastern Mediterranean and Middle East Region

### **JARASH**

Jordan's ASYCUDA for Reform, Automation, Simplification, and Harmonization

### **JISM**

Jordan Institute for Standards and Metrology

<b>KLA</b> Kosovo Liberation Army	<b>ONEP</b> Office national de l'eau potable	<b>TOR</b> Trained Observed Rating
<b>LA-21</b> Local Agenda 21	<b>OSCE</b> Organisation for Security and Co-operation in Europe	<b>TOT</b> Training of Trainers
<b>LBP</b> Lebanese Pound	<b>OTE</b> National Telecommunication Agency	<b>TQM</b> Total Quality Management
<b>LTO</b> Large Taxpayer Office	<b>PAD</b> Department for Public Administration	<b>TRU</b> Tax Roll Unit
<b>MAD</b> Moroccan Dirham	<b>PADEA</b> Public Administration Department for Efficiency in the Administration	<b>TV/IP</b> Internet Protocol television
<b>MDG</b> Millennium Development Goals	<b>PAGER</b> Programme d'approvisionnement en eau potable des populations rurales	<b>UAE</b> United Arab Emirates
<b>MENA</b> Middle East and North Africa	<b>PAM</b> Municipal Action Plan	<b>UN</b> United Nations
<b>MIS</b> management information systems	<b>PDN</b> Public Data Network	<b>UNAIDS</b> Joint United Nations Programme on HIV/AIDS
<b>MMSP</b> Ministry of Public Sector Modernization	<b>PIN</b> Personal Identification Number	<b>UNCTAD</b> United Nations Conference on Trade and Development
<b>MoES</b> Ministry of Science and Education	<b>PIN/TIN</b> Personal Identification Number/Taxpayer Identification Number	<b>UNDESA</b> United Nations Department of Economic and Social Affairs
<b>MOET</b> Ministry of Economy and Trade	<b>PSC</b> Programme Steering Committee	<b>UNDP</b> United Nations Development Programme
<b>MOF</b> Ministry of Finance	<b>PSTN</b> public switched telephone network	<b>UNESCO</b> United Nations Educational, Scientific and Cultural Organization
<b>MOI</b> Ministry of Interior	<b>RES</b> resolution	<b>UNPSA</b> United Nations Public Service Awards
<b>MOJ</b> Ministry of Justice	<b>SDC</b> Swiss Agency for Development and Cooperation	<b>USAID</b> United States Agency for International Development
<b>MSAD</b> Ministry of State for Administrative Development	<b>SIGTAS</b> Standard Integrated Government Tax Administration System	<b>USD</b> United States Dollar
<b>NATO</b> North Atlantic Treaty Organisation	<b>SIC</b> Service Life Cycle	<b>VAT</b> Value Added Tax
<b>NDS</b> National Decentralization Strategy	<b>TE</b> Telecom Egypt	<b>VEDOP</b> Tax Office Automation Project
<b>NGO</b> Non-Governmental Organization	<b>TIN</b> Taxpayer Identification Number	<b>V-SAT</b> very small aperture terminal
<b>NTRA</b> National Telecommunication Regulatory Authority		<b>WB</b> The World Bank
<b>OECD</b> Organisation for Economic Co- operation and Development		<b>WTO</b> World Trade Organization

## Map 1.1 The Mediterranean Region at a Glance\*



### The Middle East

- ◆ **Jordan**
- ◆ **Lebanon**
- ◆ **The Palestinian Authority**
- ◆ **Syria**

### North Africa

- ◆ **Algeria**
- ◆ **Egypt**
- ◆ **Libya**
- ◆ **Morocco**
- ◆ **Tunisia**

### Western Balkans

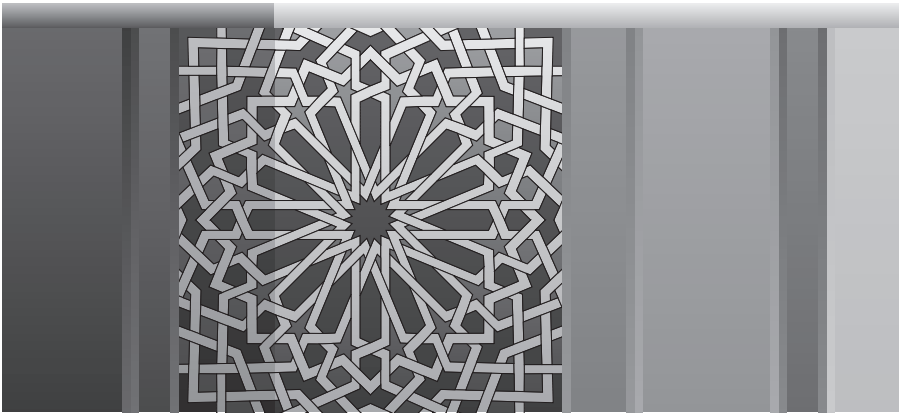
- ◆ **Albania**
- ◆ **Bosnia and Herzegovina**
- ◆ **Croatia**
- ◆ **Montenegro**
- ◆ **Serbia**
- ◆ **The Former Yugoslav Republic of Macedonia**

\* Light-shaded areas represent InnovMed Participating Countries.

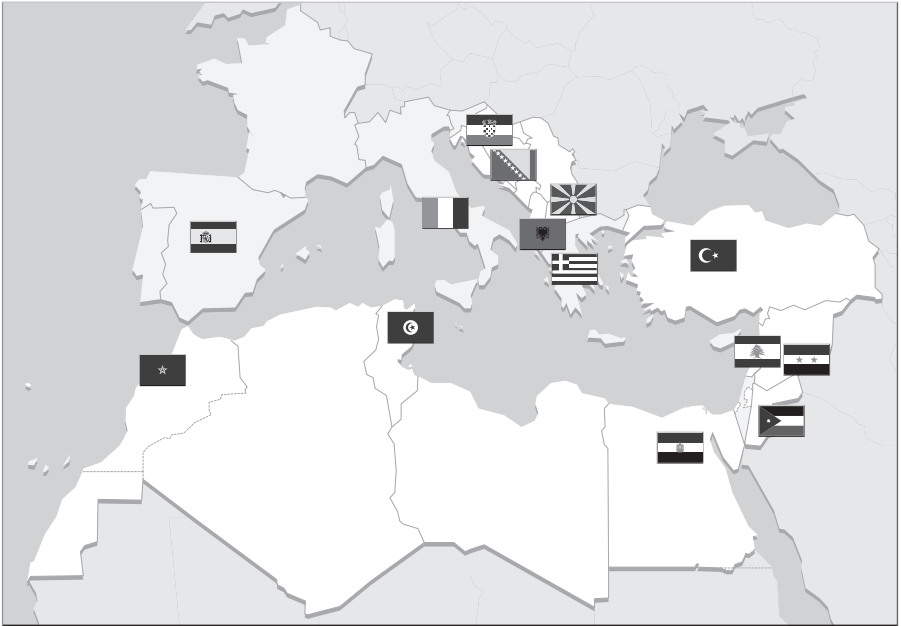
# Part One

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Innovations in Governance and Public Administration across the Mediterranean Region: An Overview



**Map 1.2 Map of Selected Countries in the Mediterranean Region whose Innovations are Highlighted in this Book**



Innovations in the Middle East

- Egypt
- Jordan
- Lebanon
- Syria

Innovations in North Africa

- Morocco
- Tunisia

Innovations in the Western Balkans

- Albania
- Bosnia and Herzegovina
- Croatia
- The Former Yugoslav Republic of Macedonia
- Turkey

Innovations in Southern Europe

- Greece
- Italy
- Spain

# Innovation in Governance and Public Administration: Key Issues and Perspectives<sup>1</sup>

By *Adriana Alberti and Guido Bertucci*

Several countries are making progress in achieving the MDGs, but much remains to be done. According to the 2005 Millennium Development Goals Report, “some regions have made little progress or even experienced reversals in several areas. Many countries have seen economic growth while others have experienced stagnation.”<sup>2</sup>

“We cannot win overnight,” says United Nations Secretary-General Kofi Annan. “We will have time to reach the Millennium Development Goals... but only if we break with business as usual. Success will require sustained action across the entire decade between now and the deadline. It takes time to train the teachers, nurses, and engineers; to build the roads, schools, and hospitals; to grow the small and large businesses able to create the jobs and income needed. So we must start now. ... Nothing less will help to achieve the Goals.”<sup>3</sup>

To achieve the MDGs, countries must strive toward “efficient, accountable, effective, and transparent public administration, at both the national and international levels.”<sup>4</sup> Participatory processes of government also need to be deepened to ensure citizens’ engagement to achieve the MDGs, according to the United Nations Economic and Social Council in its resolution E/RES/55 dated 21 October 2005.

### 1. Where Should Countries Begin the Path to Innovation?

Although there is wide consensus at the international level on what should be done to accelerate development and prosperity, there seems to be less shared knowledge and capacity on how to do so. Knowledge on how to achieve the MDGs exists, but it is often fragmented and spread among several countries. In fact, it is not unusual that a government has been able to address challenges in one development area but not in others.

To capitalize on existing knowledge, the United Nations General Assembly recommended in Resolution 57/277 that the exchange of experiences related to the role of public administration in the implementation of internationally agreed goals, in-

<sup>1</sup> This chapter is a revised and more concise version of Chapter I contained in *Innovations in Governance and Public Administration: Replicating What Works*. United Nations (2006), UNDESA, ST/ESA/PAD/SER.E/72.

<sup>2</sup> United Nations Millennium Project report, *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals* (New York, 2005), page 13.

<sup>3</sup> United Nations (2005). Official Records of the General Assembly, Fifty-seventh Session, A/RES/57/277.

<sup>4</sup> United Nations (2003). Official Records of the General Assembly, Fifty-seventh Session, A/RES/57/277.

cluding those contained in the Millennium Declaration, be encouraged.<sup>5</sup> Furthermore, in its draft resolution A/60/L.24, the General Assembly “agreed that the United Nations should promote innovation in government and public administration and stressed the importance of making more effective use of United Nations Public Service Day and the UNPSA in the process of revitalizing public administration by building a culture of innovation, partnership, and responsiveness”.<sup>6</sup> The Council further recognized that all Member States, particularly those from the developing countries, can greatly benefit from peer learning and the sharing of experiences about innovation and initiatives in the public sector.<sup>7</sup>

### 1.1 Sharing Knowledge is the First Step

These are challenging times for governments around the world because they must respond to increasingly complex demands from their citizens and significant changes in their global environments. Governments are grappling with several difficult social and economic issues, including poverty eradication, unemployment, poor education systems, health epidemics (including HIV/AIDS and the avian influenza), and environmental degradation. At the same time, they are attempting to readjust their policies and skills to integrate effectively into world economy. All of these challenges put a strain on the capacity of any state to accomplish its mission effectively.

Within a framework of extreme diversity in local conditions and situations, it is possible to identify four major trends worldwide of State and public administration transformation:

- The construction or reconstruction of a State that operates according to the rule of law;
- The revitalization of the State and public administration;
- The reconfiguration of the role of the State; and
- A growing demand to make democracy more meaningful and to allow for more opportunities of participation in policy making.<sup>8</sup>

Overall, governments are faced with three main domestic challenges. First, they must operate and provide more far-reaching and higher-quality services with reduced resources and limited operational capacities. That is to say, governments must use their resources and build capacities not only more effectively but also more creatively by, for example, enlisting the support of the private sector and civil society in service delivery.

Second, they must make public institutions more accountable, responsive, and effective by promoting a more citizen-oriented public administration. Third, and

<sup>5</sup> United Nations (2005). Official Records of the General Assembly, Draft Resolution, Sixtieth Session, A/60/L.24. (UN, 2005, A/60/L.24, para. 7).

<sup>6</sup> United Nations (2005). Official Records of the Economic and Social Council, E/RES/55.

<sup>8</sup> For a more extensive analysis of these four trends, see the 2005 UNDESA publication on “Human Resources for Effective Public Administration in a Globalized World”.

most important, they must respond more adequately to citizens' demands for greater participation.

Although government is still central to society, it is now widely recognized that civil society and the private sector also have an important role to play in this sphere. Citizens no longer perceive themselves as passive "consumers" of government services but as part of the solution to handle emerging issues more effectively. Deepening democracy to provide opportunities not only for improved representation but also for more active participation and engagement in public affairs requires innovative institutional mechanisms, processes, and policies.

As a consequence, several countries around the world are attempting to revitalize their public administration and make it more proactive, more efficient, more accountable, and especially more service oriented. To accomplish this transformation, governments are introducing innovations in their organizational structure, practices, capacities, and how they mobilize, deploy, and utilize the human, material, information, technological, and financial resources for service delivery to remote, disadvantaged, and challenged people.

## **2. Positive Effects of Innovation**

Experience has shown that introducing innovations in governance has many positive results. First, innovations can help maximize the utilization of resources and capacities to create public value as well as encourage a more open/participatory culture in government, therefore improving good governance in general.

Second, by improving the image and services of the public sector, innovations can help governments regain people's trust and restore legitimacy.

Third, innovation in governance can boost the pride of civil servants working in the public sector, as well as encourage a culture of continuous improvement. Innovations can have an inspirational capacity, which builds a sense of the possible among public officials.

Fourth, although innovations are limited governance interventions or micro-level initiatives, they can produce a domino effect, in that a successful innovation in one sector can open the door to innovations in other areas.

Each innovation can create the opportunity for a series of innovations, all leading to a favorable environment for positive change. Innovations can lead to building a new block of an institution and change the relationship between levels of government and within government departments.

## **3. Innovation is Not a Passing Trend**

Innovations in governance and public administration should not be regarded as a fashion or trend of the moment. Governments that have effectively handled increasingly



complex national, regional, and international challenges have introduced innovative ideas and practices in governance and public administration systems and processes.

Remember that innovation is not an end in itself, but a means to improve public administration to enhance the quality of life for all citizens. In addition, innovations should be seen as complementary mechanisms to reinforce democratic governance but not as a substitute for existing institutions, including Parliament, public administration, and other entities.

Furthermore, each organization in the public sector must consider how much innovation it needs and can handle. It is important to balance stability and continuity, on the one hand, with change on the other. Not everything in the public sector can be about innovation. Moreover, innovations in government are relative to the context in which they take place. Thus, an innovation in one country may be perceived as something ordinary in another one.

Innovations are not a “special benefit” of countries with developed administrative systems. As evidenced by the increasing number of applications submitted to the United Nations Public Service Awards, successful practices have been initiated both in developed and developing countries and have been transferred from the latter to developed countries (e.g., the integrated public services system launched by the State of Bahia in Brazil was adopted by Portugal and others).

#### **4. What is Innovation – and Best Practice – in Governance and Public Administration?**

Documenting and sharing innovations in public administration is a very important tool in fostering innovation in government and promoting development. Not every innovative practice works out to be a successful long-term experience that can be disseminated to other countries. To assist United Nations Member States who are interested in replicating innovations, it is necessary to define what is meant by innovation and by best practice.

Best practices have the following three characteristics, according to the “Report of the Preparatory Committee for the United Nations Conference on Human Settlements,” presented to the General Assembly: (1) they have a demonstrable and tangible impact on improving people’s quality of life; (2) they are the result of effective partnerships between the public, private, and civil society sectors; and (3) they are socially, economically, and environmentally sustainable.<sup>9</sup>

The concept of best or successful practices is widely used to distinguish exemplary or improved performance in organizations. It can be defined as an activity or procedure that has produced outstanding results and could be adapted to improve effectiveness and efficiency in another situation.

<sup>9</sup> United Nations (1995). Report of the Preparatory Committee for the United Nations Conference on Human Settlements, A/50/37.

The General Assembly, based on the UN-Habitat Agenda, further recommends that best practices be used as one of the two key instruments for assessing progress in achieving its twin goals of shelter for all and sustainable urbanization.<sup>10</sup> For UN-AIDS, focusing on best practice means analysing success stories to discover what works and what does not work in different situations and contexts. It is both the lessons learned and the continuing process of learning, feedback, reflection, and analysis (i.e., what works, how and why, etc).

The conceptual distinction between innovations and best/successful practices is contested, however. Some believe that if innovations are sustainable, they become successful practices. From this perspective, the difference between the two concepts lies in the time frame. Others maintain that one of the defining criteria of an innovation is sustainability.

Because the field of innovation in governance is not as well developed as that of innovations in the private sector, there are different definitions of what constitutes an innovation in governance and public administration. For example, one of the criteria to select winners for the UNPSA is “the introduction of a new concept,” that is, government introduces a unique idea or distinctively new approach to a problem or a unique policy or implementation design, in the context of a given country or region, for transparency, accountability, and responsiveness of public service.<sup>11</sup>

In general terms, innovation is a creative idea which is implemented to solve a pressing problem. It is the act of conceiving and implementing a new way of achieving a result and/or performing work. An innovation can involve the incorporation of new elements, a new combination of existing elements, or a significant change or departure from the traditional way of doing things. Innovation can refer to new products, new policies and programs, new approaches, and new processes.

Public sector management innovation also can be defined as the development of new policy designs and new standard operating procedures by public organizations to address public policy problems. Thus, an innovation in public administration is an effective, creative, and unique answer to new problems or a new answer to old problems. Furthermore, an innovation is not a closed and complete solution, but an open solution that can be transformed by those who adopt it.

## **5. Types of Innovation**

There are several different types of innovations in public administration and different ways of grouping them in the literature on innovations in government. A useful typology for our purposes is the following:

- Institutional innovations, which focus on the renewal of established institutions and/or the establishment of new institutions;
- Organizational innovation, including the introduction of new working

<sup>10</sup>A/RES/S25/2

<sup>11</sup>See: [http://www.unpan.org/dpepa\\_psaward.asp](http://www.unpan.org/dpepa_psaward.asp)

- procedures or management techniques in public administration;
- Process innovation, which focuses on the improvement of the quality of public service delivery; and
- Conceptual innovation, which focuses on the introduction of new forms of governance (e.g., interactive policy making, engaged governance, people's budget reforms, horizontal networks).

Areas of innovation also vary, including human resources development and management, public service delivery, ICT applications in government operations, decentralization, and others.

Several innovative and successful solutions are being applied to governance and public administration challenges, including the MDGs. If one examines innovative cases of government services selected by the UNPSA<sup>12</sup> and other internationally renowned awards several key principles and strategies for innovation in governance emerge: integrating services, decentralizing service delivery, utilizing partnerships, engaging citizens, and taking advantage of ICTs.

## **6. Strategies in Innovation in Government**

The innovations and successful practices analysed in this book show that there are five main strategies in innovation in government:

1. Integrating services;
2. Decentralizing service delivery and monitoring;
3. Utilizing partnerships;
4. Engaging citizens; and
5. Taking advantage of information and communication technologies.

### **6.1 Integrating Services**

With public sectors offering an increased number of services, citizens have come to expect not simply that services are provided but that they are provided conveniently. Public authorities often use integration of products and services to meet these needs and expectations.

The 1502 Call Centre in Greece, for instance, acts as an entry point for the citizen when obtaining government certificates. The Call Centre takes care of the contact with the respective authorities, procures the requested documentation, and forwards the document to the citizen by mail. Similarly, the Local Council of Alcobendas offers a single, full-service Citizen's Card that integrates services that previously required several different cards – and it serves as a debit card, too. The E-government program of Egypt successfully integrated various government ministries through the Egyptian Government Services Portal that is a citizen – centric service delivery vehicle that provides 24/7 access to 53 online government services.

<sup>12</sup>A more detailed account of these trends is provided in Chapter Two of this publication.

## 6.2 Decentralizing Service Delivery and Monitoring

Bringing services closer to people usually ensures a higher level of customization and thus increased satisfaction on the part of citizens and businesses. Decentralizing services encourages new economic development beyond urban centers. Decentralization increases citizens' participation and increases trust in government. The restructuring process in Turkey to decentralize the highly hierarchical public administration not only increases transparency, by enabling greater access to decision-making at a local level but also builds a more pluralist public administration that is responsive to citizens' needs and demands.

As the case of modernizing the Public Service Employment in Castille and Leon, Spain shows, bringing services closer to people (for example, from the national to the regional level) usually ensures a higher level of customization and thus increased satisfaction on the part of citizens and businesses. In this case, efficiently matching job seekers and local business was an important accomplishment.

Decentralizing services has another advantage: it encourages new economic development beyond the urban centers. So citizens in rural as well as urban areas benefit. For example, on the supply side, Morocco's PAGER project, bringing water to the rural population, would not be feasible were it not for the devolvement of the operation and maintenance of water facilities in the local communities. Conversely, on the demand side, it was not until Morocco established regional (instead of centralized) control facilities for inspecting fresh exports of fruits and vegetables, that their businesses stopped wasting time and money transporting their produce to far-away inspection facilities and were finally able to compete successfully in the international market.

## 6.3 Utilizing Partnerships

As governments innovate to meet the public's increasing demand for more efficient delivery of services, more inter-agency collaboration as well as public-private partnerships are occurring. For instance, collaboration with major business organizations to outsource services promotes efficiency and quality in public administration and encourages different levels of government to work together by establishing research functions. In Italy, the government has initiated collaboration with major business organizations to outsource services in their efforts to promote efficiency and quality in public administration. In addition, Italy has encouraged different levels of government to work together by establishing research functions that document best practices throughout government. The Local Council of Alcobendas, Spain, enhanced the functionality of the Citizen's card and the integrated information service by establishing public-private partnerships with a major telecommunication company as well as a large financial enterprise.

## 6.4 Engaging Citizens

Innovative government authorities have also come to realize the vital role that citizens play when encouraged to participate in proposed changes. When government provides forums for the public to express their views and engages them in all stages of the process, the resulting innovations are more likely to succeed and spread.

A participatory approach that allows people to express their needs and opinions on technical proposals is more likely to facilitate the implementation of a given project and ensure the continued success of an innovative change.

As seen with PAGER in Morocco, a participatory approach which allows people to express their needs and opinions on technical proposals has facilitated the implementation of the project. Furthermore, turning over the operation and maintenance of facilities to rural communes and users of the service contributes to the continued success of an innovative change.

## 6.5 Taking Advantage of Information and Communication Technologies

As the United Nations World Public Sector Report<sup>13</sup> 2003 points out, the use of internet-based services to cut red tape is spreading rapidly throughout the public sector. The internet contributes to simplifying and improving the way that citizens obtain information and communicate with public entities. The internet can also be useful as a means of improving transparency and integrity in public administration.

The Customs Department in Jordan has embraced advanced technology to enhance the quality of the functions they perform. A program for modernization of customs administrations and procedures has been implemented as well as a V-SAT communications network that facilitates communication between Headquarters and the local centers, and among the centers.

In Spain, the local council of Alcobendas initiated the ITACA project, which relies heavily on the use of Information and Communication Technology to simplify and, therefore, improve the way citizens obtain information and communicate with public entities. In Croatia, the creation of the Judge's Web NGO; an internet-based legal information tool with databases of thousands of published cases and search engines is an effective use of ICT to disseminate information in a transparent manner. The judge's web also provides key legal information to the citizens in a plain non-legal language as to their rights and how to exercise their remedies. Syria also used ICT to create an on-line database of civil records.

## 7. Concluding Remarks

Innovation in government has become an imperative for countries that wish to keep up with the many challenges of complex societies. Countries in the Mediterranean region are increasingly embarking on innovative ways of doing things in the pub-

<sup>13</sup>See: [http://www.unpan.org/dpepa\\_worldpareport.asp](http://www.unpan.org/dpepa_worldpareport.asp)


lic sector. In fact, a number of very interesting innovations in governance have been promoted in the Mediterranean countries over the past few years and some of them have been awarded the UNPSA. The many cases that are presented in this publication attest to the vitality of the Arab and Western Balkans countries in terms of their commitment and engagement in reinventing government. Countries in the Arab region as well as those in the Western Balkans have an impressive heritage in terms of capacity to acquire and produce knowledge, to creatively adapt and interact with other cultures, and to integrate sources of knowledge. Revitalizing this heritage and capitalizing on their existing knowledge by creating knowledge networks and promoting innovation and entrepreneurship can certainly help the countries of the region to prosper and promote greater social and economic development.

In order to reinforce these positive trends, it is crucial to further encourage the exchange of knowledge on innovations in governance and public administration and to raise awareness about what governments in the Mediterranean region are doing to improve the quality of life of their citizens.

In the following chapters over twenty cases from the region are highlighted with the aim of sharing knowledge about successful practices in this part of the world (see Map 1.2). Sharing information and innovative experiences on governance and public administration can be a very powerful tool in inspiring governments in their reform process and in creating a body of “new knowledge” which can be accessed by public administrations all over the world. The potential of knowledge sharing on innovations is tremendous since governments can be greatly “inspired by the success stories of other countries, save time, and in some cases leapfrog stages of development.” Moreover, knowledge sharing is the best way to support the development process as no one institution has all the knowledge and capacity to accomplish its mission on its own. For that reason, it is not sufficient any longer to rely on one’s own local expertise, but knowledge may be acquired through exchange of information on successful practices, or even failures, and experiences in general that may facilitate reform in other countries.

Map 2.1 **Public Service Awards Winners and Nominees from the Mediterranean Region**



<p><b>Egypt</b> <span style="float: right;">2006 ◆</span></p> <p>Egyptian information society initiative.</p>	<p><b>Egypt</b> <span style="float: right;">2003 ◆</span></p> <p>Improvement of administrative machinery.</p>	<p><b>Greece</b> <span style="float: right;">2003 ◆</span></p> <p>Integrating services into a "one-call shop".</p>
<p><b>Italy</b> <span style="float: right;">2003 ◆</span></p> <p>Creating an enabling environment for collaboration among different institutions.</p>	<p><b>Jordan</b> <span style="float: right;">2004 ◆</span></p> <p>Re-engineering operations.</p>	<p><b>Jordan</b> <span style="float: right;">2004 ◆</span></p> <p>Serving local communities.</p>
<p><b>Morocco</b> <span style="float: right;">2005 ◆</span></p> <p>Decentralization and expansion of the quality monitoring process of fruits and vegetables for exports.</p>	<p><b>Morocco</b> <span style="float: right;">2004 ◆</span></p> <p>Providing potable water to the rural population.</p>	<p><b>Spain</b> <span style="float: right;">2005 ◆</span></p> <p>Public employment service modernization.</p>
<p><b>Spain</b> <span style="float: right;">2003 ◆</span></p> <p>Bundling information, transaction, and citizen's inputs.</p>	<p><b>Turkey</b> <span style="float: right;">2006 ◆</span></p> <p>Tax office automation project.</p>	<p><b>Legend:</b> ◆ UNPSA winners ◆ UNPSA nominees</p> 

# Selected Innovations in the Mediterranean Region Nominated for the United Nations Public Service Awards

*Vilhelm Klareskov and Sarah Waheed Sher*

This chapter provides an overview of some of the most successful innovations and best practices in the public sector from the Mediterranean region. We have selected eleven outstanding cases that were nominated for the UNPSA between 2003 and 2006, and either won or were short-listed for an award. In all of these cases, the concerned public sector institutions made significant efforts to improve and enhance their service delivery, tailoring it more toward citizens' needs.

These innovations make interesting reading about how the government departments in the selected countries devised new strategies to improve public service delivery. In some cases, decentralization was used as an effective mechanism of increasing accountability and citizen participation. In others, ICT potential was harnessed to open one-stop shops. Organizational and process innovation was employed to restructure existing public departments and design new ones to respond more efficiently to citizens' increasing demands. In still other cases, human resources management and training played an important role in enabling the public sector to better meet a growing number of domestic and global challenges.

### **1. United Nations Public Service Awards: Genesis**

The UNPSA is the most prestigious international recognition of excellence in public service, rewarding the creative achievements and contributions of public service institutions to development in countries worldwide. Through an annual competition, the UNPSA promotes the role, professionalism, and visibility of public service.

The Awards aim to:

- Discover innovations in governance;
- Reward excellence in the public sector;
- Motivate public servants to further promote innovation;
- Enhance professionalism in the public service;
- Raise the image of public service;
- Enhance trust in government; and
- Collect and disseminate successful practices for possible replication.



Winners of the UNPSA are celebrated every year at United Nations Headquarters in New York<sup>1</sup> on 23 June, designated by the UN General Assembly as Public Service Day.<sup>2</sup> The United Nations Public Service Day celebrates the value and virtue of public service to the community, highlights the contribution of public service in the development process, recognizes the work of public servants, and encourages young people to pursue careers in the public sector. The awards ceremony is also webcast live through the United Nations website<sup>3</sup>.

Since the first Awards Ceremony in 2003, the United Nations has received an increasing number of submissions from all around the world. The awards are currently bestowed in three categories:

- Improving transparency, accountability, and responsiveness in public service;
- Improving the delivery of services; and
- Fostering participation in policy-making decisions through innovative mechanisms.

In addition to these three categories, the awards take into consideration an even geographical distribution among five regions:

- Africa;
- Asia and the Pacific;
- Europe and North America;
- Latin America and the Caribbean; and
- Western Asia.



### Box 2.1 United Nations Public Service Awards

**Who is eligible?** All public organizations/agencies at national and subnational levels, as well as public/private partnerships and organizations performing outsourced public service functions, are eligible for nomination. Self-nominations are not accepted.

**How to apply?** An application form must be completed online at [www.unpan.org/dpepa\\_Psaward.asp](http://www.unpan.org/dpepa_Psaward.asp), and only online nominations are accepted. Nominations are due in the fall of each year in one of the six United Nations official languages, namely, Arabic, Chinese, English, French, Russian, or Spanish.

**How are winners selected?** On receipt of the applications, the Division for Public Administration and Development Management pre-selects nominations and shortlists candidates, who are asked to submit additional information, including a cover letter, letters of reference, and supporting documents (e.g., evaluation and audit reports, results of client surveys). Short-listed candidates are subsequently considered by the United Nations Committee of Experts in Public Administration (<http://www.unpan.org/cepa.asp>). The Committee advises the United Nations Secretary-General concerning the winners of the Award.

Source: United Nations Public Administration Network – UNPAN

<sup>1</sup> Exceptionally, the 2007 UN Public Service Awards will be celebrated at the UN Office in Vienna during the Seventh Global Forum on Reinventing Government, taking place from 26 to 29 June 2007.

<sup>2</sup> United Nations (2003), Official Records of the General Assembly, Fifty-seventh Session, A/RES/57/277.

<sup>3</sup> See: [www.un.org](http://www.un.org)

## 2. A Look at the UNPSA Winners and Nominees from the Mediterranean Region

The table below outlines each innovation by providing a summary of the winning institution, the initiative, the output, and the impact. Furthermore, it provides information about the submission category and the year of participation.

Box 2.2 United Nations Public Service Awards' Winners and Nominees from the Mediterranean Region							
Country	Institution	Initiative	Output	Impact	Category	Result	Year
Egypt	Ministry of State for Administrative Development	Egyptian Information Society Initiative	The citizen-centric service delivery through one-stop shop; 24/7 access to government services	Increased efficiency in governmental entities, reduced expenditures	Improving the delivery of services	Nominee	2006
	Turkey	Revenue Administration -Tax Office Automation Project	The Revenue Administration Call Center	Enabled citizens to access better quality and more efficient services in a short time	Application of Information & Communication Technology (ICT) in Government: e-Government	Nominee	
Morocco	Autonomous Establishment for the Control and Coordination of Exports	Decentralization and expansion of the quality monitoring process of fruits and vegetables for exports	18 new regional centers; staff recalibration	Enhanced competitiveness of exports	Improving the delivery of services	Winner	2005
Spain	Community of Castile and Leon	Public employment service modernization	Local employment service	Increased job placement in local area	Improving the delivery of services	Winner	
Jordan	Customs Department (I)	Re-engineering operations	Computerized customs system; communication s network	Smoothed border traffic, increased revenue	Improvement of the quality of the public service process	Nominee	
Jordan	University of Jordan	Serving local communities	Mandatory volunteer work by students	Provided assistance to marginalized groups	Improvement of public service results	Nominee	
Morocco	Secrétariat d'Etat Chargé de l'Eau	Providing potable Water to the Rural Population	Facilities for water; Community-based maintenance	Supplied potable water to rural areas	Improvement of public service results	Winner	

Source: Klareskov and Sher, 2007

**Box 2.2 United Nations Public Service Awards' Winners and Nominees from the Mediterranean Region (continued)**

Country	Institution	Initiative	Output	Impact	Category	Result	Year
<b>Egypt</b>	Ministry of State for Administrative Development	Improvement of administrative machinery	Voice mail system, automated fax requests, internet for services	Saved time for citizens, delivered services more uniformly	Improvement of the quality of the public service process	<b>Winner</b>	<b>2003</b>
<b>Greece</b>	Ministry of the Interior, Public Administration and Decentralization	Integrating services into a "one-call shop"	Call center, partnerships with state entities	Saved time for citizens while reducing costs	Improvement of public service results	<b>Winner</b>	
<b>Italy</b>	Public Administration Department for Efficiency in the Administrations	Creating an enabling environment for collaboration among different institutions	Partnerships with business and other levels of government	Promoted best practices in administration. Created networks between public and private organizations for the improvement of public administration	Improving transparency, accountability, and responsiveness in the Public Service	<b>Winner</b>	
<b>Spain</b>	Municipal Government of Alcobendas	Bundling information, transaction, and citizen's inputs	Integrated info service; citizen's card; web portal	Brought services closer to citizens. Facilitated and improved the relationship between citizens and the municipal government	Improvement of the quality of the public service process	<b>Winner</b>	

Source: Klareskov and Sher, 2007

The table below summarizes how each of the cases is presented. The first section briefly summarizes the case. The second section describes the background, the initiative, and its immediate consequences. The third section examines the implementation of the initiative by looking at the strategies employed or the service or products delivered. The fourth section focuses on the possibilities of sustaining the innovation and to which extent it would be possible to replicate the initiative. Finally, the fifth section provides contact information.

**Box 2.3 How are the UNPSA Nominees Described?**

	Section	Question
<b>1.</b>	Brief summary	Briefly describe the innovation
<b>2.</b>	Background	What did the innovation accomplish?
<b>3.</b>	Strategies employed	How was the innovation put into effect?
<b>4.</b>	Sustainability and transferability	How is the innovation being sustained, replicated, or disseminated?
<b>5.</b>	Contact information	Who to contact for more information

Source: Klareskov and Sher, 2007

### 3. Brief Description of UNPSA initiatives from the Mediterranean Region

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#### Establishing a One-stop Shop in Egypt

Egypt (2006)

##### Summary

The E-government program carried out by the Ministry of State for Administration focuses on government-to-government transactions. By integrating nearly fifty government services through a one-stop shop, Egypt has reduced red-tape, increased efficiency, and reduced government expenditure.

##### Background

The E-government program started in 2000 as part of the National ICT plan to integrate government services to facilitate public service delivery. Before this programme, the level of automation was scattered among different government organizations and depended on the support of the head of the organization. Moreover, the concept of new service delivery channels for the government services did not exist. The legislative environment was not ready for handling the electronic data format.

All of these challenges were kept in mind while the E-government program was drafted. The program draft focused on changing government employees' culture about the use of new technology and preparing the needed infrastructure to implement the E-government program, as well as ensuring support by involving the local community in formulating the E-government strategy.

During the past four years, a series of ICT initiatives were begun to facilitate government interaction with citizens. The first version of the Egyptian Government Services Portal "BAWABA" (citizen-centric service delivery through a one-stop shop) was launched, making 53 online governmental services available. The portal is considered the first step toward establishing an Egyptian E-government system that provides 24/7 access to government services. The portal offers a variety of services to citizens and businesses and responds to international queries ranging from simple queries and submission of forms to full-transaction services that require service provider integration. Another widely successful project was the design, implementation, and deployment of a full Enterprise Resource Planning (ERP) system in various ministries and government agencies. The system introduced for the first time the concept of workflow and increased efficiency in government offices.

The application of ICT in government operations also enhanced the development of local government. The project included the simplification and documentation of procedures at the local government level, workflow automation and monitoring, and training of local government employees, as well as a complete remodeling of the municipalities to increase transparency.

## **Innovative Strategies Employed**

### **Public-Private Partnerships**

Strategic E-government projects were funded by public-private partnerships either through cost sharing or complete outsourcing. In the local development program in Alexandria, municipalities have been completely remodeled by the private sector while the government supplied the required hardware, software, and training.

### **Government Commitment to Collaboration**

The new E-government program has allowed for greater coordination among public offices because the government network connects all government offices in a way that allows for a secure and efficient exchange of documents/messages between different entities.

## **Sustainability and Transferability**

To sustain existing services and ensure proper implementation of new integrated services, an E-Government Consultation Center (EGCC) will be established to provide technical support to different entities as well as information regarding process modeling, re-engineering, and service automation.

## **Revenue Administration – Tax Office Automation Project**

Turkey (2006)

### **Summary**

The Tax Office Automation Project (VEDOP) is an E-government project that enables citizens to have fast and easy access to services of better quality. Citizens can submit their tax declarations via the internet. The Revenue Administration Call Center allows taxpayers to access the Administration anytime from any location and obtain answers to their tax queries, which in turn enhances citizens' participation in the project.

### **Background**

The Turkish tax system includes a variety of different tax types with different periods of collection, causing taxpayers to submit tax declarations in person almost three times a month. This results in long waits, crowded offices, and employment of a considerable number of personnel. The Tax Office Automation project was designed to broaden the tax base and bring the informal economy under control to create a more efficient tax system. Moreover, with increased transparency, taxpayers' trust in the fiscal system has improved.

## Innovative Strategies Employed

The VEDOP implementation used the following strategies:

### Use of ICT

Electronic tax collection by banks and financial institutions is enabled by e-Tax collection application; this eliminates any possible error caused by paper-based accrual sheets. In this regard, internet tax offices have also been established:

- **Data Warehouse.** The data warehouse contains tax-related records, mainly from e-Tax returns. Through this data warehouse, the revenue administration can improve the efficiency and effectiveness of the auditing process;
- **Call Center.** Taxpayers can access the revenue administration anytime from any location without dialing an area code to obtain answers to tax questions and provide feedback on tax-related applications;
- **Through e-VDO,** a central tax office has been created to enable taxpayers to retrieve services from any tax office; and
- Approximately 6,600 tons of paper used for printing tax returns will be saved per year, which ecologically equals approximately 117,000 trees.

### Sustainability and Transferability

To ensure sustainability, a modular structure is used to integrate external systems and new applications. The system has a flexible architecture instead of a hard-coded one, which allows rapid adaptation to new legislation and customization. The functions are updated almost monthly according to the feedback and demands both by administration personnel and taxpayers.

Training of key personnel is provided regularly according to changes and technological developments. The revenue administration has an ISO 17799 compliant security policy that is shared at every level of the institution.

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## Boosting Business by Decentralizing the Quality Control of Fruits and Vegetables for Export

Etablissement autonome de controle et de coordination des exportations (EACCE)  
(2005)

### Summary

Decentralizing the quality control of fruits and vegetables for export in Morocco shows that abandoning a previously centralized control system can have a significant impact on the international competitiveness of domestic enterprises.

## Background

Back in 1986, with the creation of the Autonomous Authority for the Control and Coordination of Exports or *Etablissement autonome de contrôle et de coordination des exportations* (EACCE) the quality control of fruit and vegetables intended for export was confined to three regional centers in the port cities of Casablanca, Agadir, and Nador.

About 500 processing plants would forward 800,000 to 900,000 tons of perishable products to these three centers. Products that did not meet the quality standards were either returned for re-processing or were simply rejected, with the rate of rejection ranging between 10 per cent and 50 per cent. Large amounts of food were wasted during the process.

By 2002, however, the number of regional centers had increased to 21. Inspections of the quality of the fruits and vegetables took place at the processing plants, eliminating the previous high costs of transporting the goods and reducing the rejection rate to zero.

With scientific support from a high-tech network of laboratories, the decentralized quality control system has managed to reduce costs and delays of supplies, thus enhancing the competitiveness of domestic corporations.

Recently, the European Union (EU) acknowledged that conformity with marketing standards applicable to fresh fruits and vegetables had been attained, and the EACCE was granted the authority to perform checking operations of fruits and vegetables prior to their export to Europe.

## Innovative Strategies Employed

The EACCE revitalized its staff by improving skill levels and streamlining processes. First, they confined new recruitment to highly skilled employees such as engineers and specialized graduates. They also offered training to existing staff and the possibility of early retirement to those who were eligible. The number of specialized staff increased from 9 in 1986 to 46 in 2003, while the number of administrative staff decreased from 110 to 60 over the same period.

### Decentralization and Enhancement of Control Facilities

Between 1988 and 2002, EACCE opened eighteen new regional centers, bringing critical government services closer to the businesses. In addition to these centers, the EACCE opened laboratories conducting chemical and microbiological analysis and controlling packaging in each primary district of processing. These new control facilities strongly contributed to the improvement of hygiene and working conditions at the plants.

## Public-Private Partnerships

Only through a sustained effort by EACCE, in collaboration with the industry, was it possible for fruit and vegetable producers to gain a stronger position internationally. The EACCE employed a gradual approach to innovation, focusing first on refrigerated products because those would bring the greatest return on the investment. The next stage of decentralization and collaboration between public and private sectors will focus on further innovations to improve quality control and traceability during the processing phase.

## Sustainability and Transferability

The innovations brought about with the efforts of EACCE have spurred other sections of government to do the same. Draft amendments to current legislation, now pending, focus on continuing the decentralization process and encouraging cooperation between private enterprises and the public sector.

BOX 2.4 CONTACT INFORMATION FOR THE INNOVATION FROM MOROCCO	
<b>Name:</b>	<b>Etablissement Autonome de Contrôle et de Coordination des Exportations</b> (Att: Directeur général Benchakroune Saâd)
<b>Address:</b>	72, angle boulevard Mohamed smiha et rue mohamed Baâmrani
<b>Web site:</b>	www.eacce.org.ma

Source: Klareskov and Sher, 2007

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## Improving Employment by Decentralizing Public Employment Services

Community of Castile and Leon  
Spain (2005)

### Summary

Decentralizing employment services from the National Institute of Employment to the Autonomous Community of Castile and Leon engaged the community to strive for better opportunities. A modernization programme introduced new services, revising the organizational fabric.

### Background

In 2003, competencies were transferred from the National Institute of Employment (INEM), an agency under the Ministry of Labour and Social Affairs, to the Autonomous Community of Castile and Leon. Designed with an initial budget of €2.6 million, paid by the State, the modernization programme was launched in 2004 to assist the regional Public Employment Service (ECYL) in achieving full employment while at the same time providing an opportunity for Castilians and Leonese to live and work in the region.



The Autonomous Community of Castile and Leon, the largest geographical region in Europe, with almost 2.5 million inhabitants, is now serviced by ECYL, which promotes employment and training while providing orientation and mediation in the job market.

Taking into account the European Employment Strategy and the Third Regional Plan of Employment 2004-2006, the local government designed a new concept of public service delivery in which human resources would be the principal engine for involving citizens.

The new vision of ECYL established a holistic approach to service delivery, in which the Service Life Cycle (SLC) became paramount. The SLC comprises seven key actions, including job market research in collaboration with private enterprises, public organizations (and various other entities) in 34 of the employment offices in the region, and integration of smaller employment offices in rural areas.

ECYL's Modernization Program of 2004 has succeeded in providing new communication tools and technologies, increasing user satisfaction, and improving results in employment.

### **Innovative Strategies Employed**

The management team used a methodology called RADAR<sup>3</sup> to develop the design, deployment, and assessment of the modernization programme. This method facilitated the analysis and continuous monitoring of SCL's action plan. As part of the RADAR methodology, extensive assessments and reviews were conducted, thus documenting achievements and developing a body of best practices to be used as a foundation for the planned reform in 2005.

Paying careful attention to the individual needs of each job seeker was considered key. Groups that had been out of the job market for a long time were given special attention, and those job seekers were provided with more detailed information about available job opportunities.

### **Sustainability and Transferability**

Because of the careful documentation of the methodologies used to implement ECYL, other employment offices can replicate and adapt the innovations of the modernization programme.

The modernization Programme was extended until the end of 2005, incorporating identified improvements in the actions from 2004 and continuing with the principal vehicle, the modernization team. A budget of almost €4 million was approved to continue this project.

<sup>3</sup> From the Excellence Model developed by the European Foundation for Quality Management (EFQM).

In an effort to improve the regional Public Employment Service even further, ECYL uses benchmarking tools to identify best practices and also maintains contact with other Spanish Public Employment Services to share experiences.

BOX 2.5 CONTACT INFORMATION FOR THE INNOVATION FROM SPAIN	
<b>Name:</b>	<b>Servicio Público de Empleo de Castilla y León</b> (Att: Carlos Teresa Heredia)
<b>Address:</b>	C. Pió del Rió Hortega, 8 - 47014 Valladolid - Spain
<b>Web site:</b>	www.empleocastillayleon.com

Source: Klareskov and Sher, 2007

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## Improving Business by Re-engineering Customer Operations

Customs Department  
Jordan (2004)

### Summary

Through comprehensive re-engineering of processes, application of ICTs, and partnerships with the private sector, the Customs Department has contributed significantly to the improved business and investment climate in Jordan, and the reduction of customs fraud.

### Background

The rapid growth of international trade in the last decade has made the Customs Department in Jordan increasingly important, shifting its role from that of a simple tax collector to a service provider for the related communities. It was therefore necessary to adopt several technical innovations to handle how goods cross the border and to implement new customs rules and international agreements.

One major achievement has been the implementation of the Automated System for Customs Data (ASYCUDA), developed by United Nations Conference for Trade and Development (UNCTAD) in Geneva, to modernize customs administration and procedures. Jordan's customization of the original system into what came to be called JARASH – Jordan's ASYCUDA for Reform, Automation, Simplification, and Harmonization – is considered the most comprehensive adaptation of ASYCUDA worldwide.

The national team of technical specialists in the fields of customs and information technology customized JARASH by arabizing the system, programming duties and taxes, and loading the reference files with local and international codes. This computerized customs system made it easier for compliant importers and low-risk consignments to move quickly through the system.

The V-SAT communications network<sup>4</sup> was another important initiative of the Customs Department. This network connected 36 customs centers with the customs headquarters through 78 telephone lines, enabling officials at individual centers to keep in touch with officials at headquarters without using the national telephone system. The V-SAT also provided 25 computer communication lines at a speed of 64 Kbps, with the quantity being scalable, thus facilitating future interconnectivity (e.g., between individual centers).

A central control room located at headquarters in Amman handles all monitoring. Cameras installed at custom houses control the inspection yards, examination areas, entry and exit gates, and warehouses where goods are stored. The enhanced monitoring has increased revenue between 10 per cent and 30 per cent at certain customs centers. It also is now possible for an official at headquarters or the director of one center to control and guide officials at other centers. The system, which is the first of its kind introduced in the Middle East and only the second in the world, has contributed substantially to reducing smuggling operations and customs fraud.

### **Strategies Employed**

In an effort to create a partnership between the public and private sectors, the Customs Department set up a Partnership Council with the concerned private sector's organizations, which holds monthly meetings to analyse issues of concern. The joint Council has fostered close ties and favorable interaction between the public and private sectors.

The process brought together three different government entities: the Ministry of Finance as the Principal, the Customs Department as the head organization, and the Customs Houses as local entities. To work together effectively, all three understood the importance of information sharing. The three entities were transformed into a cooperative team having common goals and a shared vision.

More than 250 training rounds were conducted initially for the ASYCUDA Project. The purpose of the training was to familiarize the participants with the use of computers in general and that of the system in particular. The training included specialized courses for the project team as well as the administrative, financial, and technical support teams to ensure sustainable operation and maintenance of the system.

At the beginning of 1998, a Customs Training Centre was established. The training programmes were divided into five main fields, including computer training and English language programmes. In 2002, 1,923 employees were trained for service, representing 92 per cent of all customs employees.

<sup>4</sup> Short for very small aperture terminal, an earthbound station used in satellite communications of data, voice and video signals.

## Sustainability and Transferability

The continuing interaction with the private sector through the Partnership Council is one strategy to ensure the sustainability of the efforts. Considering the increased internationalization of the Jordanian economy, constant feedback from businesses is critical.

Furthermore, continuing to decentralize power by delegating authority to the directors of directorates and customs centers will simplify and speed up decision-making and the clearance process. Training of staff, as already mentioned, will ensure the viability and sustainability of the system.

Finally, the involvement of the United Nations Development Programme (UNDP) and their partnership with the Customs Department, in collaboration with UNCTAD as a cooperating agency, is considered a model that could be replicated by other national authorities.

BOX 2.6 CONTACT INFORMATION FOR THE INNOVATION FROM JORDAN	
<b>Name:</b>	<b>Customs Department</b> (Att: Director General Ala`a A. Bataineh)
<b>Address:</b>	P.O. Box 90 – Amman - Jordan
<b>Web site:</b>	<a href="http://www.customs.gov.jo">www.customs.gov.jo</a>

Source: Klareskov and Sher, 2007

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## Teaching Students a Valuable Lesson: Requiring Community Service before Graduation

University of Jordan  
Jordan (2004)

### Summary

By instituting a graduation requirement of 10 hours of community services for each student, the University of Jordan, which is a public institution, has succeeded in sensitizing students to the needs of different communities and providing assistance to a variety of marginalized groups.

### Background

Since its inception in 1962, the University of Jordan has paid close attention to community service in both the capital city Amman and other cities throughout the Kingdom. In its mission statement, the University places emphasis on “community service to Jordan and the region” as well as “interaction among students with the local community.”

In 1999, the University established a Community Service Office (CSO) to operate in accordance with this philosophy by fostering a sense of teamwork, cooperation, and collaboration among the students.

The University has introduced community service as a mandatory graduation requirement for all undergraduates. Students must complete at least ten hours of service under the supervision of the CSO. The aim is for the students to become integrated into the community, learning about its needs and cooperating with its members to find and implement solutions to public problems. Students benefit by becoming more involved and caring citizens, and the community benefits as well from the students' services.

CSO has served communities in many ways: through anti-smoking campaigns, a cancer walk, an anti-drug campaign, tree plantings, "clean-athons," and many different health-related workshops, on osteoporosis, AIDS, and domestic violence. In addition, students have helped throughout Jordan in public hospitals, schools, places of worship, orphanages, and NGOs.

In recent years, the University has also devoted attention to students with special needs. A permanent database of those students needing special assistance has been established, and volunteers have been assigned to provide them with better service.

### **Strategies Employed**

The CSO offers a wide range of voluntary services provided through several ongoing projects. The following projects represent only a part of the full scope of the strategies that the CSO employs:

- In the Smiles planters project, students visit orphans, the elderly, and disabled people weekly to provide psychological, social, and educational assistance. During the month of Ramadan, children in orphanages were taken on field trips and given presents donated by institutions in the community;
- During 2002/2003, the AIDS Awareness and Protection Project trained approximately 100 students on how to raise awareness about AIDS prevention. In addition, 5,000 pamphlets on AIDS prevention were distributed to first-year university students; and
- In 2003, four workshops were conducted under the aegis of the Friend Project to train 113 student volunteers to assist with economically and socially challenged children through "friendship relations." The project is carried out through the cooperation between CSO and the Questscope foundation, a Jordanian non-profit organization.

### **Sustainability and Transferability**

Community service has become one of the prerequisites for graduation. Even more important, however, senior students are responsible and accountable for training

new and junior students to work in different projects, ensuring that the good work of older students will be carried on by each successive class of students. In addition, the university draws attention to this program by honoring students who provide excellent community service.

Several institutions in the community have made requests to the university to cooperate in some of their activities (e.g., ICT, caring for orphans and the elderly). In addition, several students continue to volunteer to work after graduation, and some have started up their own projects to serve the community.

BOX 2.7 CONTACT INFORMATION FOR THE INNOVATION FROM JORDAN	
<b>Name:</b>	<b>University of Jordan</b> (Att: Taghrid Bitar)
<b>Address:</b>	Amman 11942 – Jordan
<b>Web site:</b>	www.ju.edu.jo

Source: Klareskov and Sher, 2007

## Increasing School Enrollment and Reducing Disease by Providing Clean Water to the Rural Population

Secretariat of State in Charge of Water  
Morocco (2004)

### Summary

Through a participatory and decentralized approach, new water-supply facilities have been constructed throughout the countryside of Morocco, establishing access to clean water for more than 4 million people in rural areas.

### Background

In 1995, the Programme for Providing Water to the Rural Population or *Programme d'Approvisionnement en Eau Potable des Populations Rurales* (PAGER) was initiated. Implemented by the Secretariat of State in Charge of Water, the aim is to provide drinking water to 90 per cent of the rural population, which translates to 31,000 villages consisting of twelve million people, by 2007. The cost of the investment is estimated at US\$1 billion, of which the government funds 80 per cent through various means<sup>5</sup>.

Rural communes are responsible for the operation and maintenance of the water equipment, while implementation is undertaken by the Directorate General for Water and the *Office National de l'Eau Potable (ONEP)*<sup>6</sup>. Teams at the provincial

<sup>5</sup> Rural communes pay 15 per cent and users contribute 5 per cent.

<sup>6</sup> The National Office of Drinking Water.

level, consisting of three to four technicians, including one liaison, provided technical capability and assistance as well as education in setting up associations and managing the installations.

The implementation of the PAGER has produced dramatic results. The rural population with access to drinking water has increased from 14 per cent in 1994 to 55 per cent at the end of 2003. Apart from the obvious benefits of clean water and adequate sanitation, such as rapidly declining water-related diseases, PAGER has also had a huge impact on primary school enrollment in rural areas – especially for girls<sup>7</sup>. Similarly, women in rural areas are no longer limited by tasks related to procuring water. Also, 500,000 workdays have so far been created each year because of the proliferation of PAGER projects.

### **Innovative Strategies Employed**

A financial partnership was forged among the State, the rural communes, and the users to implement PAGER. Of the 80 per cent contributed by the State, 25 per cent originated from the general budget, 45 per cent was foreign capital in the form of loans or grants, and 10 per cent was paid by a national fund financed by surtaxes levied on the use of water by urban populations. The 5 per cent contribution by the users might not seem significant, but it was crucial to create ownership among the users and guarantee sustainability of the initiative.

PAGER engaged rural communities by getting them to participate, thus conferring the responsibility of operation and maintenance to the rural communes as primary users of the services. Community members were actively involved throughout the process of establishing installations, by allowing them to express their needs and opinions on the technical proposals. These proposals were the result of a dialogue taking into consideration the circumstances, resources, and organizational capacities of the rural communities.

The process gave the local community a sense of ownership and at the same time prepared them to operate and maintain the installations autonomously. The latter is stipulated in the contract agreed on between the community and the people on one side, and the provider of the services and the State on the other.

### **Sustainability and Transferability**

To secure the sustainability of PAGER and ensure the successful continuation of this initiative, responsibility for operation and maintenance was given to local communities. The contract also defines the prerequisites that must be fulfilled, such as the establishment of an association of users and the collection and mobilization of financial resources before the actual implementation of the project.

<sup>7</sup> The attendance for girls has surged from thirty per cent to 51 per cent because young children, particularly girls, used to have to stay at home to supply their families with water.

To ensure the sustainability and maintenance of the infrastructure, the government has decided to involve the National Authority of Potable Water (*Office national de l'eau potable* – ONEP<sup>8</sup>) in managing the project.

BOX 2.8 CONTACT INFORMATION FOR THE INNOVATION FROM MOROCCO	
<b>Name:</b>	<b>Secretariat d'Etat Charge de l'Eau</b> (Att: Secrétaire d'Etat Abdelkbir Zahoud)
<b>Address:</b>	Rue Hassan Ben Chekroun – Agdal Rabat – Morocco
<b>Web site:</b>	www.matee.gov.ma

Source: Klareskov and Sher, 2007

## Providing Faster Service by Automating Service Request Procedures

Ministry of State for Administrative Development  
Egypt (2003)

### Summary

Continuous efforts by the Ministry of State for Administrative Development (MSAD) have improved service delivery and, in particular, enabled citizens to obtain services more efficiently through the use of ICTs.

### Background

The objective of the MSAD, established in 1976, is to enhance and increase the efficiency of government by adopting new techniques and mechanisms to better serve citizens.

The Egyptian government continually faces the challenge of delivering services efficiently: citizens often experience the frustration of waiting in lines for hours at government offices to pay taxes and fines or to obtain documents such as drivers' licenses or birth certificates. Information on how and where to find rules and regulations has often been hard to obtain.

The government took the first steps to modernize government services in 1998, with the aim of simplifying how it delivers services to customers by introducing new technologies, such as voice mail service, automated fax services, and the use of the internet for requests.

Depending on whether one is within or outside greater Cairo, or even an expatriate, three different service numbers can be used to request services or make inquiries. This system also applies when requesting various application forms, which citizens can then have sent directly to them by an automated fax service.

<sup>8</sup> ONEP is maintaining the system in both rural and urban areas. It charges three Dirhams per cubic meter: however, the poorest families are provided with water free of charge.



Citizens can also use the Ministry’s website to obtain a variety of government services. This efficient way to obtain information and services has since been greatly extended by the government E-government portal.

**Strategies Employed**

Improving services depended on three basic approaches:

- Integrating required papers and documents from citizens and eliminating duplication;
- Specifying the required fees according to laws and regulations, thereby requesting only the minimum rate and ensuring that this fee scale is uniform throughout the country; and
- Indicating the timeframe for obtaining any service.

To achieve these steps, it was necessary to unify rules and requirements by preparing forms for each service. Consequently, any citizen seeking a service receives a receipt listing all the procedures and steps required, the agencies to direct complaints to, and the time necessary for completion.

**Sustainability and Transferability**

The Ministry continues to develop E-government services, thus demonstrating a sustained commitment to innovation and improvement of public services. In January 2004, the Ministry launched the country’s integrated E-Government Portal for online services.

The bilingual portal (Arabic/English) enables all stakeholders to browse government announcements, search for information related to particular services, and access online services all at a single user-friendly “one-stop shop.” The objective is to have most government services available online by June 2007.

The financial rewards of this innovation are one of the best guarantees for sustainability. This initiative, which was developed in collaboration with the Ministry of Communication and Information Technology, is expected to save up to 900,000 working hours a year.<sup>9</sup>

<b>BOX 2.9 CONTACT INFORMATION FOR THE INNOVATION FROM EGYPT</b>	
<b>Name:</b>	<b>Ministry of State for Administrative Development</b>
<b>Address:</b>	Salah Salem Street – Nasr City, Cairo – Egypt
<b>Web site:</b>	www.edara.gov.eg

Source: Klareskov and Sher, 2007

<sup>9</sup> According to the Suez Canal University.

## Obtaining Official Documents Made Easy by Integrating Services into a “One-Call Shop”

Ministry of the Interior, Public Administration and Decentralization  
Greece (2003)

### Summary

By establishing the 1502 Call Centre, Greece integrated services into a “one-call shop” and made it easier for citizens to obtain common official documents without having to leave home or the office. By giving citizens the opportunity to submit their applications over the phone, the disabled, the elderly, and other physically challenged groups are no longer disadvantaged in obtaining certificates.

### Background

The 1502 Call Centre was first launched in February 1998. Initiated by the Directorate of State-Citizen’s Relationship of the Greek Ministry of Interior, Public Administration, and Decentralization, the service provides citizens with certificates and other administrative documents through a “one-call shop.”

Initially, the service provided only the four most frequently requested certificates.<sup>10</sup> That number has since increased to 21, however.

By the end of 2001, citizens submitted more than 870,000 applications, and as of September 2003, the Call Centre had received more than 2,860,000 calls, while the total number of applications rose to 1,430,000.

### Strategies Employed

In integrating services by consolidating operations into a single point of entry, the 1502 Call Centre has significantly enhanced public service delivery. It is much faster, cheaper, and more convenient to move forms around electronically and by fax rather than moving citizens around from office to office.

The process begins as soon as a telephone request is received by a special service of the National Telecommunication Agency (OTE), where operators provide information about available services and current procedures. Standardized electronic forms are used to fill in the applicant’s data, which is immediately transmitted online and by fax to the appropriate agency. The agency then issues the document and sends it to the citizen’s postal address by registered mail.<sup>11</sup>

The agencies are required to take swift action within a specific timeframe. If the stipulated deadline is not met, users may appeal to a special commission of the

<sup>10</sup>Criminal/police records (30 per cent); recruitment status (fifteen per cent); birth, death, marriage, and family status (10 per cent); and passports (5-8 per cent).

<sup>11</sup>There are some exceptions: In the case of passports, certain documents still must be provided in person.

relevant region or to the Ministry of Interior, Public Administration, and Decentralization for compensation.

The Ministry has made special arrangements with OTE and the Postal Services to keep the prices of the services affordable for the public. Through OTE and the Postal Services partnerships with state agencies, and using simple and existing telephone and telecommunications technology, the 1502 Call Centre has made government services accessible to nearly everyone. The only barrier is access to a telephone.

**Sustainability and Transferability**

Since its launch in 1998, the 1502 Call Centre has experienced a tremendous growth in scope and scale, from four to more than 20 different documents. The number of applications submitted has been steadily growing over the years. An evaluation made by the National Center of Public Administration assessed user satisfaction and found that:

- 82 per cent said they were satisfied with the delivery time;
- 94 per cent received the requested documents in a timely fashion;
- 88 per cent expressed an overall satisfaction with the operation of the system;
- 95 per cent agreed that the initiative was very useful; and
- 98 per cent said they would use the system again.

In 2004, a new law (Law 3242/04) was introduced to simplify administrative procedures. The law provides that several official documents within public agencies would be issued automatically, without citizens needing to take action at all. For example, a citizen hired in the public sector will no longer have to procure a criminal record to document his or her status. Instead, the employers would have to conduct these inquiries on their own.

So far, the new law applies to 26 certificates, which could gradually diminish the necessity for the public to use the 1502 Call Centre. Whenever citizens do need documents, however, the call centre still makes the process simpler, faster, and easier.

BOX 2.10 CONTACT INFORMATION FOR THE INNOVATION FROM GREECE	
<b>Name:</b>	<b>Ministry of the Interior, Public Administration, and Decentralization</b> (Att: Marina Saraki)
<b>Address:</b>	Vas. Sofias 15 – 106 74 Athens – Greece
<b>Web site:</b>	www.ypes.gr

Source: Klareskov and Sher, 2007

## Creating a Department Open to Innovation in Public Administration

Public Administration Department for Efficiency in the Administration  
Italy (2003)

### Summary

Undergoing a transition from “regulator” to that of “facilitator,” the Public Administration Department for Efficiency in the Administration (PADEA) has reinvented itself as a facilitator for cooperation and understanding between administrative institutions, as well as a “coordination centre” (cabina di regia) for innovation in administration directly involving citizens and businesses.

### Background

In 1983, the Department for Public Administration (PAD) was set up as part of the Prime Minister’s Office in response to the modernization needs of the Italian public administration. Renamed the PADEA in 2001, the Department has traditionally been a central authority within the State, governing public administration through unilateral acts such as laws, regulations, and circulars.

Although there have been reforms in the past decade, changes in the institutional and administrative system increased the demand for further reform. For example, the EU has assumed several important functions, and others have been transferred from the State to the regions and local bodies. At the same time, the call for improving the conditions of the private sector and the market has been growing.

In response to this call for reform, PADEA has gradually been transformed into a facilitator for cooperation and understanding between administrative institutions, as well as a coordination centre for administrative innovation for citizens and businesses.

Today, PADEA is committed to modernizing its functions through consensual methods, encouraging various government agencies to work together to reach agreement. The objective is for all the stakeholders of any innovation to share goals rather than perceive them as rules imposed on them.

### Strategies Employed

PADEA has sponsored three different projects aimed at creating a network of operators who actively collaborate for the improvement of public administration and services. The operators compare and exchange good practices and are encouraged to adopt the latest management techniques used in the private sector. PADEA has created a knowledge management and diffusion system through websites dedicated to the three main projects, where the interested parties obtain information and exchange experiences:

- The Quality and Efficiency Project is a plan of collaboration with major business organizations for the establishment of working groups to promote efficiency and quality in public administration. One working group, for example, is involved with analyzing outsourcing functions and services;
- The Governance Project is aimed at initiating agreements among ministries, regions, and local bodies to plan and implement systems that facilitate effective public administration. An observatory has been established to collect examples of systems of governance already in use throughout the different administrations, as well as a laboratory identifying general models and methodologies for governance systems to be used for select experimentation; and
- The Cantieri Project provides coordinated central government support for innovation in the public sector. It encourages and assists innovation in public administration at the regional level, in local bodies, and in other public organizations. For instance, a self- assessment tool<sup>12</sup> has been developed to help local administrations analyse conditions and evaluate processes.

### Sustainability and Transferability

Two innovations serve as support structures for transferability to other administrations. First, technical desks were established for support of working groups to implement agreements and understandings, and second, guidebooks and guidelines have been drafted by learning laboratories.

Local authorities have begun to share know-how and experiences or to communicate expertise in specific fields. Among the first examples are agreements signed between the regions of Puglia and Lombardy, as well as the provinces of Milan and Lucca, the latter being specific to the implementation of management control.

Training through seminars, distance learning, and professional communities is also central to the spread and transferability of the initiatives. In the this regard, PADEA has initiated an important programme for strengthening two of its principal training institutes, School of Public Administration, and Formez, both of which are directly involved in the implementation of the three projects.

BOX 2.11 CONTACT INFORMATION FOR THE INNOVATION FROM ITALY	
<b>Name:</b>	<b>Dipartimento della Funzione Pubblica per l'efficienza della amministrazioni<sup>13</sup></b> (Att: Stefano Pizzicannella)
<b>Address:</b>	C.so Vittorio Emanuele, 116 – 00186 Roma – Italy
<b>Web site:</b>	www.funzionepubblica.it

Source: Klareskov and Sher, 2007

<sup>12</sup>Integrated Evaluation of Change (VIC).

<sup>13</sup>Now called Ministry for Reform and Innovation in Public Administration (Ministero per le Riforme e le Innovazioni nella Pubblica Amministrazione)

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## Bundling Information, Transactions, and Citizens' Inputs

Local Council of Alcobendas

Spain (2003)

### Summary

The *Información, Tramitación y Atención Ciudadana en Alcobendas* (ITACA) Project was launched to facilitate and improve the relationship between citizens and the municipality. The project is a customer-oriented approach to integrated local service delivery, based on the application of ICTs, including a new integrated ID card, a website, and 24-hour telephone service.

### Background

In 1995, the local council began work on a strategic plan for the modernization of the municipality of Alcobendas, a part of the autonomous community of Madrid, Spain, with about 100,000 inhabitants and almost 1,200 employees in the public service.

In 1997, the initial stages of ITACA were drawn up, and in 1999 the project was formally launched. In 2003, the second stage of the ITACA followed shortly after as part of the Municipal Action Plan (PAM).

The project's aim is to facilitate and improve the relationship between citizens and the municipality by simplifying the tools that citizens use to obtain information and communicate with public institutions. The first stage of the project focused on three basic services for citizens: the Alcobendas Card, an expanded website, and an integrated 24-hour telephone information service, called *Servicio de Atención Ciudadana* (SAC).

The Card, marketed as the "the local Council in your pocket," has drawn the most attention. It provides a free-of-charge form of personalized identification and allows for interaction and the exchange of information with other cardholders. The card will gradually eliminate the need for different local ID cards by bringing all services together, cutting waiting time for citizens down to an average of less than four minutes when personal attention is required. Furthermore, the card provides universal access to ICTs at the recently established self-service points. In 2004, more than 16,000 Alcobendas Cards were handed out, and 16 self-service and administration points were established.

The expanded website has seen the number of visitors increase almost tenfold, from about 27,000 in 2000 to approximately 267,000 in 2003. As a result, in the same period, the government was able to handle many more citizens' problems: 125,000 cases in 2002 compared with only about 85,000 in 2000.

Furthermore, the introduction of the 24-hour telephone service resulted in a tripling of phone calls to the Alcobendas government – from about 24,500 in 2000 to almost

88,000 in 2003, with a high customer satisfaction rate. A study conducted in that respect in 2003 by the Research Department revealed that the overall rating of the municipality scored close to 8.7 out of 10, with the behavior of the staff scoring well above the overall rating.

### **Innovative Strategies Employed**

The Alcobendas card used new technology to integrate several other cards into one and improve access to services through a secure system guaranteeing the citizen’s privacy.

The improved web portal took advantage of internet technology, which 34 per cent of the municipality’s population, excluding students, already accessed regularly, to extend delivery of information and services to a major part of the population. The interactive portal offers services such as a guide to living in the municipality, customer service, information on services offered, and proceedings of the municipality, as well as information on local media sources and associations – all in real time (INFOCIUDAD).

By providing a 24-hour telephone information, integrating information and services for citizens, enlarging and decentralizing existing offices (where possible), and expanding office hours to afternoons, evenings, and Saturdays, the municipality was able to integrate services and offices, increase accessibility, enhance the quality of service, and reduce waiting times.

### **Sustainability and Transferability**

Other local councils and regional administrations have already adapted elements of the approach employed by the municipality of Alcobendas. Further expanding these initiatives within the framework of ITACA, the municipality has enhanced functions of the Alcobendas Card, extending services to professionals and companies and instituting new systems of payment, text messaging to mobile phones, teleconsultation, and participation, as well as developing a new multi-portal platform.

<b>BOX 2.12 CONTACT INFORMATION FOR THE INNOVATION FROM SPAIN</b>	
<b>Name:</b>	<b>Ayuntamiento de Alcobendas</b> (Att: Eloy Cuellar Martín)
<b>Address:</b>	Plaza Mayor no. 1 – 28100 Alcobendas Madrid – Spain
<b>Web site:</b>	<a href="http://www.alcobendas.org">www.alcobendas.org</a>

Source: Klareskov and Sher, 2007

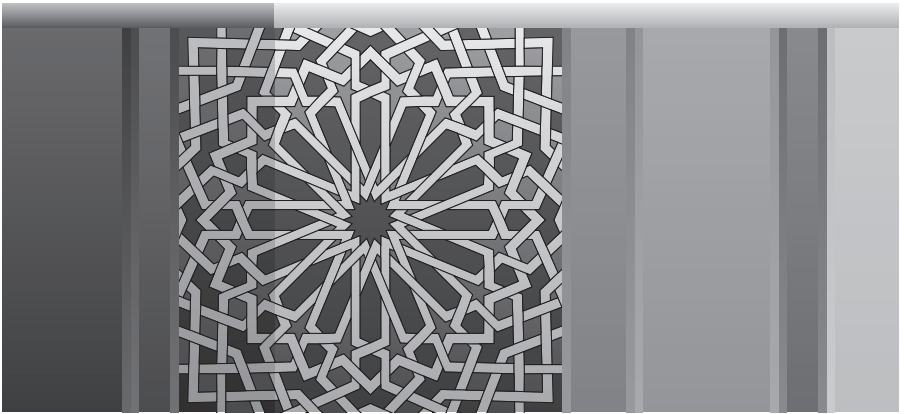
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## Part Two

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Case Studies on Innovation in Public Administration from the Middle East, North Africa, and Western Balkans



Map 3.1 **Selected Types of Innovation in Governance in the Middle East, North Africa, and Western Balkans**



**1.** Conceptual innovation with a particular focus on engaged governance

- Albania
- Turkey

**2.** Organizational and management innovations in traditional bureaucracies

- Jordan
- Egypt
- Lebanon
- Morocco
- Tunisia

**3.** Process innovation to improve service delivery with a particular focus on ICT

- Croatia
- Syria

**4.** Institutional innovation in post-conflict countries

- Bosnia and Herzegovina
- The former Yugoslav Republic of Macedonia

# Eleven Innovations in Governance in the Middle East, North Africa, and Western Balkans: A Synopsis

*By Vilhelm Klareskov and Dimce Nikolov*

## 1. Introduction

Innovation in the public sector for most of the Mediterranean countries is a relatively new challenge but, as shown throughout this book, change in public administration is taking place at a growing rate and is contributing to improving the lives of people across the region.

Important governmental change can take years, even decades, but even the biggest, most ambitious projects must begin with a first step. The first step toward positive change in governance is to share those innovative experiences that have succeeded and made a difference in one country already. This chapter provides a brief overview of eleven case studies, which are presented in more detail in the following chapters. Our aim is not simply to praise those who have carried out successful innovations in the way they govern, although they certainly deserve that. It is also to reveal how they did it so that others can pick up ideas and perhaps follow in their tracks.

## 2. Four Types of Innovation

In analyzing these successful case studies, we have observed that they fall under one of four broad types of innovation. The case studies are therefore presented according to those four types:

1. Conceptual innovation, with a particular focus on engaged governance;
2. Organizational and management innovation in traditional bureaucracies;
3. Process innovation to improve service delivery with a particular focus on ICT; and
4. Institutional innovation in post-conflict countries.

### 2.1 Conceptual Innovation with a Particular Focus on Engaged Governance

For a government to be responsive to its citizens, it must be able not only to communicate what it expects of its citizens, but also to listen to what citizens want and need. The public sector must stay in touch with the views of its people; equally important, it must be willing to share information with the public.

The challenge of engaging citizens and encouraging local participation can be approached in a variety of ways. For example, Albania started on a small scale, using local stakeholders to rate the maintenance of the schools. Turkey took another innovative approach, encouraging sustainable and inclusive development on a local level.

## **Albania**

*In 2003, Albania* launched a pilot project, rating the maintenance of schools in seven municipalities according to a new technique called Trained Observed Rating (TOR). The transition from a previously centralized system to one in which local entities took on the responsibility of maintaining and operating primary and secondary public schools left municipalities and communes with a challenge. Municipalities had to ascertain how best to allocate a block grant from the state budget to its various schools to maintain standards of health and safety. To meet the standards stipulated by the Ministry of Education, while at the same time setting priorities for the limited education budget, the municipality of Pogradec, in a pioneering endeavor, designated a project team to evaluate and rate schools by applying commonly agreed-on standards on the conditions of roofs, walls, doors, windows, etc.

TOR set up uniform standards by which to judge the condition of any school, which enabled local governments to quantify their evaluation of school conditions. Comparisons can be made among conditions in different neighbourhoods at any given time or among school conditions in the same neighbourhood or the whole community at different times, to measure changes. The rating system is set out clearly with photographic guidelines: several pre-selected photographs show typical conditions (from poor to excellent) of different school elements.

These photographic guidelines make training observers easier and also ensure that the ratings of any trained observer will be objective. When trained observers go out to evaluate a school, they can compare the actual conditions under observation to the photographic or written guidelines, to determine which rating to assign. Use of the guidelines increases the likelihood that anyone using them will come up with comparable ratings. Other team members or interested stakeholders can therefore readily understand and agree on these ratings, particularly when shown the objective guidelines used for making them.

Once these observers rated the conditions at the various schools and cost calculations were made on making improvements, the city then organized an open meeting with teachers, parents, and pupils, as well as other interested members of the community. They openly discussed the state of different schools and the rating of priorities. Ultimately, several improvements were identified and funds were allocated. The opinion of the participating stakeholders generally matched that of the TOR. After the open meetings, working groups representing each stakeholder group reviewed the results and allocated the available funds from the municipality and the ministry.

The pilot project was later extended to nine schools in Pogradec and to six other cities and communes in Albania. Stakeholders prioritized the problems and allocated the available funds to those who needed it most, as was done in the pilot project. Citizen participation helped make the optimal use of the funds available. Ultimately, each pilot city reviewed and analysed the experience. A joint working group from all cities involved then produced a Guidance Document for the Ministry of Education and Science, which in November 2004 led to the establishment of a national working group.

## **Turkey**

Spurred on by the United Nations Conference on Environment and Development (the Earth Summit) held in Rio de Janeiro in 1992, Turkey launched innovations in local government to bring global concerns to the local level. With a program called Local Agenda 21 (LA-21), which encourages local stakeholders to get involved in decision-making processes that were once centralized, Turkey is paving the way for a new local governance model.

Building on the achievements of the project called Promotion and Development of LA-21 in Turkey, encompassing several pilot cities of varying sizes from all over the country, Turkey embarked on a follow-up project in January 2000 entitled Implementing LA-21 in Turkey. Basically, the aims of LA-21 processes are to engage and give voice to local communities to achieve sustainable development and improved service delivery. Partnership in the LA-21 Program (launched and coordinated by the United Cities and Local Governments, Middle East and West Asia) is open to all local authorities in Turkey.

Because most of the local stakeholders in Turkey had few opportunities to participate in government or discuss global agendas, the first step was to raise awareness about LA-21 processes through symposia at the city/province level. The partnering local authorities were encouraged to invite all potential constituents of the City Council and interested citizens so that local stakeholders would receive first-hand information on the concept and practical implementation of LA-21. Other partner cities are also invited to present their LA-21 activities to the host city.

Next, a facilitation team was set up to coordinate the establishment of the City Council, working groups, and other platforms. Each platform develops its own means of functioning, drawing on the relevant experience of other partner cities.

Under the guidance of LA-21, local communities in Turkey achieved several goals: to strengthen the participation of women in social, economic, and political spheres through a participatory approach; to provide services to minority groups by the establishment of neighbourhood service chambers; to offer training and health services to disadvantaged women; and to sustain historical and cultural heritages by engaging citizens. Thus, based on community participation, involvement of local

stakeholders, establishment of local partnerships, and decentralization of local decision-making processes, the LA-21 Program is paving the way for a new local governance model in Turkey.

## **2.2 Organizational and Management Innovations in Traditional Bureaucracies**

Traditional bureaucracies – once thought of as solutions to problems such as nepotism, patronage, and cronyism – have now come to be viewed as problems themselves. In an increasingly complex and fast-changing world, bureaucracies move too slowly and sometimes cost too much. The challenge today is to preserve the fundamental principles of public administration in the Weberian sense while introducing some flexibility and innovative ways of organizing work in the public sector. More and more, countries recognize that to improve delivery of services – innovations in human resource management must occur.

Whether this involves turning around an underperforming state-owned enterprise in Egypt, professionalizing systems to manage human resources in Jordan, changing to functional differentiation in organizational setups in Lebanon, or rightsizing the public sector through attractive severance arrangements in Morocco, the common denominator is that the public sector must search for innovative ways to manage staff and organize human resources to become more efficient and responsive to its citizens.

### **Egypt**

In Egypt, recent reforms in Telecom Egypt (TE) provide valuable lessons in turning around a state-owned enterprise. Previously, the telecommunications infrastructure in Egypt was considered unusually substandard. Millions of customers were on waiting lists for landlines, and others were not even considered for service because they were out of reach of the telecommunications network. The obstacles to an effective system were easy to identify: a centralized, hierarchical structure for approvals, a lethargic culture, no marketing department, very little sensitivity to customer service, and overstaffing with unskilled and unmotivated employees having poor managerial skills.

The obstacles might have been easy to identify, but the solutions would take more work. In 2003, TE embarked on an extensive and innovative management reform that also included strategic alliances to hedge the company against uncertainty. TE began by downsizing staff through reviewing the number of employees, building a detailed cost structure model to allow the company to position itself in future tariff renegotiations with the National Telecommunication Regulatory Authority (NTRA), implementing highly effective and efficient human resources through intense and effective training programs, establishing better financial reporting systems, and addressing market competition locally through a strategic planning unit and internationally through studying overseas incumbents.

Recognizing the significant role played by human resources in the success of TE, the company set up several specially designed training programs to develop the capacity of its management team and motivate its workforce. For instance, in 2003 a full-time Leadership Development Program was initiated for 25 of the key managers with identified leadership potential. The company also provided over 200 skill-based training sessions delivered by widely acclaimed international corporations to more than 7,000 of TE's specialists and service-based employees. In 2003, a new salary structure was introduced to enhance the motivation of existing staff and to attract the best new talent. Non-monetary benefits were offered as well, such as social and cultural programs.

In 2004, the number of subscribers to TE grew to 9.2 million, which was an increase of 9.5 per cent from the previous year. Similarly, revenue was up 15 per cent. Overall, productivity improved from 2000 to 2005, going from 105 lines per employee to 220, and waiting lists were eliminated.

### **Jordan**

In Jordan, the Jordan Institute for Standards and Metrology (JISM) won the King Abdullah II Award for Excellence in Public Performance and Transparency in 2003. Established as an independent entity from the Ministry of Industry and Trade in 1994, JISM recently set out to professionalize the management of the human resources in the Institute.

JISM has adapted a strategic approach to human resources management by linking all processes, starting with recruitment and placement to training, promotion, and succession. Each employee in every job is provided with career planning, job development, and training. In creating an annual training plan, nominating staff to participate in either individual or group training, and implementing in-house training programs, the Institute ensures successful succession planning as well as the retention and transfer of knowledge among staff.

Each employee enters into an annual performance agreement in which both the appraiser and appraisee both agree on the objectives and results to be achieved. Such an agreement is subject to periodical review to ensure commitment and provide assistance. Based on this performance management system, JISM offers the payment of an incentive equal to one month's salary for staff graded with the top mark. Furthermore, the company uses competitive tests to select the best talent for different position categories ranging from management and professional to administrative and support positions.

For the 2003 Awards, the Drivers and Vehicles Licensing Department (DVLD) finished as runner-up. The Department, with a unit in each of the 12 Governorates, was established as an independent entity in 1968.

The DVLD worked to eliminate any duplication of services in all its centers through close application of the issued legislation already distributed to all sections. No em-

employee may exceed or override the stated articles. In addition, the Department prepares a procedural manual and unified forms that is circulated to all sections involved in service delivery. The DVLD also trained employees to carry out services promptly and accurately, and computerized all transactions, including the fees system. All of these innovative activities are subject to close monitoring, follow-up, evaluation, and accountability to ensure the best quality of service.

Private sector organizations (e.g., driving training centers, insurance companies, car dealers, and bank representatives), contribute directly and indirectly by coordinating with the DVLD. Local communities, including universities, schools, and the private sector, also contribute to the enhancement of service provision through various methods, such as traffic awareness lectures, studies, and research.

The Department also exchanges success stories with other organizations. Some of the most noteworthy are the E-government license tracking system with Ministry of Communications and Information, the violations project with Greater Amman Governorate, and the environment-cleaning project with Ministry of Environment.

The DVLD has also expanded its hours of operation to meet the needs of all citizens. Services are available not only on weekdays but also on Saturdays, which formerly had been considered a formal holiday.

The Department uses both quantitative and qualitative indicators to increase the efficiency of services, gathering daily statistics, conducting inspections, and issuing reports on whether deals and transactions have been handled quickly and accurately. It also evaluates letters of appreciation, newspaper articles, and other more qualitative measures to gauge citizens' satisfaction.

## **Lebanon**

In Lebanon, the Ministry of Finance (MOF) has introduced new tax-policies along with organizational change in several offices. Launched in 2002 as part of wider tax-policy reforms, the Value Added Tax (VAT) was implemented to widen the tax base, modernize the taxation system, develop the economy, and satisfy international and regional trade obligations, some of which require eliminating customs on imported products.

Because many taxpayers and consumers were not convinced of the benefits of the VAT, the MOF used hotlines, websites, and bulletins to provide information and answer queries. By further customizing internationally proved systems to the local requirements and circumstances and by setting up training for the staff of the newly established Directorate, MOF was able to implement the new policy. As a result, VAT collection rose almost 60%, from approximately LL 289,000 billion in the first quarter of 2003 to over LL 457, 000 billion in the third quarter of 2004.



To improve efficiency even further, reforms also included reorganizing the Directorate of Revenues (DOR) by establishing the Large Taxpayer Office (LTO) and the Tax Roll Unit (TRU). Previously, DOR, according to decree, was organized by tax type. With the reorganization, this was changed to a function-based set-up, in which single administrative units perform functions common to different tax types. With these organizational changes, a new integrated tax administration system was established, called the Standard Integrated Government Tax Administration System (SIGTAS). In addition, the Custom Administration and the Directorate of Land Registration implemented organizational changes that are presented in greater detail in the chapter on Lebanon.

## **Morocco**

Morocco's innovation to reinvigorate the public sector involved implementation of a voluntary retirement scheme. Suffering from constantly increasing wage expenses in a bloated public sector, the Ministry of Public Sector Modernization (MMSP) was handed the task of rightsizing the public sector through voluntary departure.

The program, called *Intilaka* (departure), was the second attempt at balancing staffing needs in the public sector. The first attempt in 2004 was far from successful. MMSP was too limited and under funded in launching an awareness campaign, and it fell noticeably short of the projected targets of 60,000 voluntary departures. In fact, fewer than 1,000 civil servants signed up to leave.

Morocco did not repeat these earlier mistakes. The *Intilaka* program widened the scope, offered more attractive retirement packages, and employed an extensive public relations campaign to raise awareness of the initiative through advertisements in the press and television spots. The program presented the options positively, as an opportunity for civil servants to enter the private sector. Help also was provided to early retirees to move into the private sector: agreements were signed with commercial banks to offer financing of business projects at discounted rates; the Ministry of Industry, Commerce, and Handicraft helped retirees develop business plans and proposals.

The retirement packages also were made more appealing. Selected candidates were offered a tax-free indemnity equal to 45 days (one and half month's) salary for each year of service, up to a maximum of 36 months. The indemnity could not exceed 50 per cent of what an employee would have received until retirement.

In addition to the indemnity, early retirees (who met certain criteria) would benefit from a monthly pension equal to 2 per cent of the salary until the age of 60, and 2.5 per cent after age 60. A prerequisite for the pension was to have contributed for a given period to the pension plan: 15 years for women, and 21 years for men. Those who did not meet those criteria would get to retrieve all their contributions into the pension plan with CMR, the public sector pension fund.

Completed in June 2005, some 38,000 civil servants, or close to 7.5 per cent of the employees, took part in the voluntary departure program. One half of these worked in Rabat and Casablanca, two of the largest cities in Morocco, which previously were characterized by excessive numbers of public administration employees. As a consequence, Morocco expects to save MAD 2.2 billion in 2005, 5 billion in 2006, and 5 billion in 2007.

Successful rightsizing, however, is only one part of a successful, comprehensive reform of Human Resources Management (HRM). MMSP also is implementing additional plans, including limiting recruitment, redeploying existing staff, revising salary-grid and promotion systems, and simplifying personnel statutes.

### **2.3 Process Innovation to Improve Service Delivery with a Particular Focus on ICT**

As the United Nations World Public Sector Report 2003 points out,<sup>1</sup> the use of internet-based services as a way to cut red tape has spread rapidly throughout public sectors in recent years. A further benefit is that the Internet can also provide a means of advancing and consolidating transparency and democracy in the overall practice of public administration.

#### **Croatia**

In Croatia, the collaboration among judges, law professors, lawyers, and law students has created a web-based legal information infrastructure, called the Judges' Web, to improve the transparency and efficiency of Croatia's judicial system. Initially established in 1999, an on-line searchable database of judicial rulings was launched in May 2001.

The Judges' Web offers a comprehensive database that allows judges (and other interested parties) to access rulings quickly, thereby allowing judges to take into account legal precedents when making their own decisions. The website also offers practical information on court operations (e.g., telephone numbers, hours, offices in courts) as well as a search engine to locate courts by village, city, municipality, or country.

Judges are asked to submit their rulings to the Judges' Web, where a team of legal experts analyses the information and categorizes the data by criminal, civil, and commercial cases; they then edit the decisions, removing all names and other personal information from the files. Each ruling is then archived according to the law or ordinance under which the decision applies. If a decision changes after an appeal, the updated information is added to the database.

The Judges' Web database has expanded in both quantity and quality. Some of the most well-known and respected judges in Croatia have contributed their deliberations and opinions to the database system. The program continues to grow, and the

<sup>1</sup> See: [http://www.unpan.org/dpepa\\_worldpareport.asp](http://www.unpan.org/dpepa_worldpareport.asp)

Judges' Web has now introduced a new feature to the website that allows legal professionals to comment on case law.

The project had to overcome several obstacles to achieve its present success. First, the lack of cooperation and understanding from state officials during the development and implementation posed a challenge. Second, there was little support in obtaining data needed to make the database comprehensive. Third, some judges and other members of the judiciary were not willing to publish their work.

Despite these challenges, in 2004 the Judges' Web increased the number of court decisions entered into its database and extended its services to 95% of all municipal and county level courts in Croatia. By the end of 2004, the database had grown to include over 4,200 verdicts from courts throughout the country.

The program has helped increase the transparency and accountability of Croatia's judicial system, as well as citizens' confidence in the country's judicial process. The Judges' Web, a non-governmental initiative, is considered one of the most effective innovations in the judicial system in Croatia. Its efforts have been praised by the Ministry of Justice and regarded as so successful that the project has been incorporated into the overall legal reform strategy.

## **Syria**

In Syria, one successful recent reform was modernizing the administration by computerizing the civil records system. The project finished ahead of schedule in 2004 and also provides insights into the challenges of managing the transition from paper to paperless record keeping.

Syria's undertaking, to transform public records into digital form to provide fast, easy access to demographical and statistical information for both private and public institutions as well as individual citizens, was no small matter. This project had to handle civil records dating back to 1920 (the year of the first census) that were kept in local archives distributed throughout 286 centres scattered around the country.

The project included digitizing and maintaining the civil records of the Administration of Civil Records Administration and those of the Immigration and Naturalization Administration. The Ministry of Interior maintains all immigration, passport, and police records as well as issuing identification cards, family records, drivers' licenses, and passports.

The key strategy for providing access to civil and legal records was to give each citizen a National Number as an indexed key for all civil and legal records. Once the number is provided, it is available for use by all official entities to verify civil and legal records without the need for obtaining the record from the Administration of Civil Records. The ability to link other records (e.g., driver's license, passport, mil-

itary service records) makes it easier for individual citizens and official organizations to verify and authenticate personal information.

It has also reduced redundancies that previously resulted from, for instance, registering the wife's record in the husband's centre records without removing the wife's record from her family centre. The new streamlined system has 15 million records compared with the 26 million dating from the 1920s.

Utilizing PDN technology<sup>2</sup>, the national network connecting all the centres became fully operational by the end of 2004. The whole system was designed as web enabled and although it is now operating as an intranet, it is easy to upload the services over the Internet. Another benefit of this design is to increase security and decrease chances of losing data as it is distributed over the centres' servers. In addition, backup measures were designed to maintain fully operational up-to-date records in case of natural disasters and system failures. Finally, interactive (mirror) servers were installed in some municipalities for backup and services purposes.

To take further advantage of the efficiency of each citizen's having a national number, the Ministry of Interior is issuing a new identification card with the National Number on it, in written and bar code formats. In addition to civil records being digitized, legal (criminal) records were also fully automated and put into active service in June 2004. Through the new system, all police records can be obtained from any centre, without the need to travel.

## **2.4 Institutional Innovation in Post-conflict Countries**

An important issue and concern for societies emerging from war and civil strife is how to avoid slipping back into the patterns that led to conflict in the first place. One element in this precarious path away from tension and mistrust is to develop and strengthen sustainable state institutions that guarantee basic human and civil rights and contain clauses with sufficient teeth to be invoked successfully.

The introduction of the Civil Service Law in Bosnia and Herzegovina, and in particular the establishment of a civil service agency, created to regulate the recruitment, promotion, and remuneration of civil servants in government institutions, is one example of a crucial measure taken to acknowledge and accommodate the diverse ethnic composition of the population. Similarly, in The former Yugoslav Republic of Macedonia, the introduction of the Ohrid Agreement has been a successful attempt to reconcile ethnic tensions through an equal representation of ethnic minorities in the public sector.

### **Bosnia and Herzegovina**

In Bosnia and Herzegovina, the adoption of the Civil Service Law in 2002 announced the beginning of a process to establish a professional, merit-based civil

<sup>2</sup> PDN technology: Public Datacomm Network.

service aimed at providing unbiased expertise and professional continuity in the state-level institutions. In particular, the adoption of the law paved the way for the establishment of the Civil Service Agency.

These innovations were critical to help stabilize the nation, which was still divided after the war. The country was still divided into two entities (the Republic of Srpska and the Federation of Bosnia and Herzegovina, which is further divided into ten Cantons), with exclusive rights being granted to each constitutive ethnic group to dominate and govern the territories under their control.

In the post-war period, the human resource management system in the state-level institutions of Bosnia and Herzegovina was supposed to be governed by the Law on Public Administration of the Republic of Bosnia and Herzegovina, passed in 1993. This Law was applied only among those forces in common institutions that recognized the Republic during the war, however. Thus, the division based on ethnic background and existing political conditions proved an obstacle for the functioning of the State.

The establishment of the Civil Service Agency has marked a new beginning. The agency was conceived as the backbone of the civil service and the guarantor of the implementation of the new Civil Service Law. The agency, which became operational in February 2003, reports directly to the Council of Ministers and enjoys support from the Office of the High Representative in Bosnia and Herzegovina, thus enabling the agency to avoid the influence and pressures of government ministries and special interest groups. The agency is entrusted with numerous tasks and responsibilities, such as the recruitment process, establishment of the Personnel Central Registry, training and development of civil servants, disciplinary proceedings, and support to institutions in developing human resource policies.

The new agency's beginning was not quite welcomed among employees of the state-level institutions, however, in particular, the process of reviewing all posts in the civil service has caused some resentment among state employees. For instance, 54 employees were found to be employed in violation of existing legislation and hence subject to dismissal; roughly 20 per cent of personnel files were incomplete because of, for example, missing documentation on requirements for employment. In addition, the new staff in the Civil Service Agency is facing a huge challenge simply keeping up with the demands of running daily operations, such as reviewing and amending legal documents prepared by the EU Support Team, preparing missing by-laws, filling data into the Central Registry, updating the agency's website, and handling recruitment or training.

### **The former Yugoslav Republic of Macedonia**

In The former Yugoslav Republic of Macedonia, the implementation of the Ohrid Agreement has led to an improved and sustained effort in achieving equal representation of ethnic minorities in the public sector. One key principle stipulated in this

agreement – that of equitable and just representation of citizens belonging to all communities, and especially to the members of the non-majority communities – has guided structural changes being made in the public administration.

The signing of the Ohrid Agreement in 2001 was a first step to reducing the ethnic tensions that had been running high between the Albanian minority and the Macedonian majority. The agreement's aim is to accommodate the grievances of the Albanian community, while preserving the unitary character of the state, thus addressing the concerns of the Macedonian majority who feared a federalization of the country and its eventual disintegration.

The accord envisioned a series of political and constitutional reforms designed to address ethnic Albanian demands for equal standing. Consequently, the amendments to the 1991 Constitution based on this agreement clearly outlined the rights of national minorities and especially ethnic Albanians. The major provisions include amending the preamble to the Constitution, instituting double-majority voting in Parliament, increasing the representation of ethnic Albanians in the police force, and stipulating the use of the Albanian language in official proceedings. Other provisions from the Ohrid Agreement stipulate fulfillment of many of the demands raised by the Macedonian Albanians throughout the 1990s and introduced some features of power sharing, such as a system of double majorities requiring consent from minorities represented in Parliament to key decisions of the Parliament, a substantial degree of municipal decentralization, equitable representation in the public administration of the non-majority communities, and confidence-building measures to overcome the immediate consequences of the 2001 conflict.

A key concern addressed in the Ohrid Agreement was the under-representation of Macedonian Albanians in public administration (and public enterprises). The members of the non-majority groups, and especially Macedonian Albanians, were under-represented in the public sector. According to available data, Albanians filled only 7 per cent of positions in the public, mixed, and cooperative employment sector (compared with representing 23 per cent of the population according to a 1994 census). Similarly, most other minorities, particularly Turks and Roma, have also been underrepresented in this sector.

The Ohrid Agreement determined the timetable and the forms for accelerated training and recruitment of members of the ethnic communities in the state administration. In the first period the main focus was on improving the equitable representation in the police and the army. With approximately 2.5 per cent Macedonian Albanians in the Ministry of Interior in 2001, the increase by mid-2003 to 10.5 per cent is considered a substantial success. Since 2001 the recruitment of Albanians has extended beyond the direct requirements stipulated in the Framework Agreement. For example, although excluded from any equitable representation requirements the army has begun to include Albanians to a greater degree than prior to the conflict, an example of change worth noting.

# Upgrading Health and Safety in Schools through Participatory Planning and Budgeting in the Municipality of Pogradec, Albania

*By Zana Vokopola*

In 2003, Albania launched a pilot project rating the maintenance of schools in seven municipalities according to a new technique called Trained Observed Rating (TOR). The transition from a previously centralized system, to one in which local entities took on the responsibility of maintaining and operating primary and secondary schools, left municipalities and communes with the challenge of how best to allocate a block grant from the state budget to its various schools to maintain standards of health and safety. To meet the standards stipulated by the Ministry of Education while setting priorities for the limited education budget, the municipality of Pogradec, in a pioneering endeavour, designated a project team to evaluate and rate schools by applying commonly agreed-on standards on the conditions of roofs, walls, doors, windows, and other features of the school buildings.

### **1. Background**

Education is a top priority in Albania. The government has recognized that improving education plays a key role in increasing opportunities for the poor and expanding development in the nation. Developing an open, flexible educational system that meets contemporary standards for quality is also critical to achieving the country's larger goal of integrating itself into the European family.

Albania's innovation in the educational system aims to improve attendance, teaching quality, the quality of vocational education, and the efficiency of management. The initiative began with a program to rate the condition of local schools accurately and objectively, so that all officials and stakeholders involved could agree on which schools needed attention first, and how to improve the physical conditions efficiently so quality education could take place.

Albania has made important strides in the creation of democratic institutions. Today, Albania has a democratic system based on the division of power, an active Parliament, and a free press. Progress is also being made with respect to human rights. Although slower than initially anticipated, the growth of a vibrant civil society is under way.

Despite these achievements, change has been difficult and fraught with conflict. Albania, a largely rural country, continues to have a relatively fragile economy. Income per capita continues to be among the lowest in Europe. Poverty is relatively high, and economic inequality has been steadily growing. Poverty is most prevalent in the remote rural areas. Education indicators have worsened, such as enrolment in primary education and, especially, in secondary education.

Efforts are being made to educate Albanian citizens about community issues, however, so they can make sound decisions and exercise their democratic right to participate in the governance process. In addition, progress is being made in having elected officials provide information about municipal services, the administration of public funds, their plans for improvements in the future, and other information on how local government works, all of which are crucial to a democracy.

### **1.1 Decentralization and Reform**

Before the 1990s, Albania had a centralized government. Local ministries and other government agencies operating at the local level had very limited decision-making power. In 1992, local bodies became more politically autonomous, but it was not until the adoption of a new Constitution in 1997 that decentralized governance was properly defined.

Implementing decentralization has been a top priority of the government since 1997. The legal framework and government support for decentralization are based on the Constitution, the European Charter for Local Self-Government (ECLSG), and the National Decentralization Strategy (NDS).

Albania is working toward decentralization and is committed to the idea that because local governments are closer to citizens, they are likely to be better informed about citizens' needs and demands. Consequently, local governments are expected to be able to provide services more efficiently and effectively than the central government, and with greater accountability as well.

The plans for modifying the legal framework outlined in the NDS have undergone significant changes since 2000. The most important new piece of legislation is the Law on the Organization and Functioning of Local Government (No. 8652) of 31 July 2000, which sanctions the rights and authorities of local government units in conformity with the Constitution and the European Charter for Local Self-Government. Albanian officials have employed the same participatory and consensus-building approach used successfully during the drafting of the strategy. The process is based on a detailed action plan attached to the main document of the NDS, which is regularly updated to identify changing needs and priorities.

The country is divided into 12 regions. There are currently 368 communes and 65 municipalities: the elected heads of communes are called chiefs; in municipi-



palties, they are called mayors. For each region there is a prefecture with staff qualified to check on both technical and economic aspects of local government decision-making.

## **1.2 New Functions and Authority of the Local Government**

The new Law on the Organization and Functioning of Local Government clearly defines the exclusive functions of local governments. For the first time, municipalities and communes in Albania are clearly entitled to substantial autonomy over a large array of functions, specifically in the following areas:

- Local infrastructure and public services;
- Urban planning and land management;
- Economic development;
- Social and cultural activities;
- Public order for the purpose of guaranteeing the implementation of local government administrative acts; and
- Civil protection.

The communes and municipalities possess full administrative, service, investment, and regulatory authority. They can adopt a variety of management alternatives, decide between private and public delivery, and make choices on how to improve services. For example, with regard to cleaning services, they can decide whether to require more pick-ups more frequently or to extend coverage of this service to places not now covered in areas of the city. This issue is especially important because service delivery in Albania is still weak.

## **1.3 Education Is a Top Priority**

Education is a top priority in the Albania General Poverty Reduction Strategy (GPRS) because of the considerable decline of education indicators during the last 10 years and the slow pace of reforms in this sector. Improving education plays a key role in increasing opportunities for the poor and expanding development in the nation. The GPRS's specific education objectives, which are in harmony with the long-term objectives of the National Education Strategy, are:

- Increased attendance in the eight-year education, focusing on poor groups and the remote areas of the country, and increased attendance in secondary, mainly vocational education;
- Improvement of teaching quality;
- Expansion and improvement of vocational education so that it adjusts better to market demands; and
- Increased management effectiveness and financial efficiency of the educational system.

## 2. Education: Goals and Developments

Albania recognizes that to fulfil its larger goal of quickly integrating itself into the European family, the country needs an open, flexible educational system that meets contemporary standards for quality in its schools and overall educational system.

That is why education and training is now and will continue to be one of the most important national priorities. State institutions, civil society, specialists, and decision-makers at all levels of society are actively involved in the process of making positive changes within the educational system.

Prior to 1991, the administration of education at all levels was centralized, prescribed nationally in conjunction with economic planning. Although education remains largely centralized, strides are being taken to liberalize the system. At present, the staffing, management, financing, building, and upkeep of schools remain to a large extent the domain of central authorities or their district-level branches. The Government and Parliament determine all educational policy and the Ministry of Education and Science is responsible for the administration of the education system at the national level. Albania has a national and centrally developed curriculum and programs for basic education, which is designed by the Ministry of Education. Local governments have recently been granted more rights in school governance issues.

### Box 4.1 **Statistics on Education in Albania**

<b>SIZE</b>	There are 4,700 public educational institutions: 2,670 at a pre-elementary level and 1,782 (handling 560,000 students) at an elementary level. About 90,000 students are at the secondary level and 35,000 at the tertiary level.
<b>STRUCTURE</b>	Pre-elementary education is available for children aged three to six years; it is not compulsory. School directors are responsible for the supervision of teaching staff, facilities, and personnel. At the higher education level, the Council of Ministers, made up of the heads of other government ministries, has the authority to open and close institutions. In addition, the Council of Ministers determines the fields of study and specialties offered at higher educational institutions. The Ministry of Education and Science oversees academic departments and faculties and is responsible for the fiscal administration of all institutions.
<b>PRIVATE AND PUBLIC EDUCATION</b>	Private education has recently been introduced. At the pre-elementary, elementary, and vocational secondary levels, there are several private institutions, which are self-supporting establishments. Private schools use official curricula.

Source: Vokopola, 2007

## 2.1 Background of Decentralization in the Education Field

In 2003, for the first time, local communes and municipalities were responsible for the maintenance and operation of pre-university education facilities in their community, by delegation from the Ministry of Science and Education (MoES) according to Law No. 8983, dated 12.12.2002.

The law states that communes and municipalities have full authority to ensure the proper maintenance and operation of all [education] facilities in their community. The funds for the operation and maintenance and the repairs of [these] facilities are included in the unconditional grant provided to the communes and municipalities from the State Budget. Each commune and municipality will decide the level of funding that it will allocate to this function from the unconditional grant from the State Budget and any other resources available in their budget.

Even though this law does not include clear strategies or standards for maintaining and operating education facilities, the State Budget Law for 2003 is considered to be an important step forward in the process of decentralization for at least two reasons.

First, it reinforces the key principle that the relations between central and local governments must be consistent with existing local government legislation.

Second, it provides, for the first time, that the relations between central and local governments must be based on formal rules established by law and/or regulation that apply equally to both sides.

Funding, however, remains an obstacle. In the year 2002, 12 per cent of the state budget was allocated to education. Funds for investment in new schools, and for rehabilitation or maintenance of education institutions, are still far below what is needed to make the necessary improvements in education. Even if the money were available, there remain other obstacles to using it wisely, including:

- Lack of efficient criteria and methods for planning and distributing the available funds properly;
- Strong need for identification of investment and maintenance categories;
- Lack of coordination of the donors' activity that weakens the efficiency of funds allocated to the education system;
- Lack of capacities at both local government (municipality or commune) and school level for the direct administration of funds;
- Lack of a legal basis enabling the transparent delegation of the responsibilities and competencies on funds administration; and
- Lack of necessary information to set up a transparent and fair process for allocating funds among all the system levels, schools, and pupils.

### **3. The Pogradec Initiative**

In 2003, the Urban Institute started a pilot project supported by the USAID with seven municipalities in Albania that would help them to rate the education facilities according to a new technique, the aforementioned TOR.

Pogradec, a city in southeast Albania, with approximately 37,000 inhabitants, on the side of the Ohrid Lake, was one of ten cities selected to try this new educational experiment. The Pogradec municipality was able to decide by itself the level of funding to allocate to the pre-university school facilities. Local governments today have primary responsibility for the health and safety of school buildings.

#### **3.1 What is Trained Observer Rating?**

Local education budgets are very limited. Parents, children, and teachers often have different opinions on how to improve school facilities. TOR enables local governments to quantify school conditions so that everyone can agree on which action to take. In fact, TOR stresses objective standards on school conditions. It trains observers, so that different people acting at different times but using the same photographic and/or written guidelines and rating procedures are able to produce comparable ratings.

Photographic guidelines consist of several pre-selected photographs showing typical conditions that define a rating value for different school elements. The ratings are made by the trained observers after they receive the appropriate training. After that, observers compare the actual condition under observation to the photographic or written guidelines to determine which rating to assign to different school elements, such as doors, windows, corridors, roofs, or rooms. Other members of the team or interested stakeholders can readily understand these ratings, particularly if shown the guidelines used for making them.

The Finance Department at the local government commune or municipality prepares the cost estimates for the prioritized needs. Consequently, the Budget is proposed to the Council to decide what is to be fixed and when.

Pogradec adopted TOR to get trained observers to rate all schools in its region. The idea is that after the project team rates a pre-education facility, the local government, which has authority over maintenance and operational cost, will make the best decision in terms of funds to be added or reallocated.

TOR has many advantages. It provides reliable, reasonable accurate ratings that help those in charge to allocate resources so that those in greatest need get attention first. The only disadvantages that this method has is that it is labour intensive: it requires trained personnel who can devote time to making repeated ratings, because frequent, updated ratings as progress is made make the system work better.

### 3.2 The Innovation Begins

Training in TOR by the Urban Institute began on June 2003. City staff members were very committed to trying the new initiative. Nine facilities needed attention regarding maintenance funds; the pilot project started with the elementary school of Gjok Shqiptari. This school was chosen because it is located in the City Centre, it has quite a large number of pupils, and it was in need of rehabilitation.

The first step was to establish a working group. In the Pogradec case, the group consisted of ten members taken from:

- City education sector (3 persons);
- Education office at the central level (2 persons);
- School administration (1 director); and
- Teachers, parents, and students (4 persons).

### 3.3 Training Phase: Evaluating the Physical Conditions

In the first meeting, the group divided tasks among themselves, set deadlines, and assumed roles and responsibilities within the team. The next step was training on the rating system. The heart of the TOR system is a set of written and photographic guidelines that enable observers to assign a grade or numerical rating to each condition being evaluated. The guidelines cover the entire range of conditions likely to be encountered, from very bad, bad, average, good, to very good and consist of written descriptions of the conditions and several photographs of typical scenes of whichever conditions are being rated:

- Roof and terrace reconstruction;
- Pavement, outside and inside walls; and
- Doors and windows.

### 3.4 Documentation of the Condition of the Schools

Three observers took as many as 100 photographs of the inside and the outside of the schools to document the problem areas of the schools and to back up their descriptions of the following conditions: concrete layers, walls/roof repair, door and window repair, facade painting, sewage system repair.

### 3.5 Setting Up the Rating Criteria and Guidelines

A group of nine people reviewed and classified each photograph as representing each of the different conditions. They agreed that the rating system would have four grades, running from excellent to poor. Three to five photographs were picked as representative of each grade. This rating was translated into a point-based system, that is, the biggest problems had the highest number of points.

The photographs and tentative measurement guidelines were tested to make sure that they produced consistent ratings, so that they all would agree that this group

of photos represent the bad situation, whereas the other photos represent a good situation. Because the extreme ratings are easiest to make, particular attention was paid to the middle categories. Through repeated discussions and revisions, they came up with a system that would provide a consistent rating for every situation that could arise.

Once the scale was developed, the written and photographic guidelines were incorporated into a manual entitled the Trained Observer Ratings Manual for Pogradec Municipality. Copies were distributed to each trained observer and to all other persons concerned with the system, such as parents, teachers, students, and staff from the municipality at the local level and in the central government education department in Pogradec.

### **3.6 Trained Observers Selected**

Teachers and parents were chosen for training because they tended to be reliable, capable of sustained motivation, and able to work alone for long periods when necessary. Once trained in the rating system, they would visit the school to be assessed twice.

All evaluations were documented carefully to ensure that identical or compatible procedures would be used in the future. This allowed everyone to track the progress in improvements being made at each school and also enabled all concerned to make meaningful and objective comparisons among schools in different areas.

### **3.7 Processing the Data**

Schools were examined to assess the type and nature of problems and how they affected students. Five elements were examined in each building: rooms, halls, stairs, bathrooms, and outside doors.

The most hazardous area of the school was the roof. The working group members decided to consider this a top priority because it impedes the normal teaching process and is dangerous for children's health, but the group did not have final say. School staff, teachers, parents, and pupils, other agencies, and local government and the central education department had to meet again to make the final decision.

### **3.8 Identify the Funds and the Volunteer Labour Needed to Make the Improvements**

In open meetings organized by city staff, the teachers, parents, pupils, and other interested members of the community gathered together to set priorities for making the necessary repairs. They also had to decide how much to spend on the various repairs and improvements.

The city staff calculated the costs and put together the information about rating, working group members, problems, and the cost for solving them. The funds at

their disposal came from three sources: municipal funds, directorate funds, and parent funds/volunteer labour.

At the end of the discussions, everyone agreed that there were 53 hazardous problems requiring 2,200,000 Leke to be fixed. After open meetings, the working group (representing the four stakeholder groups) reviewed the ratings and costs to come to an agreement on final priorities. Two lists were developed: improvements to be made with municipal/parent funds and improvements to be made with ministry funds. Municipality staff had prepared cost estimates for each problem.

In 2004, the municipality of Pogradec had planned to spend 1,442,843 Leke for school maintenance out of their own revenues, including both unconditional transfer and revenues generated by their local resources. The regionally based education department of the ministry had allocated 2,046,852 Leke to address other priorities, so that when the request for funding was presented to the Mayor/Council, the request was approved.

#### **4 The Pilot Program is Sustainable: Replicated in Seven Cities**

The pilot program was extended to nine other schools in Pogradec, and to six other cities and communes in Albania (for a total of ten schools in seven cities). Stakeholder groups followed the same procedures, using TOR to rate and rank the problems and decide where the available funds should go, thus ensuring the best use of funds and the greatest agreement and satisfaction among the participants.

The success of the pilot program and the expansion and replication of that program a few months later in other schools and cities helped the government of Albania to see the importance of decentralization and participatory governance in the education sector and to consider legislation to further encourage decentralization.

Local governments today have primary responsibility for the health and safety of school buildings, but there is no clear division between investments for schools, which are subject to the Ministry, and maintenance, for which local governments are responsible. The Ministry of Education, by law, sets “minimum standards of safety and health applicable to pre-university education facilities.” The local government is accountable for the “proper maintenance and operation of all pre-university education facilities in their community.... [and deciding] the level of funding that it will allocate to this function.” Parents and teachers depend on the decisions made by the government to provide an environment in which teachers can teach and students can learn.

The TOR process initiated a new dialogue between the MoES and local governments for setting standards of maintenance and investments, at least for health and safety in the schools. Some of the questions discussed during the pilot project implementation included:

- To which extent should standards include priorities (e.g., address extreme safety problems before aesthetic issues)?;

- Should there be one uniform standard for healthy and safe schools established nationally, locally, or a combination?; and
- How specific should the standards be (e.g., “have safe schools” vs. “have no unsafe conditions such as broken windows, holes in the floor, etc.” vs. “no holes over 6 inches, no broken glass within reach of a child”)?

Each pilot city reviewed and analysed its experience in relation to these questions. A joint working group from all seven cities summarized what they had learned from their collective experience. The working group produced a document to present to MoES and other interested partners, called the *Guidance Document*, to assist in the development of health and safety standards in schools.

In November 2004, under the initiative of MoES and the support of the Urban Institute (UI) and USAID a national Working Group was established with the aim of developing standards for maintenance and operation of school facilities of pre-university education. The Working Group met in six consecutive meetings during November-December 2004, and their discussion was based on the questions that arose from the TOR in seven cities, as concluded in the *Guidance Document*.

In over 30 hours of discussions, the national Working Group covered the following important issues:

- Defining maintenance of school buildings by determining its nature and scope;
- Defining implementation mechanisms, including development, monitoring, and assessment of standard implementation; and
- Defining the role and responsibilities of the stakeholders, including the MoES and local government units for each one of the aspects of the cycle, from development to the assessment of standard implementation.

In addition, the Working Group proposed an ambitious schedule to implement other pilot programs and standards for maintenance and operation of pre-university school facilities countrywide. The schedule of activities includes:

- 2005-2006: standard development and piloting;
- 2006: application of standards countrywide;
- 2007: local governments collect data;
- 2008: introduction of sanction/reward system; and
- 2009: application of sanction/reward system countrywide.

To achieve the desired results, the Working Group recommended that the process for developing standards and procedures for the maintenance of school facilities should be developed initially through the implementation of a pilot project under the leading role and management of the MoES and regional as well as district education departments, with an intensive involvement of local government units. All parties must therefore agree on the principles and responsibilities for the pilot project.



Another important aspect of the management role of the ministry will be the selection of the pilot area as well as the review and approval of different aspects of the work such as:

- Assessment procedures and rating tools;
- Training programs for both MoES and local government units involved in the pilot effort;
- Reporting tools, formats, and procedures; and
- On-going monitoring and overall evaluation of the program.

## **5. Could this Innovation be Replicated in Other Countries?**

This project, using the new TOR technique, could be of great interest and applicability to other countries in the region, because most of them are facing similar issues of how to decentralize and use local governments to help improve schools and other important services. Offering local government authorities an objective system for evaluating schools and improving conditions, as well as information on how to obtain the needed funds to repair and maintain school buildings, could be useful and transferable not only to the Balkan subregion, but also to other countries in the Euro-Mediterranean region.

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# Promoting Participatory Service Delivery through the Implementation of Local Agenda 21 in Turkey

*By Korel Goymen*

Turkey's innovation focuses on a specific program to improve planning and service delivery in a participatory and transparent manner, based on the Agenda 21, the document that was produced by the United Nations Conference on Environment and Development, held in Rio de Janeiro in 1992. The first phase of the program, entitled Promotion and Development of Local Agenda 21 in Turkey, was launched in 1997. The second phase, started in January 2000, was called Implementation LA-21 in Turkey and aimed at mobilizing local government and local stakeholders to seek control of the future of their settlements for sustainable development, and improved service delivery.

Although relatively new, the LA-21 program has developed into an effective tool for stakeholders' collaboration and an important instrument of improved service delivery and democratization. Furthermore, community groups have been empowered to express their needs and participate in making decisions to address those needs.

### **1. The Main Features of this Innovation**

The strength of the LA-21 program is its methodology and approach in getting stakeholders to collaborate to improve service delivery and increase democratization. Here is how LA-21 achieves those goals:

- The program encourages the building of a consensus on a “sustainable community” vision in partner cities, encompassing long-term, mid-term, and short-term goals, and the subsequent preparation of local action plans;
- It encourages decentralization by getting local networks to communicate and work together, with the support of national and international partners, as equal partners instead of being managed from a central office;
- It is well coordinated by various institutions and mechanisms at the national level;
- The program is being supported by a number of regional unions of municipalities in the country; and
- LA-21 processes are launched through awareness-raising meetings (during these meetings, the participants are presented with the global aspect of the program, its goals and outputs, and the experiences of several partner cities).

## 2. Organizational Structure of the Program

### Coordination and Steering Committee of the Local Agenda-21 Program

The LA-21 Program is coordinated by the IULA-EMME<sup>1</sup>, which has been the executing agency of the Program since 1997. IULA-EMME is responsible for the overall coordination of the Program.

As a coordination mechanism at the national level, the LA-21 Program Steering Committee (PSC) continues to function since the commencement of the LA-21 Program in Turkey. The PSC meets at least once annually, with more frequent meetings being held as deemed necessary. The PSC currently includes the representatives of the Undersecretariat of the Prime Ministry, the State Planning Organization, Ministry of Interior, Ministry of Foreign Affairs, Ministry of Forestry and Environment, General Secretariat of the European Union, the Directorate General on the Status and Problems of Women, partner supporting organizations, IULA-EMME, and UNDP.

### 2.1 Local Agenda-21 General Secretariats

In all partner cities, LA-21 General Secretariats were established to coordinate the respective activities and also serve as the counterparts to the coordinating agencies of the LA-21 Program. The LA-21 Secretary Generals continue to play a key role in the overall performance and success of the Program. In the majority of partner cities, the LA-21 Secretary Generals are elected to the post by the respective City Councils. In others, particularly in relatively small cities, they are designated by respective mayors, often from among municipal assembly members or senior municipal officials.

### 2.2 Participatory Platforms and Mechanisms

#### City Councils Bring Stakeholders Together

City-wide participatory mechanisms (City Councils and other platforms), consist of the representatives of a wide spectrum of local partners, including ex officio members such as the Governor, Mayor, and Parliamentarians of the respective province; elected local councillors and neighbourhood heads; and the designated representatives of foundations and associations, professional chambers, private sector organizations, trade unions, and academic institutions, as well as the representatives of working groups and platforms for women, youth, elderly and children.

LA-21 City Councils, which are unique to the Turkish context, constitute an effective example of governance that manages to bring together central government, local government, and civil society within a collaborative framework of partnerships. In general, the central government and municipal representation constitute about one third of the city councils, while NGOs constitute the remaining two thirds.

<sup>1</sup> Currently United Cities and Local Governments – Middle East and West Asia (UCLG-MEWA),

Depending on the size of the cities, membership to such councils range from 100 to 600 organizations. City Councils prepare and endorse their own working principles or statutes and function accordingly. City Councils currently function in around 50 partner cities. In virtually all cases, the local authorities support the activities and decisions of the City Councils by including these decisions in their respective agendas to accommodate the council's demands.

The establishment of City Councils in new partner cities is built on the existing models and modus operandi of councils in partner cities that display outstanding achievements in their respective contexts.

### **2.3 Working Groups Focus on Priorities**

In conjunction with citywide participatory platforms, working groups, focusing on priority issues of the respective LA-21 processes, function with the active participation of a wide range of volunteers from different sectors and backgrounds.

In general, working groups tend to be organized around relatively broad topics, splitting into smaller sub-groups on more specific issues. The general working group topics seem similar across the country, although the priorities for action significantly differ depending on the geographical locations, size, and characteristics of partner cities.

Currently all partner cities conduct their pertinent activities through working groups. The number of working groups range from a minimum of 3 to over 20, wherein most partner cities have between 10 to 15 priority topics for their LA-21 and the corresponding working groups. Each group generally consists of between 40 to 80 persons in relatively large partner cities.

The establishment of working groups in new partner cities is facilitated by, and drawn on the relevant experiences of, partner cities that have already institutionalized such groups as part of their LA- 21 processes.

### **2.4 Involvement of Women**

Pursuant to the heavy emphasis of the LA-21 Program on the involvement of women in local decision-making processes and mechanisms, the women not only participate in city councils and working groups but also establish their own participatory platforms, which subsequently develop into women councils. Such platforms and councils, established in over 35 partner cities, continue to function effectively. The women councils also prepare and endorse their own working principles or statutes, and function accordingly.

Furthermore, multi-purpose women centres, serving as venues for training, increasing employment opportunities, arts and handicrafts, social events, mother and children care, as well as sheltering of women sufferers, have been estab-

lished to date in more than 20 partner cities. The effective operation of these centres encourages other partners to launch similar initiatives. The centres help establish new standards for improved service delivery and experiment with innovative methods. In conjunction with their active involvement in LA-21 Secretariats and working groups, the women act as the driving force behind all successfully conducted LA-21 processes.

## **2.5 Importance of Youth Activities**

Under the coordination of the Youth for Habitat International Network, youth activities have been launched effectively in all partner cities, paving the way for the establishment of Youth Councils and Youth Centres. The Youth Councils bring together the youth organizations, as well as students and employed and unemployed youth in partner cities. They conduct training programs to make the unemployed 're-employable,' help find jobs for them, and collaborate with local authorities to expand the range and improve the quality of services provided.

## **2.6 Groups Requiring Special Attention: the Socially and Economically Disadvantaged**

The special focus of the LA-21 Program on groups requiring special attention, including the children, the elderly (senior citizens), and the disabled, has started to become an indispensable aspect of respective LA-21 processes. In a significant number of partner cities, special platforms for the children, the elderly, and the disabled were established.

Children are given due importance in all partner cities, particularly in providing training on sustainable development as part of formal curricula, as well as getting them to train their own parents. The establishment of LA-21 Children Councils started to become a common practice. Special programs for street children and other vulnerable children groups continue to be conducted.

The platforms for the elderly, established in a significant number of partner cities, allow senior citizens to highlight their specific problems and take part in solving them. Several partner cities have allocated special premises to serve as the centres for the elderly, in a similar manner as LA-21 Houses.

The platforms for the disabled also actively participate in the respective LA-21 processes, which breaks up their isolation and conveys their problems and messages to other stakeholders.

## **3. How the Process Works**

Although each city has a particular means of conducting its own LA-21 process, the launch of the respective processes in partner cities basically follows a similar path.

### **3.1 First Steps: Public Awareness and Facilitation Teams**

In the majority of partner cities, where global agendas are virtually unknown by the local stakeholders and local mechanisms of participation are feeble, the respective LA-21 processes are being launched by means of awareness-raising symposia at the city/province level. The partner local authorities are encouraged to invite all potential constituents of the City Council, as well as interested citizens, so that local stakeholders receive first-hand information on the concept and practical implementation of LA-21.

Such meetings generally commence with introductory remarks of local leaders to convey their commitment to the process to the audience, followed by an informative session, including the film on the LA-21 Program. A selected number of other partner cities that provide relevant examples for the host city are also invited to present their LA-21 activities. The experience to date has shown that the participants of these symposia constitute the core group and dedicated initiators of the LA-21 process in their contexts.

As the next step, a “facilitation team” is constituted to coordinate the establishment of the City Council, working groups, and other platforms. Each platform starts to develop its own means of functioning, drawing on the relevant experience of other partner cities. As the process gradually develops, the LA-21 General Secretariat and other coordinating bodies are firmly put into place by local partners.

### **3.2 Constituents of the Local Agenda-21 Network**

The broad spectrum of public agencies, local authorities, and civil society organizations constituting the City Councils and other participatory platforms at the local level, as well as the LA-21 Program coordinating agencies, steering committee members, and supporting organizations, form the basic constituents of the LA-21 Network.

The LA-21 Secretary Generals constitute the focal points of the LA-21 Governance Network. The LA-21 Secretary Generals of partner cities regularly come together on a regional or national basis to exchange views and experiences, overview the implementation of the LA-21 Program, and discuss future actions.

In terms of the venue, one of the major achievements has been the allocation of buildings (generally with unique historical-cultural characteristics) by partner local authorities to serve as Local Agenda 21 Houses, which continue to serve the public at large in these cities. Currently, over 25 partner cities have special premises utilized as LA-21 Houses, which also serve as local pillars of the LA-21 Governance Network.

### **3.3 Local Agenda-21 Governance Network Website**

The website, providing essential and detailed information in Turkish and English on the LA-21 Program, constitutes the main pillar of dissemination and sharing of information on LA-21 activities and outputs at the local, national, and international levels. An experienced group of designers engaged for this purpose updated the existing website to become more interactive and user friendly. The website address is: *<http://www.la21turkey.net>*

### **3.4 Action Plan Development**

The LA-21 Program encourages the building of consensus on a sustainable community vision in partner cities, encompassing long-term, mid-term, and short-term goals, and the subsequent preparation of local action plans. Then, these plans are translated into specific programs for efficient service delivery.

As the first step, all partners are encouraged to prepare a report called Description of the Existing Situation before developing their action plans. These reports contain a diagnosis of the existing situation; data collection and analysis of environmental, socioeconomic, and cultural factors; and the identification of main challenges and problems, as well as priorities and policy options for addressing them. In virtually all cases, the overall action plans incorporate action plans and priority projects developed by the respective working groups.

The action plans are prepared with a long-term perspective, including a definition of the goals and objectives of the local community to guide the actions that must be taken, as well as implementation arrangements. Priority projects are also identified. In fact, a significant number of partner cities have started to implement their priority projects. Each project is constantly monitored to ensure that it is cost effective, efficient, and uses the most appropriate technology. Thus, improved service delivery is at the heart of the approach.

## **4. Partners of the Local Agenda 21 Program**

Partnership to the LA-21 Program is open to all local authorities in Turkey, except village administrations, since they require a different setup. New applications to join the Program are reviewed by the National LA-21 Program Steering Committee.

The partnership structure, discussed and revised by the National LA-21 Program Steering Committee in its meeting held on 19 November 2004, encompasses the following 61 local authorities as “partners”.

The program is being supported by several regional unions of municipalities in Turkey, as well as the Union of Historical Cities. In addition, several organizations provide multifaceted support to the Program, including the Youth Association for Habitat and Agenda 21 (the coordinating agency of the youth component of the LA-21).



## 5. Seven Exemplary Local Agenda-21 Practices

Seven exemplary practices that have taken place within the framework of LA-21 in Turkey are described below.

### 5.1 Participation of Women in Aliaga and its Surroundings in the Process of Raising Life Standards

The development of sustainable human settlements was proposed in the declaration adopted during the Earth Summit, which brought together the world leaders in Rio in 1992. This document emphasized the concept of sustainable human development as a priority.

With these ideas in mind, a project was launched with the contributions of the Municipality of Aliaga (a medium-sized town in Western Turkey) and with the partnership of the Agenda 21, Aegean University Agricultural Applied Research Centre, Aegean University Women's Issues Applied Research Centre, Sub-Governor of Aliaga, People's Education Centre, and Aliaga Agricultural Directorate.

The project, entitled Participation of Women in Aliaga and its Surroundings in the Process of Raising Life Standards, covers a two-year period. The pilot regions were defined as Aliaga Kültür and Kurtulu neighbourhoods and Çakmaklı village. The plan is to implement the project in other villages of Aliaga in the future.

The ultimate aim of this project is to promote and strengthen the participation of women in social, economic, and political life. The project addresses both rural and urban issues and it is implemented with the participation of volunteer women with different qualifications.

Within the framework of the rural component, women living in rural areas are assisted in defining their problems, developing proposals for their solution, seeking institutional support, and establishing partnerships for realizing these proposals.

Within the framework of the urban component, women with economic and social disadvantages who migrated to Aliaga are assisted in strengthening their status within the family and society, and urged to take part in solving their own problems.

The expected results of the project are as follows:

- The data acquired as a result of the urban and rural components of the project will reveal the diversity among women's groups living in different conditions;
- Skills and capacities of women participating in the project will have been increased;
- Disparities between urban and rural areas will have been reduced;
- Rural settlements will have started to benefit from services that are known to be provided only in urban areas. The rural population will have become urbanized without having to migrate and will have become stronger without being displaced from their land; and

- An infrastructure will have been established to adopt a flow of change in the rural areas that is open to progress.

**Outcomes: Participation of Women in Aliaga**

The project activities commenced in March 2003 and basic training of 130 women volunteers has been completed. At the moment, activities are being carried out with the contributions of volunteer women to define problems and needs of women by using a participatory rural evaluation method.

During the forthcoming stages of the project, the necessary planning and support services will be identified, social activities will be organized to promote and support the participation of women, and training programs will be planned. The data acquired during the needs assessment activities will act as a starting point to measure progress.

**5.2 Neighbourhood Service Chambers**

The project is rooted in the Advisory Centres established by the Metropolitan Municipality of Bursa (a large metropolis in North-western Turkey) in 1994, where the aim was to achieve efficiency and effectiveness in services and to implement the principle of local self-governance.

After the year 2000, the Centres were restructured under the title Neighbourhood Service Chambers within the framework of the Healthy City Project. Through the Neighbourhood Service Chambers, children, youth, and women committees have developed such projects as research on the socioeconomic situation of families, their attitudes, education levels, problems and needs, and projects geared toward 1) improving the status of women in the society, 2) raising awareness among children and youth, 3) integrating the disabled in society, 4) changing consumption habits, and 5) establishing search and rescue teams.

In addition, legal and health advice are provided in the Neighbourhood Service Chambers. Bursa has been divided into 17 regions for providing efficient services.

Neighbourhood Service Chambers have been established in nine regions. The aim is to establish Neighbourhood Service Chambers in every region. The personnel and maintenance expenses of the Neighbourhood Service Chambers are provided by the municipal budget, and support from the private sector is received for selected activities.

**Outcomes: Neighbourhood Service Chambers**

Citizens have increased their participation in decision-making processes and their sense of social responsibility. Instead of passively waiting for solutions, they know they can take collective action.

The people in neighbourhoods now can communicate their complaints, proposals, and contributions to the officers of the Neighbourhood Service Chambers. The of-

ficers in turn communicate the issue to the service desk on the same day and provide feedback to the people.

Children, youth, and women committees within the Neighbourhood Service Chambers have developed the concept of partnership among the local community and have significantly contributed to the adoption of democratic life at the local level.

Thanks to the Neighbourhood Service Chambers, previously nonaccessible groups have been reached. An increase in the participation of people and in the programs geared toward education, training, and awareness have been observed.

### **5.3 Sustaining the Historical Heritage in Suriçi**

There are nearly 90,000 people living in Suriçi, a district of Diyarbakır, a metropolis in South-eastern Turkey. The aim of the project is to maintain sustainable development and a healthy environment, and to ensure the safety of historical attractions in this area.

For 5,000 years, Suriçi has been the symbol of the historical background of the city and cultural identity of the people. The goal is therefore to improve the conditions in this area to contribute to the development of tourism as well.

The main strategies that have been used for the project are:

- Voluntary efforts of people;
- Partnership of NGOs, public and private sectors;
- Raising awareness about the sense of ownership of the city and about its own history; and
- Utilizing the efforts of all persons and institutions that have participated in the process.

The partnership dimension of the project is coordinated by the Conservation of Historical Heritage working group secretariat and the relevant units of Diyarbakır LA-21. The main partners are the Directorate of Museums, relevant units of Turkish Engineers and Architects Union, representatives of the Foundation for the Protection and Promotion of the Environmental and Cultural Heritage in Diyarbakır, the Historical and Cultural Foundation of Diyarbakır, individual contributions from scholars, and the Dicle University Engineering Department and Art Centre Co. in Diyarbakır.

The project has been designed by taking into consideration the civil architecture remnants in Suriçi and the streets that connect those remnants to one another.

Within the framework of the project in Sümerpark, an area of 80,000 m<sup>2</sup>, which used to be a carpet factory, is to be converted to an art exhibition. Moreover, three hangar rooms are to be art studios, and other rooms will be converted for similar purposes.

**Outcomes: Sustaining the Historical Heritage in Suriçi:**

- Streets full of mud and puddles have been identified and restructured to ensure easier transportation and access for tourists to historical and cultural places;
- Fixing the streets also reduced the previously existing danger of bringing diseases from the streets into the houses;
- The problem of mud and potholes in the street, making the traffic flow difficult especially in rainy weather, has been fixed; and
- Old city walls, close to 5 km in length, have been restored, lighted, and opened to tourism.

**5.4 Municipality of Dogubeyazıt Local Agenda 21 Women and Children’s Health Training Centre**

The Project was initiated on a visit of the mayor of Dogubeyazıt (a medium-sized town in South-eastern Turkey) to the Metropolitan Municipality of Ancona, which is located in Italy. The Metropolitan Municipality of Ancona funds the project.

The aim of the project is to provide training and health services to women, who are disadvantaged because of lack of education, serious economic problems, and inefficient health institutions.

Dogubeyazıt Women and Children’s Health Training Centre is operated under the framework of the Local Agenda 21 project. In the Centre, examination rooms, a doctors’ room, a nurses’ room, a maternity room, an injection room, a meeting room, an exhibition room, a computer room, a library, and a guesthouse are present.

**Outcomes: Women and Children’s Health Training Centre**

Dogubeyazıt Women and Children’s Health Training Centre has been established to respond to the health, education, and culture-related needs of all women in the district. The following has been achieved:

- Health problems of women and children in the city have been assessed, and necessary equipment and staff have been provided;
- Services such as examination, injection, and blood pressure measurement for women have been provided;
- Awareness-raising activities have been carried out by the staff on women’s health, pre-pregnancy, pregnancy, post-pregnancy, infant nutrition, childcare, hygiene and women-related diseases;
- Educational needs of women and children have been determined. Courses have been provided to illiterate women;
- Exhibitions have been organized to sell the handicrafts of these women; and
- The Centre also accommodated a guesthouse for women coming from other cities and towns.

### **5.5 Izmir Local Agenda 21 Integrated Coastal Zone Management**

The multiple problems related to pollution and the obstruction of the balance of use-protection in the basin of the Izmir Gulf (the third most populous metropolis in Turkey) began to emerge in the 1960s. Partial solutions have been implemented so far. Although most of the issues have been defined in the academic environment, very few could be resolved.

Since the 1990s, the necessity of an Integrated Coastal Zone Management (ICZM) has been under discussion by the academic, civil, and public organizations of Izmir. In the meeting held on November 20, 2001 a working group called Izmir Zone Management has been created and transferred to local partners in the LA- 21 City Council in February 2002 with relevant work, participation, and contributions. It aims to develop long-term projects in cooperation with relevant interest groups.

To this end, interest groups have organized a series of meetings. Following exchange of opinions and discussions in these meetings, a consensus has been reached to develop an action plan to render the issue more concrete. An invitation has been sent to all relevant institutions and organizations such as central and local public institutions, relevant faculties and departments of the University, and professional chambers, to set up this action plan.

A working group formed by professionals has started to work on an implementation procedure of the ICZM in cooperation with Izmir LA-21, which facilitated the organization of such an event for the first time. Limits and institutional structures have been discussed at the first action plan preparation meeting on the ICZM.

The necessity of creating an information system for Izmir was the result of that meeting. Four strategy meetings have been organized with the contribution of public, private, and civil sectors working in the city of Izmir. Moreover, sub-working groups have been created.

During the meetings, the Intergovernmental Oceanographic Commission, Methodological Approach of Integrated Coastal Region Management (UNESCO, 1997) have been presented to the participants and activities continued in this framework.

The Methodological Approach of ICZM has 6 phases: 1) analysis of problems, 2) definition of management units, 3) quality of coasts, 4) indicators and indexes, 5) information systems, and 6) propositions and guidelines for aims/objectives.

#### **Outcomes: Integrated Coastal Zone Management**

The LA-21 objectives of bringing together the organizations to discuss the ICZM program has been achieved in the first and second phases, although the participation level was low. The phase of creating information systems has been discussed.

This work has been presented as a paper during the sixth national conference, entitled Coasts and Seas of Turkey, and in the City Council. The ICZM project was published and distributed as a lobbying tool.

The City Council has supported the activities that ensured further participation in the Coast Group. The renovated Coast Group is developing strategies on the following issues:

- Harbour Management Model and Search and Rescue;
- Coastal security in the Izmir Gulf;
- Sectoral harmonization plan in EU integration; and
- Signing of a contract between the interest groups in the coastal zone and fostering cooperation.

### **5.6 Neighbourhood Disaster Support Project**

Izmit is a city of almost a million, close to Istanbul, which experienced a devastating earthquake in August 1999. The City Council, established in 1998, launched the Neighbourhood Disaster Support Project. It developed a post-earthquake action plan with a priority of public education on disaster preparedness.

An action plan was developed to solve this problem in cooperation with the Swiss Agency for Development and Cooperation (SDC). A secretariat was established to carry out the activities. The secretariat is composed of the representatives of the Council and the SDC, and has organized various meetings with numerous institutions in Izmit. Representatives of NGOs, state agencies, and local authorities participated in these meetings. In July 2000, an International Disaster Management Conference and an International Workshop on Disaster Management were held. Turkey's current state of disaster preparedness and management was evaluated during these two meetings.

The education of the public was deemed crucial in reducing the cost of disasters. There was no applicable model, however, so meetings were held and a new action plan was prepared: the Neighbourhood Disaster Support Project.

The project is being implemented by an executive board comprising of representatives of the Izmit City Council, the Governorship, the Provincial Civil Defence Directorate, the Metropolitan Municipality Department of Fire Brigade, Kocaeli University, and SDC. Initiated in 2000, the project is still going on. Fifty volunteers in every neighbourhood have been trained for nine months on disaster preparedness, first aid, basic fire extinction, basic search and rescue, and disaster psychology.

A container with equipment for these volunteers has been installed in every neighbourhood. To carry out these activities appropriately, neighbourhood disaster boards have been established. These boards focus on means to increase pre- and post-disaster preparedness capacities of neighbourhoods.

These activities include defining industrial risks that the city might face during disasters, logistical support during and after a disaster, and evaluation of building and road status. The boards also ensure the sustainability of training of the volunteers as well as safety and maintenance of the equipment in the containers.

### **Outcomes: Neighbourhood Disaster Support Project:**

- Under the project, Neighbourhood Disaster boards have been established in 15 neighbourhoods, and 570 volunteers have been trained and granted certificates of completion. Containers have been installed in these neighbourhoods, and the equipment has been distributed;
- The project, initiated with the contributions of hundreds of people and institutions, is still going on;
- The project is a model for disaster preparedness for Turkey. Istanbul and Yalova used the project as a model;
- Members of the neighbourhoods where the project has been carried out feel safer and believe that they are prepared for possible disasters;
- The project has developed a permanent spirit of cooperation among many institutions; and
- So far, approximately 70 institutions and over 1,000 people have taken part in and contributed to the project.

### **5.7 Conservation of Cultural Heritage**

Merdinar Project (Mardin Participatory Urban Rehabilitation Project), which aims at preserving the historical and cultural values of Mardin (a provincial centre in South-eastern Turkey) and introducing them to the world, has been started with the financial support of the government of Switzerland through UNDP. The project was executed under the coordination of the Istanbul Technical University. Mardin City Council had a critical role during the implementation of this project. The City Council has provided advice and the project team regularly informed the City Council about the progress of the project. The restoration area of the project, the historical Tellallar Market, was chosen by the City Council and was executed by the Construction Committee established under the City Council.

One of the outcomes of the Merdinar project has been the Social Development and Cultural Heritage Project, which is being implemented by the Ministry of Culture and funded by the World Bank. This is a critical project for Mardin LA-21 because it encompasses large-scale restoration activities. Therefore, Mardin LA-21 and the City Council have exerted considerable efforts to realize this project. Officials from the World Bank and the Ministry of Culture organized meetings with the City Council and shaped the project.

The preliminary application by the Ministry of Culture to UNESCO to recognize Mardin as a city of world heritage was approved. In the aftermath of the approval,

the Mardin LA-21 General Secretariat has taken part in related meetings, and members of the City Council have regularly been updated about developments. This activity has been executed in coordination with Mardin Local Agenda 21, the Governorship of Mardin, and the Municipality of Mardin.

After the approval of the preliminary application, a UNESCO expert visited Mardin, participated in the City Council meeting, and was impressed by the high-level interest of the people in the city. The Mardin City Council has significantly contributed to the preparation of necessary additional documents for the above-mentioned application.

The City Council also carries out activities for the promotion of the cultural heritage of Mardin. The working group on tourism established within the framework of the Mardin LA-21 has found out that there was a lack of promotional materials in many of the tourist attractions and steps have been taken to publish pamphlets.

As a result of this, funds have been provided by the Mardin Education and Mutual Support Foundation to publish 2,500 pamphlets. Moreover, important steps have been taken to declare Mardin a site for tourism, as a result of the support and follow-up activities of Mardin LA-21.

**Outcomes: Conservation of Cultural Heritage:**

- The Mardin LA-21 City Council has been actively involved in the above-mentioned projects, which has developed a spirit of collective action in Mardin;
- The City Council has gained experience thanks to its status and activities in the Merdinar Project, which can be used for future similar projects;
- As a result of these activities, important steps have been taken to raise awareness on conservation among people in the city; and
- These activities have contributed to private restorations in Mardin.

**6. Key Elements for Success of the Implementation of LA-21**

The success of the initiative depends on the degree to which citizens are aware of the need for change (which can be initiated or augmented through sensitivity programs) and willing to participate (incentives can help). Public officials and local politicians who are committed to fostering local governance are also key factors. The greater the involvement of both of these stakeholders, the greater the likelihood of success of any innovative plan.

The LA-21 Program has gathered 61 local authorities as partners from different metropolitan municipalities and provincial administrations. In addition, private sector organizations (including businesses, small, and medium-sized industries), and tourism, including NGOs and others, are stakeholder partners in this program. New applications for partners to join the program have been submitted.



## 7. Challenges and Obstacles:

- Not all stakeholders had been made fully aware of the LA-21 processes and thus were not committed to the goals for achieving and sustaining the innovations;
- Despite the active involvement of NGOs and other relatively organized groups in society, LA-21 processes in partner cities manifested a widespread difficulty in reaching unorganized groups in local communities, particularly the urban poor (these groups were not receptive in general to the slogans of global agendas);
- During the first phase, it was very difficult to actively involve the private sector in the LA-21 process. Private sector organizations, including businesses, small and medium-sized industries, and tourism, were often involved but not committed; and
- Funding for the projects in this program was not readily available, from local, national, or international sources; this quickly emerged as a major problem.

The experience of the program's first phase was valuable not only for its numerous achievements but also for identifying crucial bottlenecks and problems that needed to be corrected to attain the program's objectives and goals.

Public surveys conducted in several cities revealed that very few people were aware of ongoing LA-21 processes, with notably low levels of ownership for their community and even less concern for the goal of sustainability. Effective change cannot occur in those circumstances. To develop the necessary awareness, particular emphasis was placed on increasing visibility at all levels, to ensure that LA-21 receives long-term sustained support and can expand to cover the whole country in subsequent phases.

A degree of success was attained through the organization of neighbourhood forums, particularly in poorer districts of partner cities, during which a large number of residents had the opportunity to discuss their particular concerns and problems with other local stakeholders. It was necessary in subsequent phases to develop special programs to reach the unorganized community groups, particularly in close collaboration with neighbourhood authorities, and to launch effective publicity campaigns to increase public participation.

During the first phase, there was widespread difficulty in actively involving the private sector in the LA-21 process. The private sector's reluctance to participate in LA-21 was aggravated by the widespread concept held by other local stakeholders that the private sector was purely a financial source and not a full-fledged partner. As a result, in the subsequent phase, priority was given to promoting and developing innovative partnerships to increase the level of private-sector involvement.

Funding for the implementation of high-priority projects was a major problem; it was not readily available, either from local, national, or international sources.

It became apparent that, if appropriate funds could not be secured in a reasonable timeframe, local stakeholders might lose interest in sustaining LA-21 activities. The second phase therefore emphasized mobilization of appropriate mechanisms to provide financial support to projects developed under the umbrella of LA-21.

Developing ways to measure the impact of the LA-21 program was critical but not easy. In the first phase, it became clear that one method would not work for all partners because they differed in so many ways. Size ranged from over 2.4 million (Izmir) to fewer than 6,000 (Harran); there were highly developed metropolitan centres of industry and tourism (Bursa, Izmit, Antalya, Adana) as well as cities in the provinces with the lowest GNP in the country (Agri, Dogubeyazit, Hakkari); and there were different levels of progress and achievements in partner cities. Priority was given to the development of performance indicators for the assessment of LA-21 program impacts.

The second phase of the program was prepared and launched within this context, with the aim of contributing to the development of more democratic and participatory forms of local governance in Turkey.

## **8. Strengths and Weaknesses of LA-21**

### **8.1 Methodology and Approach**

The basic strength of Turkey's LA-21 program is its methodology and approach, which has repercussions for the management and conduct of the program. The program reflects a decentralized and enabling approach, based on networking and collaboration among equal partners instead of management from a central office. The primary decision-making and implementation mechanisms are the local networks, supported by national and international partners. The primary linkage between the participatory platforms in partner cities and the co-coordinating agencies is sustained by LA-21 general secretaries, who are also authorized to make expenditures from the local budgets.

The functioning of city councils and working groups reflects the same democratic, facilitating approach. The widespread tendency in Turkey to work with hierarchical structures has been significantly eroded during the course of the functioning of local participatory platforms, being gradually replaced by more horizontal and collaborative working relationships among local stakeholders.

### **8.2 Levels and Scope of Participation**

Recent evaluations of the progress in partner cities indicate considerable differences in the levels and scope of participation. In about one half of partner cities, local stakeholders are very active, and thousands of volunteers take part in local partici-

patory platforms. In these cities, civil society organizations, including associations, foundations, professional chambers, academic institutions, and other organized local stakeholders, as well as women, youth, vulnerable groups, and unorganized segments of the society, are notably-sometimes remarkably active.

In the remaining group of partner cities, there are limited numbers of committed local stakeholders and volunteers, and most local stakeholders appear disinterested, often including respective local authorities and public agencies. In these cities, LA-21 processes continue because of the commitment of the limited group of participating organizations and volunteers, albeit with a slower pace of progress. Such less-active partner cities are scattered all over the country and often located next to more active partners; thus, geographical locations, sizes, and levels of development do not account for the differences in the levels and scope of participation among partner cities.

In nearly all cases, the level of private sector involvement continues to be far from satisfactory. The apparent reluctance of the private sector to participate in LA-21 stems mainly from the relatively low level of local allegiance or sense of local responsibility of the business community. The lack of experience in establishing a working relationship and a mutual trust between local authorities and NGOs on the one side, and the private sector on the other, magnifies this problem.

### **8.3 Ownership and Support**

Implementation to date manifests varying degrees of interest and commitment on the part of local authorities participating in the program. About one half of partner cities are fully committed to LA-21, with relatively active local stakeholders. The local authorities in these cities have facilitated the functioning of the participatory mechanisms. About one quarter of partner local authorities are committed to a lesser extent. The remaining one quarter of partner local authorities have been unable to manifest a commitment or progress in their representative processes, mainly because of local politics.

The central government has exhibited only limited ownership and support of the program. A major achievement was the (second) Decree in Local Agenda 21, issued by the Ministry of Interior on 7 November 2000. The decree, circulated to all governorates and relevant public institutions, underlines the commitment of the ministry to support the program. The decree also addresses the pressing problem of municipal expenditures in relation to LA-21, making reference to specific budget items to guide and encourage the local authorities to allocate and realize relevant expenditures.

The Project Steering Committee (PSC), established for the purpose of ensuring an effective management and supervision mechanism, constitutes the basic mechanism to increase ownership and support of the central government. Each PSC member, including the representatives of the Environmental Commission of the Turkish

Grand National Assembly, the State Planning Organization, and the Ministries of Environment, the Interior, and Tourism, is expected to act as a focal point of the program in her or his respective organizations. Despite several encouraging initiatives, however, the PSC's role has remained limited.

The difficulties encountered in encouraging ownership and support of the LA-21 program, at both the local and national levels, is closely related to its low visibility. Despite the outstanding performance of the program in general, LA-21 continues to be little known, particularly at the national level. This weakness continues to severely restrict the overall performance and progress of the program.

## **9. Tangible Results:**

- Legislative changes, in the form of two decrees issued by the Ministry of Interior to support LA-21, have been introduced;
- More citizen-centred service delivery enhanced the legitimacy of the public administration and increased opportunities for civic engagement;
- The involvement of local stakeholders and the community at large as partners in this process is leading to more open, participatory, transparent governance at the local level;
- The initiative has helped other cities at the beginning stages of their LA-21 processes to establish local participatory platforms and action plans; and
- The program highlighted the importance of ensuring the broadest possible community participation.

### **9.1 Impact of the Local Agenda-21 Program**

The LA-21 program – based on community participation, involvement of local stakeholders, establishment of local partnerships, and decentralization of local decision-making processes – has provided a unique opportunity for the enhancement of local democracy and for practical implementations of the concept of good governance in Turkey.

Local stakeholders have built the structures and mechanisms suitable for this collective undertaking. Various active local stakeholder groups, including professional chambers and NGOs that had been networking among themselves in a rather closed circuit, have found the opportunity for collaboration and dialogue with the “other side.”

Women's organizations have joined forces through platforms and councils, which has helped raise awareness of gender issues. This collaboration has also had a significant impact on getting increasing numbers of women to actively participate, particularly disadvantaged women.

The program has also had a visible impact on the youth. The international dimension and central government support provided a framework for youth activities, par-

ticularly in the partner cities located in less-developed regions of the country as well as in cities affected by the earthquake. The establishment of youth councils and youth centres in partner cities has encouraged the launching of new youth programs in the Southeast Anatolia region.

LA-21 program has paved the way for the development of a new local governance model in Turkey, whereby public institutions, local authorities, and civil society organizations are forming the triangle of local decision-making processes. The emerging model of city councils and other participatory platforms has already started to influence local and municipal policies and decisions.

The impact of the program has begun to be reflected at the national level. In September 2000, during the National Habitat Forum organized in Ankara, general evaluations pertaining to Istanbul+5 acknowledged that the LA-21 program has been the outstanding achievement at the country level since the Habitat II conference in relation to localizing global UN agendas in Turkey.

The LA-21 program in Turkey is emerging not only as a municipal movement but also and essentially as a civil society movement that coincides with the expectations and needs of the people. It is gradually gaining ground in penetrating the concept of sustainable development in the everyday lives of local communities and has demonstrated its potential to trigger societal transformation that accelerates the decentralization and democratization process in the country, as well as the process of integration.

## **10. How to Sustain the Innovation**

Partners of the LA-21 Program have been devoting considerable time and effort to ensure the sustainability of the LA-21 process at the local and national levels. In this respect, the priorities identified for the subsequent periods of implementation of the LA-21 program include the following:

- Maintenance and further development of the LA-21 Governance Network to augment the sharing of experience and information amongst partners at all levels;
- Advocating for a suitable legislative framework for the institutional set-up to pave the way for the “institutionalization” of LA-21, particularly by means of developing a commonly endorsed model for institutionalizing the participatory platforms and other mechanisms and processes. A major success in this direction was registered when city councils were formally incorporated into local government structure with the new reform legislation;
- Promoting the ownership of the LA-21 by the Turkish Grand National Assembly and central government organizations;
- Promoting a better understanding and appreciation at the national and local levels of the crucial role of LA-21 in the European Union (EU) accession process. In line with the EU’s strong emphasis on LA-21, using this

enormous and unprecedented opportunity to promote the LA-21 movement is a basic strategic tool in realizing the national vision of EU accession;

- Involving the national press/media to publicize the program and become essential partners in the process;
- Promoting the establishment of concrete linkages between the LA-21 action plans and the programs and budgets of concerned municipalities and public agencies;
- Developing improved channels for increasing the involvement of the private sector by promoting its social responsibility;
- Capacity building and training activities with LA-21 for local partners, including the municipal staff, as well as representatives of local participatory platforms;
- Enhancing the capacity of regional unions of partner municipalities to foster inter-municipal cooperation and effectively promote and guide the implementation of good governance practices in their member municipalities, with particular emphasis on LA-21 processes; and
- Expanding the Program to other local authorities in Turkey, and adjusting the coordination mechanism to accommodate the enlarged program.

## 11. Lessons Learned

**The process itself is valuable:** The most important lesson to be drawn from the experience to date is the immeasurable value gained from the involvement of local stakeholders and the community at large as partners in the LA-21 process, with a view toward integrating social, economic, and environmental policies and concerns, and leading to a more open, participatory, transparent governance at the local level.

**Learning from each other is key:** Progress of cities that are at the early stages of their LA-21 processes is facilitated by the experiences of other cities that have already made significant advances. Sharing of experiences in awareness-raising meetings, establishing sister-city relationships between partner cities in different geographical locations, and organizing information-exchange programs and mutual site visits have all proved to be effective ways of learning from each other.

**Community participation is crucial:** Ensuring the broadest possible community participation is critical. The participation of organized sections of the society was essential but not sufficient. Appealing to the unorganized masses through global agenda slogans had limited impact. Thus, a special focus was given to developing the local capacity at the neighbourhood level, coupled with programs aiming at poverty alleviation, public health, and other social programs addressing the urban poor. Relatively advanced partner cities began to provide voluntary technical-assistance support to disadvantaged cities, particularly to improve the relative weakness of local capacity in the cities from the east and Southeast Anatolia regions.

**Small, targeted demonstration projects spark commitment:** Demonstration projects not only served to address priority local issues but also, to a surprising degree, increased the commitment of local stakeholders to the process, binding them together around concrete areas of joint action. This effect was also observed in the cities from the earthquake region, where small-scale projects encouraged partnership and mobilized new local stakeholders. Pilot projects have also constituted a basic means of establishing partnerships with the private sector in the LA-21 process.

**Decentralized management works better:** One of the essential lessons about the program's success has been the momentum and motivation triggered by the program's decentralized management at the national and local levels. The experience to date supports the conviction that a network of non-hierarchical equal partners jointly co-coordinating the program is more effective than a centralized program-management approach.

## **12. Could this Innovation be Replicated in Other Countries?**

Although relatively new, the LA-21 program in Turkey has developed into an effective area of stakeholders' collaboration and an important instrument of improved service delivery and democratization. The program has empowered community groups to participate and resulted in more citizen-centred service delivery and has enhanced the legitimacy of public administration. Success depends on making citizens aware of what the program can achieve and getting all stakeholders, citizens, politicians, and public officials, involved and committed to enhancing local governance.

The program could be of interest to other countries in the region, because Chapter 28 of LA-21 called on local authorities in every country, including the Euro-Mediterranean states, to undertake a consultative process with their population and achieve a consensus on LA-21 for their communities. Nevertheless, conditions in different countries with regard to local administration vary. Successful implementation depends on making citizens and public officials as well as politicians aware of the goals and getting them all actively involved.

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# Turning around a State-owned Enterprise: The Case of Telecom Egypt

By *Tarek Hatem*

“Telecom Egypt has undergone one of the most drastic changes that we have seen any public sector company undergo, probably in the history of Egypt,” Realizing the significant role that ICT play in sustaining socioeconomic growth, the Egyptian government has focused on advancing the sector’s development by providing a state-of-the-art national telecommunications network, promoting information-based platforms, and upgrading human resources.

## 1. Background

The 150-year old state-owned company, TE, has monopoly over the operation and services of international and national fixed-line connectivity in Egypt. During the 1980s and 1990s, however, TE’s infrastructure was the worst in the region. Millions were on the waiting lists for telephone lines; others could not obtain phones because they lived outside the reach of the telecommunications network. Over the last 20 years, the company has undergone radical changes to reduce customer dissatisfaction and better meet the challenges of ever-changing demands through enhanced use of technologies and innovation in governance.

### 1.1 Characteristics of Telecommunication before 1998

TEs history dates back to 1854, when the National Organization for Telecommunications, the oldest company in Egypt, inaugurated the first telegraph line, connecting Cairo and Alexandria. In 1881, the first telephone line was installed between the two cities. In 1918, the Egyptian Government acquired the Eastern Telephone Company for 755,000 EGP (US\$ 132,456.14) and developed the Telephone & Telegraph Authority, a predecessor of TE.

This highly regulated government organization was dominated by the Arab Republic of Egypt National Telecommunication Organization (ARENTO) and was overstaffed with unskilled and unmotivated civil servants, with poor managerial skills and low productivity levels. The company played the role of both the service provider and regulator and did neither well. The centralized hierarchical structure and the bureaucratic government culture led to long waiting lines, poor quality service, and a very weak telecommunication infrastructure, all of which caused great customer dissatisfaction.

## 1.2 Telecom Egypt after 1998

In accordance with Egypt's 1990s reforms and liberalization of the telecommunication sector, TE was established in 1998, according to Law 19 of 1998, as a joint stock company to replace the former ARENTO. Furthermore, the NTRA has been entrusted with the implementation of government policy to develop and spread communication services throughout Egypt and encourage investment in the telecommunications sector.

The year 1999 marked a new period in TE's activities, with the presidential announcement of the "era of knowledge and information society," and the establishment of the Ministry of Communication and Information Technology. In May 2000, a successful business manager from the private sector was appointed as the new chairman of TE. In 2003, on February 4th, Law 10 was passed and enacted by the President of Egypt to regulate the telecommunications sector.

## 2. Innovative Initiatives

TE's aim was to incorporate into the public sector the best practices being used by the private sector and to move toward privatization of state-owned enterprises by increasing investments and attracting foreign capital, enhancing accessibility to new technologies and markets, and boosting economic growth in general. The best practices and innovation in governance and public administration have been broken out into four categories: regulatory change, good management, utilization of technology, and human resources management practices.

### 2.1 Company Overview

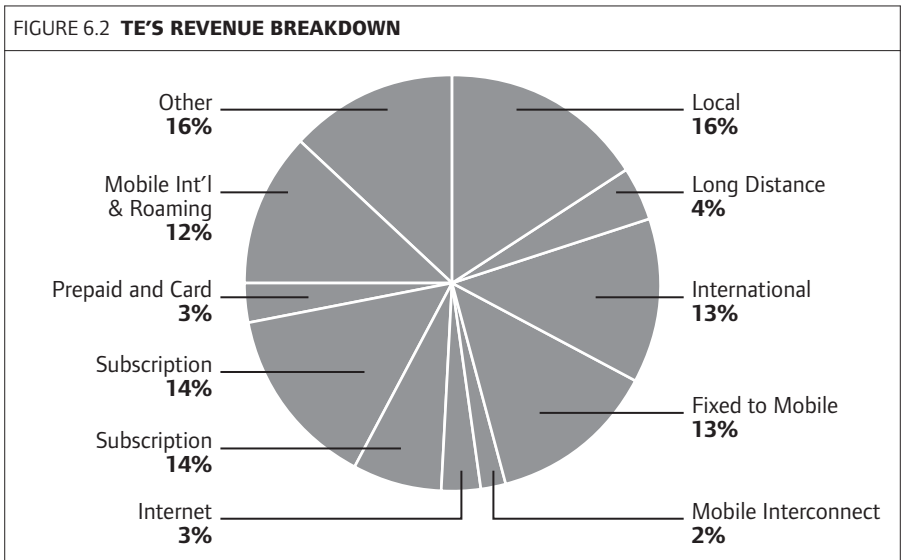
In 2004, TE was the leading provider of telecommunications in the Middle East.

FIGURE 6.1 **TE MARKET INFORMATION**

Market information	1998	1999	2000	2001	2002	2003	2004	2005
Population (000)s	62,700	64,500	65,700	66,900	68,230	69,460	70,7000	71,950
No. of households(000)s	12,950	13,200	13,410	13,800	14,100	14,380	14,670	14,950
Household size	4.84	4.88	4.90	4.85	4.84	4.83	4.82	4.81
Total number of lines	3,971	4,686	5,586	6,688	7,736	8,830	9,650	10,550
New lines installed (000)s	646	801	838	928	1,115	1,120	820	900
Growth rate (%)	16.3	17.1	15.0	13.9	14.4	12.7	8.5	8.5
Waiting list	1,349	1,313	1,215	1,008	583	206	127	—
Tele density (%)	6.3	7.3	8.3	9.8	11.4	12.8	13.6	15.4

Source: Hatem, 2007

To meet its goals and objectives, the state-owned company invested in developing skills and competitive capacities of its mid-management levels, introduced several human resources best practices, and improved the quality and capacity of its national network (see Fig. 1). In 2004 the company had 9.2 million subscribers, which amounted to an increase of 9.5% over June 2003. Revenues (see Figure 2 for TE's breakdown of revenue) went up 15% over June 2003 to L.E 3.8 billion (TE's website) with a reduction in long-distance revenues more than offset by an increase in mobile telephone services throughout Egypt. The number of subscribers differs substantially between governorates, with Cairo taking the lead with approximately 25% of all subscribers. From 1998 to 2004, average annual population growth was 2.0%, whereas average annual household growth was 2.1% and average total line growth was 16% (approximately 950,000 lines per year).



Source: Hatem, 2007

TE has dramatically increased its subscriber base and its tele-density. Tele-density varies widely among governorates, with Port Said having the highest, at around 25%, compared with more rural areas, where rates can be as low as 5% or less. There is still a waiting list for new subscribers, so that connection rates have remained at EGP 800 (US\$ 140.35) for domestic and EGP 1500 (US\$ 263.15) for commercial.

### 3 Telecom Egypt's Mission Statement

TE's mission statement emphasizes the important role that the company plays in the development of a telecommunications services in Egypt. TE is committed to improving its services to customers and creating a better future for its employees and the community through responsive services, honest business practices, and the implementation of the latest technological advances at a reasonable price.

### **3.1 Major Goals**

TE's goals include the following:

- Be reachable everywhere in Egypt throughout its 26 governorates and build existing customer value by providing broadband solutions for both the retail and wholesale markets;
- Improve the internal environment of the organization by enhancing managerial planning skills and techniques to be proactive, developing core competencies, enhancing operational efficiency, and placing information technology at the centre of all business decisions; and
- Increase revenues by increasing domestic subscription and the proportion of subscription-based services such as ADSL by turning the company to value-added products.

### **3.2 Financial Goals:**

- Ensure that the majority of debt raised to fund infrastructure expansion be carried out in local currency;
- Explore regional expansion opportunities to generate hard currency;
- Employ cost-efficient liquidity management; and
- Investment goals: Invest in the telecommunication industry and IT sectors.

### **3.3 Concrete Objectives:**

- Increase revenues by more than EGP 600 million (US\$ 105.26 million) over a three-year period through increases in subscription fees; and
- Add approximately 1 million new lines annually and achieve a tele-density of 17% by 2006, which depends on the connection of an extra 3.2 million customers.

### **3.4 Financial Objectives:**

- Improve the debt position by making sure that debt-to-equity ratio does not exceed 40 per cent over the next 5 years; and
- Achieve target revenues of EGP 10 billion (US\$ 1.754 billion) in the financial year 2008.

### **3.5 Investment objectives:**

- Target rates of return greater than 15 per cent.

### **3.6 Key Strengths:**

- TE holds monopoly over fixed-line telephony in Egypt and is well positioned as a regional telecommunication hub;

- TE strategically invests in IT and telecommunications enterprises, for example Vodafone Egypt, which have strong growth potential and are of strategic significance to either Telecom Egypt or the telecommunication market in general;
- The company has a high-quality network that uses modern technologies, a modem, and fully digitalized national backbone based on proven technologies and excess installed capacity to meet future growth in demand. Its fixed wireless CDMA network will provide extra operating flexibility and can serve as a platform for a potential future 3G network;
- There is strong growth potential through the roll-out of value-added products; and
- It has established a highly skilled workforce with a strong focus on technical disciplines.

#### **4. Challenges to Implementing the Innovation**

One of the biggest problems TE faced as it transformed itself into a service-oriented enterprise centred on human resources problems, specifically overstaffing and poor managerial skills. The centralized hierarchy for approvals led to excessive paperwork and low productivity levels. Furthermore, the salary structure did not provide any incentives for employees to provide quality service. Workers had complete job protection, as stipulated by labour laws (137/1981 and 91/1959) that governed human resource management before the issuance of the New Unified Law of 2003. In addition, recruitment, hiring, and promotion of employees of the public sector depended on seniority and not productivity.

Central and local government authorities' influences and considerations interfered with efficient decision-making. The bureaucratic governmental culture, antiquated regulations governing the civil service job market, redundancy in roles and responsibilities among government entities, centralized decision-making, and lack of function-based specialized entities were some of the challenges facing the public sector.

TE was exposed to exchange rate movements from its foreign currency debt and capital expenditure. TE tariffs in Egypt are distorted owing to the cross-subsidization of services because high international tariffs and connection fees are used to support low local tariffs, monthly subscription charges, and long-distance tariffs.

Egypt's large size requires significant capital expenditure to roll out a network that can reach the demanding targets set by the government. TE is currently engaged in negotiation with the Egyptian government regarding the existence of EGP 4.4 billion potential tax liability.<sup>1</sup>

<sup>1</sup> (US\$ 0.77 billion)

#### 4.1 Further Obstacles to Success:

- The devaluation of the Egyptian pound makes infrastructure investments relatively more expensive given that they are made in foreign currency;
- Falling GDP per capita might lead to a reduction in telecommunications spending;
- The liberalization of Egypt's telecommunications market in December 2005 entailed substantial business risk;
- Tariffs must be re-balanced. The current tariff system is effectively subsidizing local calls from international call revenues. Ongoing liberalization and a potential future tariff rebalancing are expected to increase demand rapidly for voice, data, and higher-margin value-added services;
- The emergence of low-cost, mobile-to-mobile calling has reduced TE revenues, especially the long-distance ones;
- A small portion of customers is responsible for a large portion of TE's international revenues. When the market opens up, new operators might try to capture these valuable customers; and
- Capacity imbalances – too much capacity in towns and insufficient line capacity in rural areas – are hard to overcome. For example, the tele-density of Port Said is 25 per cent compared with more rural areas, where rates can be as low as 5 per cent or less.

#### 4.2 Plans to Overcome Obstacles

To deal with currency volatility, TE needs to re-balance its debt portfolio with a greater proportion of debt denominated in Egyptian pounds. Future funding should be met by using TE facilities. To handle the drop in revenue that will come with losing its monopolistic position in 2006, TE is working with Vodafone Egypt and MobiNil, which will guarantee to channel calls through TE's gateway. To address imbalances in its charging policy and capacity, NTRA is setting up the Universal Fund to compensate TE for nonprofitable network expansion to meet target penetration rates. Anticipating the emergence of low-cost mobile-to-mobile calls, TE has purchased a stake in Vodafone Egypt that enables TE to access the fast-growing and competitive mobile market at an attractive price. TE's long-standing strong relationship with the regulatory agency will give TE an advantage as that agency makes rulings on an optimal pricing formula.

#### 5. Factors that Point to Continued Success and Sustainability:

1. Egypt's population is growing, and citizens will want telecommunications connection. The current population of 77,505,756 as of July 2005 is expected to grow to 100 million by 2020 (Egypt's Fact Book 2005);
2. Egypt benefits from a young and technologically advanced population, which provides considerable scope for TE to increase its product offerings

to incorporate a range of value-added services. TE enjoys a supportive regulatory environment. In fact, expanding telecommunication access forms an integral part of the Egyptian government's policy; and

3. Partial privatization of TE could lead to increased future investment in the company.

TE has entered the bidding process for several international tendering contracts, which will be the source of additional hard currency benefits if they are won.

## **6. Best Practices That Transformed Telecom Egypt**

To transform TE from an inefficient public-sector organization to an efficient one, TE management introduced several best practices concerning quality of service, pricing strategies, orientation toward servicing the public, identifying customers' needs, customizing services for different customers, and improving accessibility. "They adopted the approach that you would employ if you were a private sector company in the sense of prioritizing customer service and satisfaction.

Some examples of improvements in TE's primary activities include speedy delivery, providing prepaid phone cards, pay phone, quality telephone lines, reduced waiting lines, mobile services, allowing Internet usage, and offering affordable prices. Other examples of improvements in the behind-the-scenes operations included better management, planning, and budgeting practices; emphasizing ICT application and development; utilizing better functional and organizational structures; and investing in human resources management and development.

## **7. The Path Towards Success**

### **7.1 Government Passes Favourable Laws**

TE enjoyed a supportive regulatory environment. The Egyptian government helped TE expand and improve in several areas by passing the following laws and regulations:

- Law No. 19 of 1998 was inaugurated to change the status of the telecommunication authority, TE, to a commercial shareholding company, with the government as majority shareholder;
- Law 10 was the most recent telecommunications law passed and enacted by the President of Egypt on February 4, 2003, to provide TE with one license at no charge for each activity or service provided directly by TE or through companies it establishes with others so long as it owns a majority of the capital. This was extend until the end of 2005 for services provided before or on that date. Excluded are frequency licenses and charges and mobile licenses;
- Companies Law: The Egyptian Peoples Assembly approved Law No. 3 (1998), amending the Egyptian Companies Law, whereby the procedures

for establishing an Egyptian company were streamlined, in efforts to reduce bureaucracy and encourage investments, thereby allowing companies to start operating as soon as the requisite corporate documents are submitted to the Egyptian Ministry of Economy; and

- **Government Procurement:** The Egyptian government enacted a new tender law, Law No. 89 (1998), which governs government procurement of goods and services by all Egyptian ministries, departments, local government units, and public and general organizations, in an effort to improve transparency and predictability in the Egyptian government tender process.

## **7.2 Government Creates a Favourable Regulatory Environment:**

- The National Telecommunication Regulatory Authority (NTRA) has been entrusted with the implementation of government policy with the objective of developing and spreading communication services throughout Egypt and encouraging investment in the telecommunications sector;
- The government encouraged increased phone proliferation in Egypt by declaring it the right of every citizen to have access to a phone;
- Both the NTRA and TE have worked together to expand the national network of service and increase competition through the liberalization of the market;
- NTRA is funding the establishment of the Universal Service Fund by 2005 to subsidize the cost of providing coverage in less economically attractive locations, which are not otherwise economically viable (some areas have tele-density below 5 per cent);
- Potential future tariff rebalancing is likely to lead to increased domestic subscriptions and call revenues; and
- TE is exempted from paying for any licenses in its existing services before 2006.

## **7.3 Leadership Is Committed to Changing Management Planning Practices**

TE's leadership introduced new management planning practices such as goal setting, financial reviews, stakeholder examination, environmental scanning, competitive analysis, operation plans, and observing outcomes, which proved to be related to different organizational performance indicators, examples of which are the ratio of total revenues to total operating profits and growth in sales, as well as to organizational effectiveness indicators such as the presence of mission statements, measurements of service satisfaction, employees' job evaluations, and financial audits (Herman & Renz 2004).

## **7.4 Planning Practices Bring Growth: Investments, Acquisitions, and Liaisons**

In planning for growth, TE implemented a market diversification strategy through providing additional wholesale services, maintaining presence in most of its serv-



ice provisions through subsidiaries, revenue-sharing agreements, acquiring shares, or through corporate liaisons.

To provide additional sources of revenue streams to compensate for slower growth or in some cases the decreases in traditional retail services, TE provided wholesale services in Egypt to cellular operators and Internet service providers.

TE invests in IT and telecommunication enterprises that have strong growth potential and are of strategic significance either to TE or the communication market in general. By December 2003, the company had made investments in 18 companies at an initial cost of EGP 283.4 million (US\$ 49.7 million) excluding Vodafone Egypt.

Telecom Egypt penetrated the Internet services market, which is a rapidly growing segment of the telecommunications market, at a compound annual rate of 31.4 per cent, through TE Data, its 92.5 per cent subsidiary, and keeps a market share of more than 30 per cent in such a market. Examples of some other subsidiaries are TE Information Technology, Middle East Radio Comm., Nile Online, and Egynet, in which Telecom Egypt maintains investment stakes of 92.5, 51.21, 27.27, and 19.51 per cent, respectively. TE Invested in Internet service providers and arranged with them to retain 30 per cent of revenues. In addition, TE has minimal investment stakes of 2.0% in each of the public payphone operators MenaTal and Nile Telecom.

Telecom Egypt has also a strong indirect presence in most of its services since it maintains revenue-sharing agreements with mobile operators for interconnection, internet service providers, and other service providers, such as AudioText, pay phones, and pre-paid calling cards. The company made an agreement with both MobiNil and Vodafone Egypt whereby it received 40 per cent of billed interconnection revenues.

TE entered the mobile market by acquiring shares in Vodafone Egypt from minority shareholders. TE realized that it would be more cost effective to acquire stakes in Vodafone, being a partner to Vodafone International. "We entered into negotiations with Vodafone Egypt, and after almost one year, we reached an agreement that would allow us to buy 25.5 per cent of the shares of Vodafone for roughly half the amount it would have cost us to build a network. At the same time, we have achieved our goal of entering the mobile market," says TE Chairman Beshir.

TE's investments in Vodafone Egypt generate substantial income from mobile interconnection fees. Demand for mobile services has increased rapidly in Egypt in recent years and hence so have TE's revenues.

TE is actively seeking further international presence through corporate liaisons to provide a steadily increasing revenue stream. International connectivity is an important source of hard currency earnings. For example, TE generates some 58.9 per cent of its incoming and 54.4 per cent of its outgoing revenues from the Middle

East region. The single largest market by volume of incoming and outgoing calls is Saudi Arabia, which accounts for 30.3 per cent of incoming calls and 21.9 per cent of outgoing calls. TE also achieved a partnership with Orascom to build, own, and operate a second fixed network in Algeria.

Since the development of the telecommunications market, both incoming and outgoing international call traffic has grown 108 per cent and 119 per cent respectively from 1998 to 2003. From 1999 to 2003, revenue earning international capacity has increased by more than 5000 per cent, which is equivalent to an average annual growth rate of almost 175 per cent. It is anticipated that the demand will continue to grow for the next few years.

## 7.5 Leadership

The company achieved a cost leadership strategy by downsizing through reviewing the number of employees, building a detailed cost structure model to allow the company to position itself in future tariff renegotiations with the NTRA, implementing highly effective and efficient human resources through intense and effective training programs, financial reporting systems, and addressing market competition both locally through a strategic planning unit and internationally through studying overseas incumbents.

TE used some planning practices such as operation plans to expand its coverage and enhance profitability by achieving higher call volumes through additional lines and increasing tele-density. Both incoming and outgoing call volumes have increased rapidly in excess of 100 per cent since 1998 with combined average growth rates standing at around 13 to 14 per cent over the period, despite the fact that international call traffic is heavily biased toward incoming calls partly because of more affluent expatriate/foreign communities.

TE international calling tariffs remain relatively high when compared with those of other international operators. Outgoing tariffs have been selectively reduced in an attempt to increase outgoing call volumes and fend off illegal traffic. Declining accounting rates have had an impact on incoming call revenues in recent years, with the trend expected to continue. TE established three geographical charging bands: one for all Arab countries and the United States, another to Canada, another for Europe and Caribbean, and the third to Africa, Asia, South America, Australia, and the Pacific.

## 7.6 Improvement through a Differentiation Strategy: Product Diversification

TE implemented a growth marketing strategy using product diversification to improve service to its customers. Strategies included:

- Delivering high-margin services, such as broadband, which will allow bundling of high-value content such as TV/IP streaming, music, and access to government business services; and

- Development of new services such as fixed line SMS and enterprise VOIP to generate incremental revenues.

### **7.7 Marketing Department Creates Brand Awareness**

“To face liberalization [in 2006],” says Sanaa Soliman, marketing director for TE, “the telecommunication market is going to have to tell people about what we do. This was our problem – we are good in our services but we don’t give people awareness about what we are doing, what are we offering as services”. To overcome poor brand awareness among consumers, the company created a marketing department to be able to re-brand itself and face new competitors.

In 2001 and after a new management joined Telecom Egypt, the company started repositioning itself through new strategies, for example, product development initiatives aimed at increasing national and international fixed-line access. TE improved the margin on services and customer value through the implementation of a new account-based billing system that will allow for proper billing of advanced Internet services at premium prices.

### **7.8 New Practices Encourage Wise Financial and Investment Strategies**

Investments are subject to rigorous scrutiny and approval by the Board of Directors. Broad-based asset allocation shows that telecommunications represents 95.2 per cent, whereas IT represents 4.6 per cent of TE’s investment portfolio. The company’s international investments portfolio is concentrated in the field of satellite telecommunication. Its strategy for international investments involves dispensing with those investments in which the company’s influence is minimal. For example, TE sold its shares in Inmarsat Ventures for US\$ 5.47 million in December 2003, achieving a profit of about EGP 21 million (US\$ 3.68 million), representing over three times its initial investment.

TE’s financial policy plays a vital role in achieving maximal shareholders’ value. The company’s funding profile has changed greatly starting in 2000, thereby reflecting the change in policy as a result of the devaluation of the Egyptian pound. Local loans have increased from 5 per cent in 2000 to 58 per cent in 2004. The company’s debt profile includes local loans and facilities of 31 per cent, supply agreements of 21 per cent, government loans of 19 per cent, and foreign loans of 29 per cent. The company has further restructured its funding profile so that debt is dominated in Egyptian pounds.

### **7.9 To achieve a cost-efficient liquidity management, TE did the following:**

- Maintained non-earning cash balances at minimal levels;
- Used excess cash balances in reducing interest payments through temporary repayment of short-term debts;

- Invested cash balances to generate additional revenues;
- Deposited cash balances with well-respected local and international banks;
- Shortened the cash cycle by billing and collecting receivables over shorter periods; and
- Optimized cash allocation and strengthened relationships with banks.

The annual budgeting process follows strict procedures. The process starts in June at the department level. A budget committee drawn from all departments is then created. In July, sector budgets are prepared, and then budget office sits with sector heads until September. In September, an integrated budget is created. In October, the budgetary committee submits the budget to the chairman, the seven vice chairman, and sector chiefs. Finally, in November, the budget is approved by the budgetary committee and the Board of Directors. The budget in use is audited on a quarterly basis. Actual budgetary figures have always surpassed the budget, except for year 2003, when expended figures were below the approved budget owing to the impact of currency devaluations.

### **7.10 Utilization of Technology and ICT Applications**

Telecommunications policy emphasized ICT development. In achieving the target penetration rate of 17 per cent by 2006, TE sought to provide service by using several advanced practices in planning and budgeting that leading companies used, among which were making good investments in IT and innovative solutions, executing good competitive strategies, managing future results, and focusing on the external environment.

New technologies are being viewed as a cost-effective means of expanding the backbone to meet government tele-density targets. Some technology examples follow:

- 1) The company's expansion was achieved by investing extensively in its by using the latest available technologies, which resulted in both additional capacity and cost savings. TE was one of the first countries in the MENA region to operate a 100 per cent digitalized network.
- 2) The company holds a monopoly over the provision of international connectivity in Egypt, encompassing all voice traffic (fixed and mobile) and leased lines. In 1998, the company installed the mobile GSM service throughout Egypt and introduced the Intelligent Network and the Integrated Services Digital Network in Cairo. Some of TE's efforts to embrace new technologies in 1999 were introducing the Transport Network SDH 3 Rings and the Frame Relay/ATM Network for high-speed access, and the use of fiberoptic cables by adding equipment and increasing the data rate through the upgrade of multiplexers. TE strategy is to leverage the only nation-wide backbone (the only fiberoptic network in the region).

The second millennium started with accomplishing the Egypt 2000 project, initiating the new billing system in 2001, introducing free internet services,

and implementing ADSL services to obtain speedy access to the Internet in 2002, and introducing a call centre at the Intelligent Village. The backbone and connectivity that have been developed by TE have acted as a strong barrier to any potential new entrant.

- 3) TE initiated a mix of both commercial and public service projects that maximize the usage of the latest technology to achieve maximal cost advantage when expanding network capacity:
- Product development initiatives aimed at increasing national and international fixed-line access;
  - Build on IP core network to facilitate ADSL network expansion and commercialization;
  - PSTN (copper local loop) line purification program using automated software with updated inventory management, enabling the faster connection of new lines and identification of suitable copper lines for ADSL services;
  - Build clean customer profiles using PIN codes and third parties in preparation for implementing an account-based billing system; and
  - TE recognized value-added services as a key driver for future revenues. TE is able to make available value-added services to approximately 30 per cent of its installed capacity. Additional value-added services such as Caller ID, Call Waiting, Call Baring, Follow Me, Conference Calling, Wake Up, Don't Disturb, and Hotline are available through current technologies, but their usage is minimal.

### **7.11 TE strategy: voice-centric services and building core revenue streams using proven technologies:**

In service development:

- Home and office budget control services that provide password-protected access and a credit limits to win back core revenues from the pre-paid and mobile markets;
- Intelligent pay phone services that use a smart card that can be topped up using Marhaba pre-paid card to promote core revenues in locations with low line penetration;
- Economy international off-peak services using Voice Over Internet Protocol (VoIP) technologies;
- Voice information and text-assisted value-added services: high-value information services and bill payment and booking applications that combine voice assistance and confirmation of content by using Interactive Voice Response (IVR)/Short Message Service (SMS) technologies; and
- Messaging services: provide simple messaging services for residential and unified messaging services for enterprise customers.

## **8. Changes in Human Resources Management Practices**

TE has made several changes in its human resources management to improve the company's ability to lure and retain the best people. Through job analysis, employee training and development, performance appraisals, and by involving employees in the process, TE has developed the skills of its mid-management levels and improved the quality and capacity of its national network, to become a leading provider of telecommunications in the Middle East.

### **8.1 Plans to Enhance Management Capacity and Motivate Staff**

The company provided several specially designed training programs to develop its management team's capabilities and motivate its workforce.

*Motivation through better Compensation:* In 2003, the company introduced a new salary restructuring program to lure new people of high calibre and to keep them, as well as a bonus scheme to reward excellent performance and attractive early retirement programs to streamline the work force.

*The Leadership Development Program:* In 2003, TE initiated a full-time training program, the Leadership Development Program, for 25 of its key managers who showed leadership potential. The training program focused on issues like leadership and career development, management and financial skills, and change management.

*Skill-based training:* TE provided 200 training sessions, delivered by top organizations such as Alcatel, for over 7000 of its specialists and service-based employees, thereby covering issues like technical advancements and service improvements.

*Management Restructuring:* TE management restructured the company by employing a relatively flat organizational structure, with seven Vice-chairmen, thereby eliminating unnecessary layers. The new management also introduced the departments of marketing, internal auditing, investment, treasury, key account management, and revenue assurance.

## **9. Looking to the Future: Key Objectives by 2007**

TE plans to continue the progress it has made so far. By 2007, TE has the following goals:

- Increase national tele-density to 18 per cent by construction and connection of approximately 1 million new lines per annum;
- Build a nation-wide fixed wireless/CDMA network to achieve 100 per cent telephone coverage of Egypt;
- Achieve the targeted universal obligation to provide access to telecommunication services and achieve the 18 per cent tele-density target. This can be cost effectively addressed only through use of wireless technology CDMA; and

- Continue to develop the DSL services across Egypt for high-speed Internet services for businesses, government agencies, and educational institutions.

## **10. Could this Innovation be Replicated by Other Countries?**

The case study of the transformation of TE from a state-owned highly regulated company to a customer services-oriented one provides an overall framework for change in public sector enterprises. The case provides important lessons for other countries' authorities who are interested in transforming their public sector organizations by identifying those best practices and the actions that brought about such transformation.

To implement these best practices effectively, however, the objectives of the targeted transformation, stakeholders involved, and the nature of the market involved must be understood. In the case of TE, the need to respond to customers' demands initiated the innovation; however, without a supportive regulatory change, management commitment, and advanced practices in management planning and human resource management, such transformation could not have happened.

In other words, to obtain the anticipated results, those officials who seek to replicate these experiences in their countries should not simply pick and choose a few of the innovative elements; they should go for the whole package. For example, replicating TE's experience in other countries would depend greatly on whether these countries' legal and regulatory frameworks or overall conditions would equally and effectively provide the right conditions for such transformation. Only then will implementation of best practices produce the desired outcomes.

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# Innovations in Human Resources Management: The Experience of the Jordan Institute for Standards and Metrology

*By Zuhair Al Kayed*

Jordan has received recognition for two innovations in the public sector. The first took place within the Jordan Institute for Standards and Metrology (JISM) involving reforms in human resources to improve the delivery of services that affect the health, environment, and safety of citizens. The second occurred within the Drivers and Vehicles Licensing Department (DVLD) to modernize and improve the transparency and efficiency in delivering services related to the licensing of drivers and vehicles.

The establishment of the King Abdullah II Award for Government Performance and Transparency provides a valuable incentive to spur public sector reform. Without this strong national mandate for sustainable, globally competitive public sector institutions, reform efforts would have little chance for success.

### **1. The King Awards for Excellence**

In 2000 and 2003, respectively, Jordan launched the King Award for Excellent Performance in the Private Sector Institutions, and the King Award for Excellent Performance and Transparency in the Public Sector. To reflect the level of commitment in this context, His Majesty formed a board and appointed his brother Prince Faisal to chair the Board of Trustees for Excellence and Transparency and submit progressive reports about the ongoing status of the efforts made. It is strongly believed that an institutional excellence and governance program is not beneficial unless it is based on collaborative efforts.

### **2. Benefits of the King Award for Excellence**

By adopting a governance programme that emphasizes excellence and transparency, Jordan witnessed several benefits and tangible results. Here is what Jordan was able to achieve:

#### **2.1 At the macro level:**

1. Accelerate the rapid pace of multi-faceted reforms;
2. Enhance the country's reputation in terms of transparency;
3. Encourage local, regional, and foreign investments;

4. Enhance citizens' trust in the quality of public services;
5. Establish a climate of open dialogue among all levels of authority;
6. Create an atmosphere of continuous learning and creativity; and
7. Institutionalize efforts for further modernization and development.

## **2.2 At the micro level:**

1. Create opportunities for employee's participation in the decision-making process;
2. Enhance the quality of service delivery;
3. Adopt an approach that focuses on results rather than merely on processes;
4. Create an atmosphere, which encourages creativity and promotes recognition;
5. Institutionalize the concept of accountability towards reaching results and achieving nationally set goals;
6. Focus on citizens and various beneficiaries as the main players in the modernization process;
7. Upgrade the level of awareness concerning quality of performance;
8. Promote a sense of ownership amongst employees to enhance loyalty at work;
9. Encourage collaboration and coordination strategies between public sector organizations;
10. Encourage partnerships with the private sector entities and local communities;
11. Establish the need to move forward in adopting and applying E-government and knowledge systems; and
12. Change the culture of work that is currently based on fear and isolation.

## **3. Characteristics of the Innovations**

Democratic governance is based on three pillars: it is a citizen centred, results based, and transparent. In line with this, Jordan launched reforms in the administrative, economic areas reform.

These reforms are considered best practices because they involve the following:

- Support from the highest level leadership, His Majesty the King;
- Collaboration between all public institutions;
- Integration of visions and missions;
- Transparency and openness with the public;
- Participation of all employees from the bottom to the top in the process of excellence in performance;
- Institutionalization of efforts and continuity of implementation;
- Dedication to make change happen regardless of the expected resistance;

- Excellence in performance at the national, personal, and organizational level;
- Accountability of performance at all levels;
- Review of achievements based on strategic planning;
- Monitoring of performance by different bodies; and
- Sharing of results with all beneficiaries, stakeholders, and citizens.

#### **4. The Path toward Innovation in Governance in Jordan**

To implement change, the government took steps to:

- Design a communication strategy;
- Conduct educational workshops;
- Establish a Board of Trustees for the Excellence Award;
- Request all public sector organizations to form teams or committees to handle the change in mindset and performance;
- Meet with the citizens through field visits, media and dialogue;
- Encourage opinions at all levels;
- Adapt the notion of Accountability towards achieving results;
- Incorporate innovation as a day-to-day matter in implementation; and
- Consider employees to be the country's human capital.

To implement such successful practices effectively, the following conditions had to be met:

- Acquire support from the top level towards the transformation and reform processes;
- Involve all stakeholders such as private sector entities, non-governmental organizations, local communities, and citizens in the change process;
- Open channels with Parliament to ensure that such efforts would be sustained by encouraging innovative legislation;
- Identify the national and organizational goals conducive to innovation and excellence;
- Prepare a communication strategy to spread awareness about why, what, and how successful practices can assist in satisfying all stakeholders at all levels;
- Adopt a participatory approach whereby all civil servants can share in the transformation process;
- Institutionalize the notion of successful practice as a road to reach the targets and needs of all parties;
- Let the public know there will be accountability and transparency; and
- Coordinate all aspects of the reforms to ensure the linkage of inputs, processes, and outputs and eventually the positive impact of all transactions.

All reforms were geared toward meeting national goals as well as the public's needs and expectations.

## 5. Jordan's Best Practice in Human Resources

To build and maintain a supportive work environment that encourages excellent performance at both the personal and organizational levels, the public sector must:

- Apply fair and transparent employment policies and implement reward/compensation programme to motivate employees;
- Plan workforce supply to meet current and anticipated demand;
- Implement employee training and development programs that meet organizational needs; and
- Design and implement programs that promote employee satisfaction and retention.

Clearly written job descriptions are essential tools for recruiting and selecting employees, conducting fair and accurate performance appraisals, and identifying training needs. A fair, transparent, and accurate job classification system that grades positions according to an overall scale is crucial to effective human capital planning, transparent salary grading, and fair recruitment and promotion.

Excellent employment policies ensure that the organization's staffing needs are met in a timely manner by applicants whose talents, competencies, and skills match the job requirements, and that the process is in compliance with organizational goals and objectives as well as applicable legislation.

An accurate and transparent appraisal system that measures employee performance against reasonable, tangible objectives is essential to meeting those objectives. Regular, results-based performance appraisals provide feedback that the organization can use to improve organizational performance and employee satisfaction and also helps identify opportunities for rewarding excellent performance. Transparent, equitable, and effective compensation and incentive policies improve employee productivity and boost performance quality by motivating employees to strive for excellence in achieving the organization's goals.

Forecasting helps the organization to anticipate its future workforce needs by tracking developments that might lead to the creation of new positions or vacancies in established positions. These developments include promotions, retirement, and resignation among current staff, as well as changes or additions to the strategic plan that call for new skills or a different distribution of staff.

Succession planning is a method of identifying and cultivating leaders from within the organization to fill future vacancies among middle and senior management. By preparing employees to assume leadership roles before the positions become available, succession planning programs ensure the availability of a competent workforce at the management level, ease the transition process, and minimize gaps in productivity.

Well-designed and implemented employee training programs enhance overall organizational and individual performance, optimize employee productivity, and help ensure continuous employee satisfaction and performance improvement.

Well-designed and implemented management development programs enhance overall and individual performance, promote improved relations between management and staff, and help managers fill current roles as well as prepare them to meet the organization's future needs.

Tailored programs and open communication channels improve employee welfare and maintain a healthy work environment, contributing to employee satisfaction, well-being, and motivation.

Maintaining a positive and supportive work environment that contributes to the well-being, satisfaction, and motivation of all staff is essential for reducing employee turnover. Retaining high-performing employees is critical to the organization's continual improvement.

## **6. Best Practice in Service Delivery**

To deliver key products and service, organizations must manage processes to meet organizational goals; identify customer needs and expectations and design processes to meet or exceed them; gather customer feedback and incorporate this information into process design to improve customer satisfaction; and manage relationships with suppliers and service providers to ensure efficient delivery of products and services that the organization needs.

By designing processes logically, testing them, and constantly monitoring their implementation, the organization can enhance its ability to deliver products and services in a timely, cost-effective way. Planning end-to-end processes comprehensively can ensure that related processes interact smoothly and without any delays across both departmental and organizational lines.

Streamlining procedures reduces the time, effort, and costs that go into the delivery of products and services by combining or merging steps and eliminating red tape. Effective streamlining maintains customer satisfaction by facilitating process delivery and helping the organization to achieve targeted results and meet customer needs more efficiently.

To provide customers with excellent services, the organization needs an accurate understanding of customer requirements, expectations, and preferences. Empowering staff to respond promptly and thoroughly to customer inquiries and concerns is essential to customer satisfaction. Maintaining open channels of communication with customers ensures that their concerns are heard and understood, and helps the organization to improve the level of service it provides.

## **7. Case I: Innovation in Human Resources**

### **7.1 The Jordan Institute for Standards and Metrology (JISM)**

JISM was awarded Number One in the Award for Excellence in Public Performance and Transparency. Before becoming an independent entity in 1994, it was a department of the Ministry of Industry and Trade. The total workforce is 240 employees.

### **7.2 Objectives**

The main objectives of the JISM are:

- To adapt a national system for Standards and Metrology according to international practices;
- To keep abreast of scientific developments in the subject area and accreditation of laboratories;
- To provide health, environment, and safety protection to citizens through ensuring that all products comply with the technical rules it issues; and
- Ensure the quality of national products by accrediting Jordanian standards to enable such products to compete in both local and international markets.

### **7.3 The Vision and the Mission Statement**

JISM aims at becoming a centre for excellence at the national, regional, and international levels in the field of metrology and related areas by ensuring that the services and products it provides in response to the beneficiaries' needs and expectations are of high quality.

Its goal is to protect the interests, concerns, health, and safety of citizens and the environment, and to enhance the competitive capacity of Jordanian products in international markets.

To achieve the above, JISM had to establish modern systems in the field of standards, inspection, testing, monitoring, and accreditation through available information and knowledge and developing and rewarding its human resources.

JISM renders services to its main partners and customers such as trade, industry, and services sector, general institutions and scientific research centres, citizens, and other customers.

### **7.4 Values:**

- Creative and supportive leadership;
- Transparency;
- Teamwork spirit;

- An organizational culture of excellence;
- Cooperation and coordination;
- Development of a skilled work force that is empowered with the information and knowledge required to deliver services quickly and accurately;
- Continuous learning that leads to modernization and sustainable development; and
- Adoption of a process-based and result-oriented approach.

## 7.5 Case Analysis

JISM identified training needs for all job titles based on the organization structure and level of the job importance, managerial and technical skills, job nature, and tasks of each position.

JISM prepared an annual training plan and nominated employees to participate in either individual training or group training. Employees attended workshops to transfer knowledge and managers participated in such learning events. Employees were selected to share and acquire knowledge by attending various local, regional, and international conferences.

JISM planned and implemented in-house training programs to qualify the second level of employees, aimed at empowering and upgrading their skills and competencies. Such training courses were aimed at bridging any possible gap in supervisory positions and to ensure the retention, transfer, and deployment of knowledge amongst all employees.

An annual performance agreement was implemented. Both the appraiser and appraisee had to agree on the objectives and results they needed to achieve. Such an agreement continues to be subject to periodical review to ensure commitment and provide any assistance the employee might need.

JISM also adopted a modern human resources system that links all HR processes starting from employment, placement, training, promotion, advancement, and succession. Training included orientation of new employees, preparing future leaders, incentives, and termination of services. All processes were transparent and objective to ensure fairness and quality, and employees were well aware of their rights and obligations according to procedures and instructions.

In that regard, JISM provides opportunities to acquire higher university education to obtain a Master's or Ph.D. degree. In addition, JISM provides opportunities for employees to enhance their competence in the English language and IT skills based on an E-government program.

JISM adopted a career-planning path, job development path, and training path for each job. All employees participated in the Training of Trainers (TOT) program to carry out the in-house training and prepare them to be assessors in quality and environment systems both locally and internationally.

JISM offered tangible incentives to employees whose performance is graded Excellent, that is, payment equal to one month's salary, as well as annual increments based on their level of performance. JISM also rewarded employees with honorary incentives, conducting competitive tests to select the best employee in leadership, professional, administrative, and supporting jobs.

JISM encouraged the concept of teamwork as an incentive for learning and participation in the decision-making process, preparing instructions, and conveying feedback on further needed improvements. It also encouraged some employees to work for other institutions to increase their personal and professional competences. In addition, JISM provided a supportive work environment to increase employee job satisfaction.

In March 2003, JISM adopted a new personnel by-law. The characteristics of the salary structure are fair and logical in the sense that it took into consideration the cost of living and market price of similar jobs. Nevertheless, JISM revisited the salary grading system based on modifications to the organization chart, job functions, and level of importance and complexity of jobs.

Employees who committed a violation were subject to disciplinary sanctions as stated in the personnel by-law. JISM management communicated with employees who violated or committed any unethical actions to correct and adjust their behaviour before applying disciplinary sanctions.

## **7.6 Results and Impact:**

- Equality and objectivity in dealing with the beneficiaries;
- Better services;
- Quick and accurate transactions;
- Better customer satisfaction;
- High positive reputation in Jordanian standards, metrology, and accreditation;
- Highly motivated human resources;
- Exchange, deployment, and inventory of knowledge within the organization and outside;
- Cutting red tape in rendering services;
- Enhancement of channels of cooperation and coordination with external environment systems; and
- Application of IT and E-government initiatives.



## 8. Case II: Best Practice in Service Delivery

### Drivers and Vehicles Licensing Department (DVLD)

The DVLD was awarded Number Two in the Award for Excellence in Public Performance and Transparency. Formerly part of the Traffic Department, the DVLD was established as an independent entity in 1968. DVLD has 12 sectional units in the 12 governorates, which cover the northern, middle, and southern parts of the kingdom, with a total staff of 857.

#### 8.1 The Objectives

The DVLD's national goals were to protect citizens' lives and assets by licensing drivers as well as ensuring technical safety of vehicles, securing a clean and quiet environment by focusing on allowed percentages of gases and level of noise produced by vehicles, and economic development through streamlining of processes and procedures rendered to citizens and investors.

The DVLD seeks to achieve the following departmental objectives:

- Deepen the awareness of the community about traffic culture;
- Enhance the cooperation and partnership with public, private, and local community sectors;
- Develop theoretical and practical procedures of driving tests;
- Develop the technical testing procedures of vehicles;
- Institutionalize knowledge management of employees;
- Upgrade and qualify the performance of employees; and
- Invest in human and financial resources.

#### 8.2 The Vision and the Mission Statement

The DVLD seeks to render excellent services in the area of licensing drivers and vehicles by modernizing systems and techniques and increasing transparency in providing services.

#### 8.3 Values:

- Creative and supportive leadership;
- Teamwork spirit;
- A culture of excellence;
- Equality, respect, and fairness in rendering services to all;
- High ethical standards in dealing with others;
- Quick and accurate delivery of services; and
- Integrity and professionalism.

## 8.4 Beneficiaries

The beneficiaries of this service are the Ministry of Health, Greater Amman, Municipalities, General Union of Insurance Companies, driving training centres, Ministry of Justice, Public Transport Regulatory Commission, Drivers' Trade Union, Income Tax Department, Crime Information Department, Jordanian Traffic Institute, Central Traffic Department, and all citizens.

## 8.5 Case Analysis

The DVLD ensured the absence of duplication in providing services in all its centres by closely applying the issued regulations, which had already been distributed to all sections. Additionally, the DVLD prepared a procedural manual and unified forms, circulating them to all involved in service delivery. The DVLD also trained employees so that they could deliver services promptly and accurately, and it computerized transactions, including the fees system. All these efforts were subject to close monitoring, follow-up, evaluation, and accountability to ensure the best quality service.

Private sector organizations (driving training centres, insurance companies, car dealers, and bank representatives) contribute directly or indirectly through coordination. The DVLD adapts a partnership plan with related bodies to provide the services to the citizens, who are also considered partners in presenting suggestions and opinions to develop working procedures.

Local communities (e.g., universities, schools, societies) work with the DVLD to enhance service through traffic awareness lectures, studies, and research, whereby the ideas and recommendations presented are seriously considered, and there are student-organized visits and celebrations of international events and occasions.

## 8.6 Strategies to Improve Services

The DVLD prepared a strategic plan reflecting its vision, mission, and national and departmental goals, which it sought to achieve through implementing work programs in the short, mid-, and long term. The most important strategies to improve services included

Train and qualify human resources through various plans, such as manpower plan, succession plan, incentives program, employee welfare plan, and training plan in addition to implementing surveys to measure employee satisfaction levels; modernize and develop systems and equipment, establish licensing sections in all zones and construct necessary buildings to handle modern developments, simplify procedures and provide electronic licensing service through the E-government project; computerize the theoretical driving tests; conduct surveys to measure the citizens' satisfaction; Increase the cooperation with related organizations aiming at facilitating services; prepare a knowledge management strategy clarifying the procedures and

transactions and deploy it among all employees through seminars, meetings, and workshops; prepare communication strategy aiming at building cooperative relationships and bridges of trust with citizens and enhance the societal role; prepare a financial plan for guaranteeing the investment in the available financial resources; prepare a risk management plan to anticipate any possible risk that might affect achieving goal; and prepare a follow-up plan to ensure that servicing is up to the standard and take corrective actions or further improvements

In addition, the DVLD exchanged success stories with other organizations working on other projects, such as the E-government license tracking system with Ministry of Communications and Information, the violations project with Greater Amman Governorate, and the environment-cleaning project with Ministry of Environment.

Some of the innovative features of DVLD are that it expanded its service hours for citizens to all weekdays, including Saturdays, which are a formal holiday, to make it convenient for civil and military employees who cannot obtain services during official working hours.

The DVLD increased the awareness of beneficiaries about services through the distribution of brochures and pamphlets, meetings with the media, direct contacts, and the website. It learned about the needs and expectations of beneficiaries through distributing questionnaires, analyzing them and taking the necessary actions, forming a follow-up committee to trace complaints and submitted recommendations to solve any problems, followed the open-door policy to listen and talk to citizens, and observed feedback through media channels.

The DVLD ensured efficiency and effectiveness of both the timeliness and accuracy of services through empowering and motivating employees; computerizing all transactions; simplifying procedures, follow-up and evaluations, reporting systems, and field surveys. It streamlined the procedures and activities by forming a special committee for simplifying procedures, decreasing forms and signatures, and preparing flow charts for each process.

The DVLD used a complaint system by applying a mechanism characterized as open, transparent, and sound according to the following perspectives:

- It adopted an open-door policy to receive any verbal or written notes, suggestions, or complains;
- Complaint boxes and front desk office were available;
- The public could also contact the various media channels to express their concerns about any difficulty they face in receiving or finalizing their needs;
- It documented the complaint so that the person could be contacted later on;
- Concerned officials studied the complaint and responded;
- The legal advisor at DVLD provided a legal opinion; and
- The complaint was transferred to the Complaints and Suggestions Committee for a solution.

The person with a complaint was informed of any action taken. Thus, the DVLD spent considerable efforts to decrease the volume of complains by taking the following actions:

- Technical committees studied the reasons behind the complaints;
- A committee monitored the quality of service;
- A higher committee followed up and evaluated;
- It conducted studies and field surveys to learn about the most pressing problems and complaints to take the action needed to improve service and decrease complaints;
- It computerized procedures and issued a clear manual for employees in addition to distributing brochures and pamphlets to increase public awareness;
- It empowered employees to solve the problems promptly; and
- It increased the coordination with DVLD partners so that all parties could eliminate any obstacles to the smooth delivery of services.

The DVLD set indicators to increase the efficiency of providing services by applying both the quantitative and qualitative indicators such as:

*Quantitative Indicators:* increase of citizens to finalize their deals on time, increase of transactions finalized on time and according to identified time schedules, increase of staffing, and expansion of organization units at the governorates. The examination of indicators is done through daily statistics, reports, and inspection.

*Qualitative indicators:* Facilitation of procedures, adopt the concept of a “one-window stop,” quick finalization of transactions, computerized all transactions, citizens’ satisfaction, and availability of electronic service. These indicators are examined through studies, field visits, thank-you letters, newspaper articles,, and agreements between the DVLD and concerned bodies.

The DVLD made tremendous improvements at the level of its functions and activities and at the national level.

### **8.7 At the Functional Level:**

- Simplifying procedures;
- Commencing the implementation of E-government project;
- Automating the theoretical tests;
- Computerizing most procedures;
- Instilling a culture of excellence among employees in the course of providing services; and
- Privatizing the vehicle testing stations.

### 8.8 At the National Level:

- Implementing the recommendations and decisions of the Higher Council for Traffic Safety;
- Contributing in the awareness campaigns to citizens and students through the media;
- Contributing in conservation of a clean environment;
- Contributing in the economic development through facilitating procedures for investors, and reinvesting collected fees in the general budget; and
- Contributing in improving and developing traffic legislation.

DVLD adapted concepts and ideas that assisted in solving problems or improving service performance such as:

- Considering the needs and expectations of beneficiaries in the course of process design;
- Simplifying the procedures;
- Efficiency, transparency, and equality in improving services;
- Building bridges of trust between the DVLD and beneficiaries;
- Continuous review of processes through specialized committees;
- Deploying information regarding the department's achievements; and
- Follow-up, evaluating employees' performances and achieved results.

### 9. Lessons Learned:

The lessons learned from all such activities in providing services are:

- Strategic planning is crucial to achieve goals and reach results;
- Institutionalization of work and efforts is essential;
- Empowerment of employees is crucial because they represent a major asset of the department;
- Systems, techniques, and IT are of paramount importance to developing services;
- Coordination between public and private organizations is a critical factor for the success of any institution;
- Transparent procedures are an essential pre-requisite to excellence in performance; and
- Monitoring, follow-up, and evaluation play major roles in achieving national and organizational goals.

### 10. Results and Impact:

- Qualified and competent workforce to provide efficient services and achieve results;

- Better quality of service;
- Better traffic culture among people and societal entities;
- Achievement of shared national goals;
- Simplified procedures;
- A decline in traffic accidents, and financial and human-life losses;
- Improved driver behaviour;
- Good technical vehicles;
- Decreased percentage of contamination; and
- Greater awareness of and commitment to the exchange and deployment of knowledge across employees and citizens.

### **11. Could these Innovations be Replicated in Other Countries?**

These innovations are not isolated reform efforts. They are part of a broader effort at reform throughout Jordan's government. Both of these instances of best practices are easily adaptable to other organizations in other countries. The employee training and development program at JISM and the improvements in service delivery at the DVLD could meet the needs of many other organizations who want to improve employee satisfaction and retention and deliver a higher quality of service. Both programs are relatively easy to implement. With the proper support, the results can be achieved and be beneficial for all.

# Innovating the Organizational Structure of the Ministry of Finance in Lebanon<sup>1</sup>

By Randa Antoun

The Ministry of Finance (MOF) has embraced several modernization initiatives to create a modern, streamlined administration that is responsive to the needs of the public and committed to improved public service.

### 1. Background

Lebanon is over 6,000 years old and dates back to the Phoenician era. Subsequent civilizations passed through Lebanon, turning the country into a melting pot with a diverse cultural and political heritage.

For approximately four centuries (1516–1918), Lebanon was ruled by the Ottoman Empire, with a relative degree of autonomy. The administrative and political foundations of the state of Lebanon were laid during that period. To date, certain cultural and administrative practices still endure. There are even certain laws and regulations that were issued by the Ottomans that have never been changed or amended (the Associations' Law of 1909 is an outstanding example).

The year 1920 was the turning point in the history of Lebanon, however. General Gouraud, the head of the French troops in the Levant, put Greater Lebanon under French mandate. This introduced reforms to the old Ottoman system that governed Lebanon, along the lines of the French Third Republic. In 1926, Lebanon adopted its first Constitution, leading to the establishment of the country's modern administration, with many Western features.

After the Independence of 1943, Lebanon went through three phases, during which progress was made. The country's economic and administrative infrastructures were constructed between 1952 and 1964. President Fouad Chehab adopted a comprehensive reform program. Supported by several international organizations, including the French IRFED consulting team, several administrative institutions and agencies were established, including the Civil Service Board, the Central Inspection Administration, and the Central Bank of Lebanon, and major laws and regulations were promulgated, including the Code of Money and Credit and the Public Employees' Law.

The outbreak of the civil war in 1975, however, marked the beginning of unrest and deterioration on all fronts that lasted until 1990. Loss of human life was great, em-

<sup>1</sup> This chapter has been written prior to the 2006 hostilities in Lebanon and does not reflect its impact on the Lebanese public administration.

igration of the youth and educated people was alarming, and the damage to the country's infrastructure was widespread. The government barely functioned. The conflicting militia authorities ruled the ground, providing governmental services to their respective constituents in return for fines they imposed. The Civil Society Organizations (CSOs) became active in providing social services and conducting development projects.

The Israeli military invasions in 1978 and 1982 made matters worse for Lebanon. The occupation of southern Lebanon for approximately 22 years undermined economic growth.

The Taef Agreement of 1989 marked a new era. Military hostilities came to an end, and the political reform process began. Amendments introduced to the Lebanese Constitution in 1991 brought political changes that led to a stronger modern state, emphasizing parliamentary democracy, respect for freedom of speech and belief, co-existence, private ownership, free market economy, and balanced regional development. The first parliamentary elections in 20 years were held in 1992, and in 1998 the municipal elections for more than 700 municipal councils took place for the first time in 35 years.

The major obstacle to building a modern state is an inept and corrupt public administration. The long years of civil war left Lebanon vulnerable to both incompetence and corruption. The Lebanese administration became highly politicized. Positions were assigned to militia members, and nepotism determined who would get jobs, not merit and capabilities. The administration became overstaffed, with more than 180,000 employees.

Since 1992, however, all cabinets have made the issue of administrative reform in their ministerial statements a priority. At that time there was no clear consensus on the strategy, and not everyone was convinced that the political will to implement change was there.

Nevertheless, reform efforts were launched and supported by the first government of Prime Minister Rafic Hariri, a Minister devoted to administrative reform. After less than a year in office, the government undertook a national campaign to reform the state administration to inaugurate a fresh post-war start, streamline the bureaucracy, eliminate corruption, reform the laws, increase transparency, and stimulate investments in the economy. Within this framework, the efforts at the MOF are outstanding initiatives.

### **1.1 Ministry of Finance's Central Role**

The MOF plays a decisive role in governing any state's financial affairs. The MOF is the central government body responsible for the state budget; it prepares the annual budget proposal and close of accounts statements for the consideration and ratification by the parliament. In addition to being the State's treasury, the MOF



controls financial markets, taxes, customs duties and fees, the financial economy, financial supervision, accounting, audit and tax consultancy, foreign-exchange policy (including bills payable to and claims on foreign countries and the protection of foreign investment), regulation of lotteries and similar games, and activities with state property. It cooperates with the Central Bank of Lebanon to decide on and apply monetary policy. On another level, through its membership, the Ministry represents Lebanon in various international financial institutions and bodies, including the International Monetary Fund (IMF) and the World Bank (WB).

The MOF operates in the legal context of a body of well-established laws, many of which date back to the era of the French mandate or the early years of independence. These laws guarantee the private ownership of property, the free flow of funds and currencies in and out of the country, and the freedom of contract between parties.

**Box 8.1 Organizational Structure of the Ministry of Finance in Lebanon**

There is no citizen or resident in Lebanon who is not affected by some decision or activity of the Ministry. The Ministry has administrative departments attached directly to the Minister, in addition to the government representative at the Central Bank. These departments are:

**DIRECTORATE GENERAL (DG) OF FINANCE**

The DG is responsible for preparing the national budget proposal and statement, imposing and collecting taxes, authorizing and dispersing expenditures for different ministries, supervising and controlling spending in different ministries and public institutions, and exercising the tutelage authority over several public corporations.

**HIGHER COUNCIL OF CUSTOMS/DG OF CUSTOMS**

The Higher Council sets the policies and studies related to customs regulations and treaties. The DG collects customs imposed on imported and exported good and products and is responsible for monitoring the borders to control smuggling.

**Directorate of Land Registration and Cadastre (DLRC)** The DLRC manages real estate properties; keeps updated and secured records of title deeds, registers, and land maps; and administers the public properties of the government, including its investment, lease, or rehabilitation.

**DIRECTORATE OF NATIONAL LOTTERY**

The Directorate has the sole task of administering and investing all different types of lottery.

Source: Antoun, 2007

## 1.2 Problems after the Civil War

After 15 years of war and military occupation, Lebanon was in ruins. The economy collapsed, the infrastructure was destroyed, there was tragic loss of life, and thousands of people were disabled. Many professional and skilled workers had emigrated, leaving the public administration and the MOF in very bad shape. The financing of Lebanon's reconstruction imposed additional pressure.

Here are just a few of the problems and obstacles that the MOF faced:

- Physical damage to the ministry's facilities;
- Scattered departments between west and east Beirut and in different locations;
- Limited office space;
- Lack of maintenance;
- Destruction or misplacement of public records and files;
- Outdated administrative system and process;
- Over-centralized and complicated basic administrative procedures;
- Inability to provide adequate services;
- Obsolete office equipment;
- Insufficient numbers of trained and professional staff;
- Excessive numbers of unqualified daily workers and contractors;
- An aging civil service;
- Halted recruitment;
- Inadequate compensation system; and
- No in-service training or even any training.

The MOF could not keep up with the challenge of rebuilding the economy; it could not deliver the necessary services. There was an urgent need for the Lebanese government to launch a reform program at the MOF that was supported by major donors.

## 1.3 Changing to a Lean, Efficient, Service-driven Organization

The administrative innovation aimed to gradually transform traditional institutions into more effective service delivery and policy-making organizations. This shift entailed upgrading of services, mobilization of capacities, classification of administrative posts, restructuring of the administration, simplification of procedures, avoidance of overlapping of authorities, motivation of human resources, and preparation of training programs.

The Ministry of Finance, with the support of Prime Minister Hariri, launched its reform efforts to build a very lean and efficient administration that is service driven, offering the best possible services to their customers – Lebanese citizens, and the predominant private sector and international investors as economic agents. The effort started in 1993, and it transformed MOF from an antiquated turn-of-the-century

operation, atrophied by years of neglect during the civil war, to a state-of-the-art organization, seen as a benchmark by other countries of the region.

#### **1.4 Factors That Influence Reform**

A variety of other factors influenced reform initiatives, beyond the legal framework that receives much of the attention. Political, institutional, social, cultural, and economic concerns all play a role in the success of implementing innovations and successful practices.

#### **1.5 Political Environment**

The political environment defines the overall backdrop and establishes important parameters for any development activities or reform initiatives. The efficacy of any initiative flows largely from strong political will.

The consecutive cabinets of Prime Minister Hariri since 1992 emphasized administrative reform as a priority. The government prepared an administrative strategy to improve the public sector and promote good governance. The MOF programs received the full support of different politicians; the parliament facilitated the Ministry's efforts and the cabinets were responsive.

Prime Minister Hariri selected Minister Fouad Siniora to head the MOF in all the cabinets over which he presided. He believed in the central role of the Ministry in implementing his vision for Lebanon's future. The support of Minister Siniora, who held this position for ten of the last fifteen years, was important to the success of new programs. When he assumed office in 1992, Minister Siniora prepared need assessments and studies, as a first step toward developing a comprehensive reform program that has been backed by international organizations. The MOF innovations described here would not have been achieved without the Minister's personal endorsement and involvement, which was demonstrated in his frequent site visits, close follow-up, and continuous feedback.

#### **1.6 Economic Conditions**

If reform were to go forward, it would be necessary to repair the economic and financial damage that long years of civil war had brought. The focus was on revitalizing the economy and gaining back confidence in the Lebanese currency. The government of Lebanon (GOL) had to take the initiative to reform its Finance ministry as an inevitable step toward a broad reform movement.

The MOF could not delay. These were some of the first steps outlined for the MOF to take:

- Maintain financial and monetary stability;
- Cut down on public spending which principally covers public personnel costs and debt service;

- Reduce the budget deficit;
- Achieve economic growth;
- Enhance revenue collection;
- Develop the private sector, which was considered to be one of most developed private sectors but had been influenced by the malfunction of the administration and the consequences of the war;
- Foster privatization as a solution for several economic and financial problems;
- Create new opportunities for employment;
- Encourage foreign investments;
- Attract effective foreign assistance;
- Benefit from globalization opportunities; and
- Liberalize the economy.

### 1.7 International Pressure

Lebanon's international relations and membership in international organizations offered the country considerable opportunities; new horizons for investments, development, assistance, modern technology and others could be wide open. The international community had made its assistance conditional on the implementation of specific projects or policies, however, especially in the field of reform. Being the direct liaison with international donors, the MOF had to respond immediately.

To start with, the WB and the IMF warned the GOL of the need to take necessary measures toward reform at all levels. WB has been urging GOL to adopt an ambitious privatization program, including sales of shares to the public and the introduction of Build-Operate-Transfer (BOT) and other concession-type schemes for infrastructure projects. As for IMF, it has been actively engaged with the Lebanese authorities to provide advice on dealing with fiscal and other issues.

Lebanon has applied for membership in the World Trade Organization (WTO) and was granted observer status in April 1999. Preparations for negotiations leading to WTO membership are under way, with the support from USAID. At the same time, USAID is working with CSOs and other government institutions to push for better reform and more transparent and accountable administration.

In 2002, Lebanon initiated its association agreement with the EU, as part of the EU's Euro-Mediterranean partnership initiative; the importance of this agreement lies in the fact that EU is one of the country's major trading partners. With the ultimate goal being the setup of a Mediterranean free-trade area, the agreement requires a progressive liberalization of trade, a gradual lift of tariff and non-tariff barriers, and other economic and financial aspects related to cooperation.

Further, the EU announced the European Neighbourhood Policy (ENP). ENP sets ambitious objectives for partnership with EU neighbouring countries based on com-

mitments to shared values and political, economic, and institutional reforms. As partner countries are invited to enter into closer political, economic, and cultural relations with the EU, the commitment and capability of each partner country will decide its engagement in this broad agenda.

In addition, the GOL has ratified or signed several treaties for the promotion and protection of investments and the avoidance of double taxation with several foreign countries, and free trade agreements with several Arab countries are also being implemented.

The structural reforms adopted by the GOL were taken on the demand of Lebanon's international partners, including the WB, IMF, UNDP, USAID, Canadian International Development Agency (CIDA), and others. The foreign assistance to Lebanon provided loans and grants to selected governmental ministries and agencies in a demand-driven process that allowed earmarking of available funds to the best suitable projects, rendering tangible and effective impact. The MOF received the bulk of such funding, supporting the ministry's reform initiatives to turn into one of Lebanon's successful practices in governance innovations.

### **1.8 A Comprehensive Reform Package**

Because it is impossible to single out one modernization effort as the most remarkable example of organizational innovation, the focus here is on the reform package.

The MOF's comprehensive reform program is multi-faceted and it rests on a long-term vision of innovation. The program is to strengthen policy reform and fiscal management, build MOF internal capacity, develop MOF human resources, and promote transparency and dissemination of information.

It is widely believed that such reform follows the standards defined by the major international institutions such as the IMF and World Bank. Funded by the UNDP, the Economic and Technical Support Unit (ETSU) was established at the MOF to operate as an advisory unit on policy reform and implementation. Policy reform ensures macroeconomic stability and fiscal consolidation; it paves the way to enhance revenues and strengthen fiscal management. As it helps the state cope with emerging regional and international challenges, it also aims to meet the requirements for membership in international trade associations and partnership with regional and international organizations.

Building the internal capacity of the MOF is another feature of the reform program, one that appears to be a natural continuation or at least an expected consequence of policy reform. The institutional capacity building at the MOF has taken place in three main areas: organizational, through restructuring the Ministry, modifying certain departmental functions, and redesigning jobs; technical, through automation and upgrading of IT infrastructure, computerization, and introduction of new technologies such as management information systems (MIS); and administrative,

through facilitation and simplification of internal procedures and re-engineering of work process. Rationale behind this organizational innovation was to promote more efficient and effective services.

The importance of institutional capacity building is that it makes reform visible. The public can see the MOF becoming more transparent and accountable to the citizens as it carries out delivery of services.

The human element is critical to the success of the MOF's reform. Modernization requires competent and professional employees. Human resources development has been a top priority at the MOF to improve the functioning, knowledge, and learning capability of the ministry's employees.

The introduction of new technology and the shift of the Ministry into a modern administration have required a comprehensive action plan regarding the qualifications available at the ministry, the need for improved in-service training programs, and an understanding of the MOF's future recruitment and training needs.

To develop competent and well-trained civil servants committed to their work, the MOF established the Institute of Finance (IOF) in 1996. IOF was provided with the necessary resources to become a sustainable source of high-quality, specialized training, human resource management, communication, and documentation services for the Ministry.

The MOF also made progress in promoting transparency and enhanced data dissemination and disclosure. Using new modes in information and communication technologies (ICTs) including the Internet, hotlines, information service centres, and publications, the MOF is trying to increase the validity, accuracy, and consistency of data and information and increase the level of responsiveness to its clients.

Using new channels to compile and disseminate reliable and timely information would facilitate communication between the MOF and various public groups including members of the international economic and financial community, private sector companies, CSOs, media, and the public at large. This is especially important for the MOF to build support, achieve its goals, and implement its policy and reform agenda.

Transparency and dissemination of information would also help individual citizens and companies comply with rules and regulations and finalize their transactions as smoothly and effectively as possible. It would help raise public awareness to rights and responsibilities and promote an environment of transparency at the Ministry's concerned departments.

## **2. Tangible Results**

The proof of the efficacy of the reform package and organizational innovation at MOF are its tangible results. Here are just a few:

## 2.1 Policy Reform

The policy reform at the MOF is a difficult activity to pin down. The enactment of new or amended legislation provides the Ministry with valuable tools to monitor public expenditure, manage public debt and treasury operations, and increase national income while providing incentives for investments and clarifying employment opportunities.

## 2.2 Value Added Tax

Introduced in 2002 through the technical assistance of CIDA and the IMF, the value-added tax (VAT) was implemented to widen the tax base, modernize the taxation system, develop the economy, and satisfy certain international and regional trade obligations that require the lifting of customs on imported products.

The VAT focused on large taxpayers, the deduction at the source of the income tax on salaries, modifications, and settlements on current taxes, and the preparation of a general tax on income. Here are the specific characteristics of the VAT:

- 10% as a base rate;
- L.L. 225 million (equivalent to US\$ 150,000) as a minimum mandatory registration threshold, with no lower limit on optional registration;
- A long list of exemption categories, including education, health, raw agricultural products, banking and financial services, and insurance;
- Exports are zero-rated; and
- Special refund schemes applicable to tourists, diplomats and international organizations, NGOs and others.

Members of the public were divided in their response to the VAT— some liked it; others opposed it. To help taxpayers and consumers better understand this new tax, the MOF used a variety of communication tactics, such as information centres, hot-lines, a VAT website, quarterly bulletins, and presentations to the public.

The Ministry established a directorate for the VAT, employing more than 200 public servants and consultants who are well qualified and received specialized training on the system. A clear legal framework was revised; work processes were engineered; clear procedures and forms were designed. A new policy reform to modernize the tax system was put into practice.

As of September 30, 2004, 16,030 taxpayers registered at the VAT administration, with a 98.5 per cent declaration compliance rate, which is a high rate in a relatively very short period. The treasury revenues from VAT are on the increase, as the Table 8.1 displays.

Period	Total VAT collection (LL Billions)
January-March 2003	288,553.83
April-June 2003	310,332.58
July-September 2003	381,469.96
October-December 2003	395,938.11
January-March 2004	360,364.37
April-June 2004	443,961.74
July-September 2004	457,421.60

Source: Antoun, 2007

### 2.3 Institutional Capacity Building

Policy reform at the MOF has resulted in institutional capacity building. The three pillars of institutional capacity at the MOF, the organizational, technical, and administrative, are interdependent; improvements in one area trigger improvements in the other. The instalment of computerized systems requires the introduction of new work processes and simple and clear procedures forms, associated with an in-depth revision of the organizational structure and a careful redesign of required posts.

For a better display of information about the best practices in this area, the following examples are highlighted: the reorganization of the Directorate of Revenues (DOR) through the establishment of Large Taxpayer Office (LTO) and Tax Roll Unit (TRU) and implementation of a new integrated tax administration automated system, and the simplification of administrative procedures and forms and the installation of comprehensive automation systems at CA and DLRC.

According to legislative decree No. 2868, dated 16/12/1959, the DOR was organized by tax type; the organization was suitable with the taxation system and number of registered taxpayers present at that time. To conform to the vision and goals of a new tax system and to cope with the efforts of rehabilitation and reconstruction of the country, however, it became necessary to introduce major modifications to the taxation administrative structure. To ensure success and effectiveness, this modification had to be smooth and incremental; awaiting the implementation of comprehensive strategic reforms, short and medium terms improvements were introduced, especially at the DOR.

The underlying goals of such changes were:

- Simplification of internal administrative procedures;
- Facilitation of citizens' transactions;
- Providing services efficiently and effectively in the shortest time possible;
- Use of modern technologies to the greatest extent possible;



- Widen the base of taxpayers and increase interaction with them; and
- Enhance transparency in dealing with citizens.

## 2.4 Large Taxpayer Office

In this context, the LTO was established in compliance with the vision to transform DOR from a tax-type organization to a function-based model, in which functions common to different taxes are performed under single administrative units.

Large taxpayers form a significant segment of the tax base: 7 per cent of the current taxpayers provide around 87 per cent of the income tax base. Given the complexity of their operations and the uniqueness of their businesses, the MOF took the initiative to integrate the interaction with large taxpayers through the establishment of the LTO. Three target groups have been identified: large corporations (in terms of turnover), financial institutions, and insurance companies.

Since January 1st, 2005, well-trained tax staff has been able to provide better services to these taxpayers. They answer inquiries on regulations and laws, including double taxation avoidance and the proper filing of required forms. Improved service means better compliance with laws and better audit and control, which in turn will increase tax revenues and improve investment opportunities.

## 2.5 Tax Roll Unit

Along the same rationale, the TRU was established. This unit was established as part of a new integrated automated tax administration system known as the Standard Integrated Government Tax Administration System (SIGTAS), which was put into operation in 1997.

SIGTAS covers all taxpayers, whether individual citizens or companies at VAT, CA, or DOR, by means of a central taxpayer identification database. The database was constructed following an on-ground survey of all economic activities and potential taxpayers, which resulted in the increase of the base in 1999. The system automatically assigns unique numbers for each individual, known as Personal Identification Number (PIN) and for each enterprise, known as Taxpayer Identification Number (TIN), regardless of the type of tax incurred. The MOF tax administrations now use these numbers to identify their customers and process their transactions; taxpayers have to give their numbers while interacting with the MOF administration.

Accordingly, a special unit, the TRU, was created with specific responsibilities:

- Management of SIGTAS;
- Update the database to include information such as trade name, legal status, business addresses, and name of stakeholders and representatives;
- Registration of new taxpayers;
- Issuance of the PIN/TIN;

- Avoidance of duplication in information; and
- Publication of miscellaneous statistics that are needed by the MOF management at all levels.

With continuous updates and registration, it is expected that TRU will include more than 700,000 taxpayers in its database, which is at the disposal of different departments at the MOF, to be used to reach to and finalize operations with taxpayers.

The reorganization of MOF, reflected in the creation of these two units, has facilitated internal work, enhanced administrative performance, provided essential information and data to conduct business, and accelerated interaction and communication in a better and more transparent way with taxpayers.

### **3. Custom Administration**

Before the reform, the situation in the Custom Administration (CA) was unbearable. To carry out a single transaction, a citizen had to take a form from one department to another, enduring long waits and exhausting follow-ups at each stage. Everything was recorded manually; records were lost or misplaced. Decisions and evaluations were made haphazardly without clear reference to criteria or previous precedents. Corruption was rampant, and bribes of employees handling imported or exported products were commonplace.

The challenges to improving the Customs operation were serious. With loans from the WB and the EU, the MOF launched its revolutionary plan to revitalize CA in 1993 in cooperation with the United Nations Conference on Trade and Development (UNCTAD). The immediate objectives were maximizing efficiency in the clearance process; reducing costs incurred by citizens; improving quality of trade data; and providing comprehensive, accurate, and up-to-date data to government agencies that help in setting policy and decision-making processes.

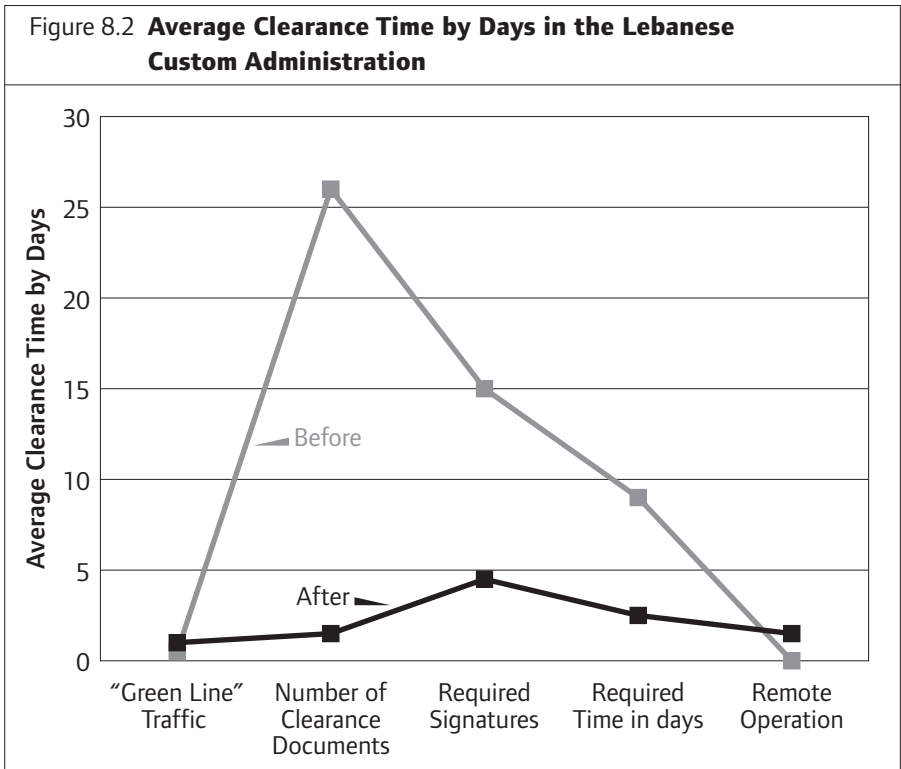
In brief, the different components of the new CA computerized system are:

- NAJM: an automated system for managing all customs operations including declarations, clearances, and archives; all transactions are now being processed through NAJM;
- NOOR: an online version of NAJM in which CA clients, including traders, customs brokers, carriers, and freight forwarders are required to enter their data transaction electronically from their own offices; it is a preparatory step for NOOR-II, whereby declarations can be remotely registered and assessed;
- LITE: CA's interactive website, which facilitates online interaction and access to relevant information;
- MANAR: an automated system of manifest operations; and
- NAR: an automated system for enhancing risk management and selectivity during desk or field audits.

Externally, the system provides CA clients with modern means to provide data, process their documentation, and interact with the administration. Internally, the system provides the custom controllers with easy and rapid access to comparable customs cases, allows a better inspection and audit through applying the principle of selectivity and risk management, and manages audit and inspection more effectively and responsively.

Here are a few of the positive outcomes from the CA innovation:

- 75 per cent of the total custom declarations are “green line” traffic (i.e., exempted from inspection) compared with only 10 per cent before the implementation of the program;
- The average clearance time is now approximately 2 days instead of 9 days;
- One clearance document is required instead of the previous 26; and
- The clearance process takes four steps instead of the previous 15 steps with signatures.



Source: Antoun, 2007

In addition, the innovation at the CA has led to significant improvements in its performance, transparency, and internal accountability. With a reformed structure and a simplified automated process, the new system allows for a better op-

erational functioning of the central administration and its field offices; it is also more efficient and productive in the interaction with its clients. The internal computerized management and audit systems have much greater capability for detecting irregularities and thus uncovering corrupt or illegal activities. The system also hosts a database for all current and past declarations and transactions and on trade statistics.

This initiative at CA, which was the first to introduce E-government into the Lebanese public administration through NOOR, was received with a warm welcome from different stakeholders and great appreciation from the citizens. The image of the CA in the eyes of the public is now different after sensing the new changes and the tangible benefits. This new modern, responsive, and professional image of the Lebanese CA caught the attention of international donors, who now refer other governments in the region to it as a best practice.

#### **4. Directorate of Land Registration and Cadastre**

Another improvement in this domain has been in the Directorate of Land Registration and Cadastre (DLRC). The DLRC is charged with managing all real estate property records in Lebanon, a country that has few natural resources, making real estate the primary source of wealth and income.

During the long years of civil war, governmental buildings were robbed or destroyed; files and archives were stolen or burned. Dedicated employees tried to rescue whatever they could and store them in safe places. Corruption was widespread.

The first step the DLRC had to take was to reinstate its property records, including title registers and survey maps. MOF launched a large-scale automation project known as the Cadastre Organization Modernization and Automation Project (COMAP). The project, funded by the WB and UNDP, also aimed to enhance operational efficiency and upgrade its capabilities and services.

The integrated components of COMAP included:

- Digitalization of all existing title registers into a database;
- Computerization of the work processes related to real estate property registration and transactions at the Land Registration Department;
- Conversion of all existing map sheets into a digital database;
- Automation of Cadastre operations related to maps and surveys using an intelligent mapping software;
- Redesign of work processes associated with computerization to simplify and automate procedures;
- Develop guidelines to handle errors and mitigate against any potential; and problems resulting from transferring existing on-paper information to digital data.

The innovation at the DLRC has contributed to greater accessibility, validity, legibility, and reliability of records/services for the public, and more integrity and security of real estate property records (registers and maps).

The DLRC also plans to further develop its capabilities to provide online services to the citizens when the required laws of electronic signature and transactions are ratified by the parliament. For the time being, the integrated and updated database is being fully deployed.

In addition, the MOF adopted several new methods of interaction with its customers. Today, citizens can use private commercial banks or the mail distribution company, Libanpost, to process certain transactions pertaining to the MOF, including real estate formalities, VAT declaration, and retirement settlements. This will allow citizens to avoid the inconvenience of routine administrative hassle, saving time and effort for both citizens and Ministry employees.

## **5. Transparency and Data Dissemination**

The MOF recognized that if it did not improve its public image and foster greater trust, all the other innovations would be at risk. The challenge was to strengthen the ministry-citizen interaction and bring the administration closer to the citizens.

The MOF embarked on a plan to demonstrate its attentiveness to client needs and concerns by disseminating reliable, accurate, updated, and useful information. First, it published fiscal and economic data, especially on debt, macroeconomics, and privatization, to be used for decision-making by the public sector and the private sector. The data provides necessary indicators for investors and international funding agencies about the economic and financial conditions in Lebanon.

The MOF has produced its annual and quarterly reports since 2001, and Monthly Statistical Tables and Reports on fiscal indicators since 2002. Other publications include *Guide to Tax Research in Lebanon*, *Investment Climate in Lebanon*, and *Lebanon Country Profile*. Recently, the MOF was requested to provide detailed analysis of post-Paris II developments on the fiscal, public debt, monetary, and reform fronts, and these specialized reports are being issued. These reports are sent individually to more than 800 recipients in Lebanon and abroad, and the information is continuously uploaded on the MOF website.

Two outstanding documents are the annual budget and the budget justification report, which is prepared by the Minister of Finance on the economy and the budget and communicated to the parliament with the budget. As they outline the policy of the government for a coming year, these two documents have always caused debates and discussions in the parliament, in the media, and among the public, including CSOs and economic and professional groups.

## 6. Public Awareness Campaigns

The MOF has also launched extensive public awareness and education campaigns to announce its new initiatives and to let the public know that the agency is working to meet citizens' needs. The MOF uses multiple means of communication, such as an information centre, a user-friendly website, posters, brochures, and hot-lines. Also, the Institute of Finance organizes presentations, workshops, and roundtables, on demand or scheduled, with mainly the business sector, universities, and NGOs, to enhance the policy dialogue concerning the reform program. The MOF uploads information and reports on its main website, with an email-based service responding regularly to inquiries and demands. In addition, the websites of MOF administrations, including CA and IF, took a step forward since interactive websites allow the stakeholders to process their transaction online or to access the online library of IF.

To further bridge the gap between the MOF and the public and to provide the citizens with transparent and clear information, MOF is developing guides/manuals on complicated administrative transactions that affect all citizens.

Informal surveys have shown that most Lebanese citizens and residents of Lebanon are not aware of or misinformed about the different administrative procedures and requirements needed to process their transactions inside the administration. In this case, the responsibility of the MOF is to provide the public with an easily comprehensible source of information on the procedures involved.

The need is further justified by the lack of simple and readily available information, by the large non-compliance rate and/or errors in administrative transactions, and by the large costs incurred by citizens owing to delays in payment, non-compliance, and other reasons attributed to the lack of sufficient information.

To date, MOF has produced the following six guides in a series on financial and taxation awareness:

1. Inheritance and Land Registry Procedures;
2. Income Tax Declaration for Liberal Professionals in Arabic;
3. Income Tax Declaration for Liberal Professionals in English;
4. Built Property Taxes;
5. Public Employee's Rights and Responsibilities after Retiring from Service;  
and
6. Stamps Duty.

These guides help citizens to know their rights and responsibilities so that they can comply with regulations easily, quickly, and cost-effectively. The booklets are user friendly, with step-by-step guides to procedures and available on paper and electronic media. The public feedback for these guides was very positive, showing that the public welcomes and needs such initiatives.

When informed and encouraged, citizens are more inclined to fulfil tax obligations and thus be active citizens in demanding from the administration a more transparent and accountable treatment. The objective is therefore to empower citizens by providing them with such information tools.

Only by raising people's awareness of their rights and obligations can the MOF come closer to enhancing transparency and accountability. Higher compliance rates and an improved relationship with citizens helps the administration to improve its services and standardize quality, collect more accurate information, and make better decisions as to the feasibility and acceptance of its decisions and policies.

## **7. The Impact of Innovation**

The impact of these innovations can be described in the following areas:

- Better management of resources through the launching of automation projects, new impartial recruitment processes, and continuous training on new skills and techniques that develop the capabilities of MOF employees and help use their time and efforts;
- Streamlined internal operations and simplified administrative processes that are reflected in more productivity and efficiency;
- Enhanced operational accountability through division of tasks and clarification of responsibility compared with clear job descriptions and set goals and plans;
- Close control of possibilities of error and forgery or any corrupt practices;
- Availability of accurate, valid, and up-to-date information needed for analysis, studies, preparation of policies, and decision-making;
- Speedy transfer of information and files between different departments preserving data security and authenticity;
- Speedy delivery of services especially with customs clearance and land and maps affidavits;
- Reduction in transaction time, which saves citizens time, efforts, and cost;
- Increased validity, accuracy, and consistency of MOF assessments and records, which enhances transparency and accountability; and
- More accessibility of valid, comprehensive, and up-to-date administrative, financial, fiscal, and trade data, needed by customers to process their transactions or by stakeholders to conduct studies and make their own assessments and decisions.

MOF aims to improve the quality of its services and their delivery to its customers by moving away from red tape and bureaucratic procedures into a modern client-oriented administration. The success of these initiatives can be seen in the reduction of the amount of paperwork and the simplification of administrative procedures in

different departments, including CA, VAT, and DLRC. The automation of the MOF central administration and regional offices and the linking of the different units through an intranet allowed speedy processing of applications or claims, exchange of information, and conveying of administrative decisions.

In addition, the MOF focused on making its services available to the public at times and places and in ways that are more convenient to them. This was the criterion emphasized in the MOF's decision to involve private banks and Libanpost in processing its transactions. The positive response of the public to such an initiative and the cooperation of the partners encouraged the MOF to expand its plans on this front.

The initiatives undertaken at MOF allowed for more coordination and better interaction between different departments inside the Ministry. The data gathered in each department is logged into automated systems and databases and linked together, allowing more accessibility and exchange of data and information. This allowed better use of information, crosschecking of data, and mutual support. The role that the TRU is playing in this area is very important, as are the information services provided by CA.

In addition, the MOF is now able to coordinate with other governmental agencies, including the Central Bank, the Ministry of Economy and Trade, the Higher Council of Privatization, the Investment Development in Lebanon (IDAL), and other public corporations that are under the tutelage authority of the MOF. These bodies benefit from the information services provided by the MOF in drafting its plans and policies and making its decisions.

The MOF's initiatives were comprehensive. They involved transformative changes in restructuring the Ministry, modifying certain departmental functions, redesigning jobs, introducing new technologies, automating and upgrading IT infrastructure, and reengineering of work process. The organizational culture went from alienation to commitment to serve, which in turn resulted in greater productivity of the employees and increased responsiveness to the demands of the citizens. The MOF's public image improved as well.

When employees at all levels are committed and involved, the Minister endorses the new vision, the public registers positive reactions, the private sector reacts favourably, and the donor community bestows strong support, the MOF initiatives develop into innovations in governance embedded with credibility and ability to achieve good results.

## **8. The Groups That Benefit from These Innovations**

The MOF provides financial and information services to other government agencies and municipalities. These agencies constantly interact with the MOF concerning payment authorizations, budget preparation, and financial data compilation and is-



suance. The modernization of the Ministry is facilitating this interaction and indirectly inspires more efficiency and effectiveness in the work and performance of various government bodies.

International organizations and foreign governments have been favourably impressed with the MOF's achievements. Above all, Lebanon's partners want to make sure that their financial or technical support will result in tangible results. These developments at the MOF encouraged foreign countries to sign bilateral agreements regarding investments and avoidance of double taxation with the GOL. Finally, international organizations can now rely on a reliable source of secure, valid, and up-to-date financial data needed for various analysis, assessments, and assistance programs.

The local business community and foreign investors are also benefiting from MOF initiatives, whether through the information and data provided or from the efficient delivery of services. The development of the private sector leads to the prosperity of the country's economy through increased investment, creation of job opportunities, and increases in revenues. This development cannot be achieved if not accompanied by parallel development in public service delivery. The MOF understood and fully assumed its responsibilities in this respect through facilitation and modernization of service delivery transaction-processing.

Undoubtedly, the public at large is the main group that benefits from the best practices taking place at the MOF. Anyone who interacts directly or indirectly with the MOF, at any department and in any way, has sensed the impact of the Ministry's efforts.

## **9. Challenges to Implementing the Innovation**

One of the biggest challenges was Lebanon's suspicious and sceptical culture. The public attitude towards the Lebanese administration in general was very negative; it was called the "cave of corruption." The MOF had a particularly hard task, because it is the agency that imposes and collects taxes – nobody likes this, especially if the agency does not provide good services. So initially the innovation was met with distrust.

Because there was no good communication program in place, there was a general misunderstanding or even a complete lack of awareness about MOF initiatives. Ignorance of these achievements is a serious obstacle because it outweighs positive feedback.

Traditional political and sectarian leaders resisted reform, and for obvious reasons: they built their political power and maintained their influence over their followers through offering not only public services but also jobs inside the administration as political or personal rewards and incentives. The MOF's commitment and leadership helped overcome these obstacles.

Another major challenge was the unsteady economic situation – a high level of insecurity, an increasing debt, a parallelized infrastructure and a powerless public sector. By working to minimize risks and moving on reforms gradually, the economy improved.

Internally, MOF employees, like any other government employees, were not very happy about these reform initiatives. There were many corrupt employees at all levels; many owed their employment to their sectarian ties and their position to the traditional political leaders whom they supported. By finding the few who were receptive to change and adopting a modern and unbiased selection and recruitment criteria, as well as extensive training to equip them with new sciences and technology, the MOF was able to overcome all of these challenges.

It also took some time before other government entities showed a willingness to cooperate. The Ministry could not work separately for long, however, because other governmental agencies are also its customers. If the whole public administration does not evolve in a similar way and to a relatively comparable level, the enormous efforts, in terms of vision, time, and money, invested in developing the capabilities and systems of the MOF would be at risk.

Despite these challenges, the MOF still embarked on a reform program to further improve the performance of the Ministry and enhance its responsiveness to the public, the private sector, and international donors.

## **10. Next Steps**

While the automation proceeds towards completion at its different administrations, the MOF is looking forward to future steps. The MOF plans to review the whole taxation system thoroughly and enhance the dialogue on policy reform with various public groups, including members of CSOs, the private sector, and the international economic and financial community. The MOF also is seeking better networking between their departments and other governmental bodies, such as the MOF Bureau of Tax and Built Property and the Municipality of Beirut, which performs almost the same functions.

The MOF aims to adopt a more efficient and productive delivery of services by simplifying administrative processes and locating services as close as possible to citizens all over the country. The MOF will continue conducting public campaigns to educate citizens about their rights and responsibilities and the new changes at the Ministry.

The MOF will have to cooperate with the Ministry of Education, schools, universities, and youth organizations to incorporate educational and awareness materials in the curricula and activities at school level to raise the awareness of the younger generations about economic reforms in Lebanon.

Most important, the MOF must join the international movement toward E-government; the MOF should become the E-MOF. The Ministry needs to develop an easily accessible, maintainable, and cost-effective portal that can serve as a gateway for all Lebanese citizens and businesses to interact with their government. It should allow citizens to perform a variety of tasks, from paying taxes to obtaining official

records. Although only seven per cent of the population uses the Internet, the MOF plans to continue to press for progress in the future.

## 11. Conclusion

The MOF's best initiatives, introduced in 1993 as a comprehensive reform agenda of the GOL, fall under four general themes: policy reform, institutional capacity building, transparency and dissemination of valid and reliable information, and development of the Ministry's human resources.

The MOF encountered many challenges in the design and implementation of its initiatives, which is to be expected when introducing innovative and transformative changes within a large framework. The reform worked, however, and the Ministry now has a new organizational structure, a modern and computerized infrastructure, and reengineered administrative procedures.

MOF has met the stated goals and objectives of its reform strategy, and it expects the changes to be sustainable and to continue to benefit the Lebanese citizens in the future.

MOF initiatives are based on a citizen- and business-centric approach that aims to make the administration respond quickly to new developments and improve the quality of services that it provides to customers and partners.

These initiatives empowered the general public, private sector companies, CSOs, and international agencies with valid, reliable, and updated information that enhanced their ability to monitor and scrutinize administrative processes and decision-making inside the MOF. The media also played an active role in publicizing information about MOF projects and expanding communication channels.

The personal support and endorsement of the Minister, as well as the commitment of senior officials and the Ministry's employees, were all critical to the success of the MOF's initiatives. The program invested in the human element; it promoted professionalism, competence, and ethics among the Ministry's employees, through a developed human resource management, merit-based recruitment, impartial selection criteria, and diverse and continuous training programs.

The MOF is now looked to as an efficient administration inspired by the philosophy of client-service delivery. It is now the prototype of a model organization: the blueprint on which all subsequent restructuring should be based. The successful reform at the MOF is both a necessary and a sufficient condition for good governance in general. The best practices at MOF could be considered fundamental to sustainable economic and human development in Lebanon.

Significant developments have been achieved so far, but if the MOF is to carry out the ambitious agenda it has set forth for the future, it will require comprehensive reforms throughout the Lebanese administration.

Lebanon needs to strengthen democracy and increase transparency and citizens' awareness of and contribution to the decision-making process. It is the GOL's obligation to reform its bureaucratic system to develop a Lebanese administration that is more productive; this could be done by reorganizing public institutions, developing their administrative and personnel capacities, introducing modern technologies, facilitating their service delivery to the public, and above all, modifying legislation to match these requirements.

To put things simply, the MOF cannot play solo; it is a member of a bigger orchestra and must play in harmony with other players, who are, in this case, public institutions. The MOF's best practices cannot endure without further reform efforts. Several such reform efforts are now under way and are worth mentioning here.

The Ministry of Economy and Trade (MOET) is going through a comprehensive process of modernization. In addition to automation and computerization of the Ministry's departments and simplification of internal processes and procedures, MOET has been working to amend laws and introduce new legislations in areas such as consumer protection, intellectual property, and food safety.

The local government in Lebanon is undergoing major developments. The Centre for Legislative Development at the State University of New York (CLD/SUNY) is managing an institutional development program funded by USAID. The program focuses on municipal administrative and financial reform, which provides modern management systems, E-government procedures, and the official and staff training necessary to improve the quality of governance at the local level.

Success seems to be contagious. The MOF's innovations create a positive environment for reforms in other areas. The MOF's success is expected to create a reform momentum throughout the administration. If an institution that handles the most complicated and diverse public issues and functions were successful in its reform and modernization efforts, which turned into successful practices of innovation, then it is safe to expect that other government agencies can successfully follow its lead.

## **12. Can This Innovation be Replicated in Other Countries?**

If the other countries possess many of the following "ingredients for success," chances are good that they can implement similar practices in their regions:

- A clear vision of the future and a solid strategy for development;
- A detailed and comprehensive plan;
- Concrete political support at the highest level;
- Strong endorsement and personal support from the top echelons in the administration;
- Validation of the idea of innovation and building of believers behind it;

- Enthusiasm, teamwork and plain hard work of the managing team;
- Active engagement of various stakeholders, inside or outside the administration, during the preparation, implementation, or assessment phases;
- Strong commitment of well-trained and qualified employees and their involvement throughout the process;
- Adequate support from international organizations and donors;
- Stable economic and social environment that allows for the implementation of any program; and
- Public awareness of the need for such programs and the benefits they will bring.

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# Implementing the Voluntary Retirement Programme in the Public Sector of Morocco

By *Khalid Ben Osmane*

Morocco launched a voluntary retirement programme in an effort to stabilize salaries in the public sector, which had been increasing on average 2.5 to 3 per cent per year. The objective of the programme was to make the best use of financial and human resources by downsizing. The goal was also to create an opportunity for those civil servants who wish to leave the public sector to capitalize on their experience and to renew their professional life beyond the public sector.

### 1. Background

Morocco has been involved in several reforms during the last decade that have opened up the administration to private enterprise and helped bring more stability to the economy. A great deal more remains to be done in decentralizing and modernizing administrative structures, reducing red tape, improving ethical behaviour, and reorganizing human resources management within the public administration to improve performance and service delivery.

The first major reform that has received recognition was the implementation of a voluntary retirement/departure program for the civil servants. The state saw this program as an opportunity to re-energize the administration with this initiative. The slogan *Intilaka* (launch) was chosen because it stresses the new beginning that civil servants will embark on if they choose voluntary retirement and start a new career outside of the public sector.

The first step in launching this programme was the communication campaign. The Minister for the Modernization of the Public Sector described the program as “an opportunity for the civil servants eager to start activities in the private sector to take a new departure in their professional life.” A decree and a circular from the Prime Minister were promulgated to organize the voluntary departure, and a site was dedicated to this operation.

## 1.1 Demographics on the Civil Service

In 2004, there were over 850,000 civil servants in the public sector, distributed as follows:

Box 9.1 Demographics on the Civil Service in Morocco	
State administration:	544,889
Regions with a measure of autonomy:	140,000
Public institutions:	171,000
Total:	855,889

Source: Ben Osmane, 2007

Although the number of civil servants might not seem unusually high for its population (29,891,708, according to the census of September, 2004) compared with similar countries, the salaries are quite high. In 2005, the mass salary of the public service accounted for 58.41 per cent of the country's total spending.

To compare how Morocco's spending on salaries for civil servants compares with other countries, consider that Morocco's salaries ranked at 13.6% of the GDP. The average was 9.8 per cent of the GDP within the MENA region; 7.7 per cent in the Asian countries; 6.7 per cent in Africa (except the Maghreb); 4.9 per cent in Latin America; 4.5 per cent in the countries of the Organisation for Economic Cooperation and Development (OECD), and 3.8 per cent in Central and Oriental Europe. Another way to look at it is that the average salary in the public service in Morocco is 4 times the GDP per inhabitant, compared with 3 times in Tunisia, 2.8 in Malaysia, 2 in Turkey, and 1 for a developed country like France.

## 1.2 Growth

The growth of the public service working population has slowed down gradually for the last decades:

Box 9.2 Growth of the Public Sector Employees in Morocco	
Year	Average Annual Increase
1970s	+ 5.5 %
1980s	+ 3.4 %
1990–1995	+ 2.1 %
1996–1997	+ 1.8 %
1998–2000	+ 1.8 %
2001–2004	+ 1.25 %

Source: Ben Osmane, 2007

For the past decade, there has been extensive recruitment in the public sector of personnel working in the following areas: tax administration, security, education, and health.



<b>Box 9.3 Distribution of Civil Servants According to Region in Morocco</b>	
<b>Region</b>	<b>Per cent</b>
Rabat-Salé-Zemmour-Zaër	17.94
Casablanca	10.11
Souss Massa	9.00
Marrakech-Tensift-Al Haouz	8.41
Meknès-Tafilalet	8.08
L'Oriental	6.57
Tanger-Tétouan	6.47
Fès-Boulemane	5.51
Taza-Taounate-Al Hoceima	5.16
Chaouia-Ouardigha	5.10
El Gharb	4.95
Doukkala-Abda	4.75
Tadla-Azilal	3.93
Guelmim	2.20
Laâyoun	1.39
Oued-Eddahab – Lagouira	0.43

Source: Annuaire de Statistiques du Maroc.

<b>Box 9.4 Geographic Distribution of Civil Servants in Morocco</b>			
	<b>Morocco, including National Education</b>	<b>France, including National Education</b>	<b>Morocco, excluding National Education</b>
<b>Central services</b>	9%	3.5%	20%
<b>Decentralized services</b>	91%	96.5%	80%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## **Distribution of Civil Servants by Age**

<b>Box 9.5 Distribution of Civil Servants by Age in Morocco</b>				
	<b>Less than 30</b>	<b>From 30 to 40</b>	<b>From 40 to 50</b>	<b>Less than 50</b>
<b>Total</b>	14.5%	25.2%	44.0%	16.2%
<b>Male</b>	18.1%	26.4%	44.1%	11.4%
<b>Female</b>	12.8%	24.7%	43.9%	18.6%

### **1.3 Distribution of Civil Servants by Rank and Seniority**

In the public service (excluding national education employees) there are about 28 per cent executives and 27 per cent supervisors. A high percentage are 40 to 50 years old, with the average seniority between 20 and 22 years: 45 per cent had less than 15 years' seniority in 2004; 18 per cent have between 15 and 20 years' seniority; 7 per cent had more than 20 years' seniority in 2004.

In 2004, beneficiaries of a retirement pension amounted to 206,000, distributed between the Moroccan Pension Fund (CMR), 161,000, and the Collective Regime of Pension Allowances (RCAR), 45,000.

### **1.4 Retirement Departure Forecasts**

If Morocco were to do nothing to alter retirement, projections are that the number of civil servants who will retire between 2004 and 2011 will be 59,000, based on a proportion of 11 per cent of the current total number. That amounts to 7,400 departures per year. Between 2012 and 2018 there will be 97,000 retirees, or 13,858 per year. It was decided; however, to accelerate this process.

## **2. The Innovation: Version One – The Voluntary Retirement Programme**

The first program that Morocco launched to encourage retirement voluntarily did not reach its goals, for several reasons. The ministry made voluntary retirement available to only a limited number of civil servants: those who ranked from 1 to 9 according to the Moroccan system of scaling (*échelles*) and who had a great deal of seniority. These restrictions meant that only 34,000 civil servants qualified for the program (4,500 classified from 1 to 5 in the remuneration scaling, and 29,000 classified from 6 to 9).

Furthermore, the programme did not offer enough incentives in terms of pension allowance and other benefits, and the programme was not well publicized and promoted among civil servants. The program, which ended May 30, 2004, resulted in only 944 applications to retire, far below the goals. So the ministry began again with a new version of this programme.

### **2.1 The Innovation: Version 2 – The Intilaka Programme**

The objective of this new, innovative programme, which ran from January 1st to June 30, 2005, was to reduce the civil servant personnel by 5 per cent, or 30,000 people. To do this, it was necessary to encourage workers from 40 to 55 years old, who have worked 21 years for men or 15 years for women, to retire voluntary before the retirement age.

## 2.2 The Offer: Incentives to Participate

Learning from the mistakes of the first effort, several important modifications were made to the new programme, called Intilaka. First, this program expanded the eligible population and opened it up to all civil servants who were eligible for retirement, not just those in the salary ranks of 1 to 9, as before. The total number of eligible employees amounted to 439,000 (as compared with only 34,000 in Version 1).

The candidates were offered further incentives, the departure allowance being the most important. This is a sum equal to 1.5 months' gross salary for every year of service, with a maximum of 36 months for civil servants classified in scales equal to or greater than 6 and without limits for the lower scales. (It is the same amount of the allowance for unfair dismissal according to article 41 of the new work code, which came into effect in June, 2004.)

Finally, participants were offered a variety of other forms of financial assistance and guidance, including bank loans at a preferential rate to fund new projects, to help them launch into new careers after they left the public sector:

- Various ministries in the government enlisted the support of a group of big commercial banks (Professional Grouping of Moroccan Banks) to contribute to financing the beneficiaries' projects at a preferential rate and a repayment spread over seven years, of which one is deferred (See Appendix 1); and
- Two ministries also signed an agreement in February 25, 2005, to provide advice and assistance to any Intilaka participant in the creation of his or her own small and medium-sized company project (See Appendix 2).  
The Ministry of Commerce, Industry, and Economy also set up training workshops to help participants who were starting up new companies to do feasibility studies, as well as financial and business plans.

### First Step: The Communication Campaign

A vast communication campaign was launched, which included publication of inserts in the press and 25- to 40-second radio and TV spots showing civil servants who left public service to become investors. The global cost of the operation was around 4.3 million dirham (DH). Next, teams of information specialists were trained to handle questions and were set up in each Ministry.

### Procedure to Participate

Whenever an employee was interested in the program, he or she followed the following procedure:

- The civil servant fills out a form and hands it to his or her superior;
- The administrative service in charge examines the application within 15 days and establishes a working record of the applicant as well as the departure project decision;

- The administrative service in charge passes on the applicant's working record and the voluntary departure decision to the Moroccan Retirement Fund (CMR) and to the Central Controller of Commitments and Spending (Contrôleur Central des Engagements et Dépenses);
- The services of the Moroccan Retirement Fund approve the applicant's working record within 10 days;
- The Central Controller of Commitments and Spending stamps the departure decision within 5 days;
- The Paierie Principale du Royaume (TREASURY) proceeds to the payment of the departure allowance within the current month; and
- The Moroccan Retirement Fund proceeds to the payment of the retirement pensions the month following the applicant's exit of service.

### 3. Tangible Results

This program was a significant innovation in human resources practices because it put the state and the civil servant on equal footing. The civil servant chose to participate and entered into a contract with the State to do so, which was an indispensable condition for the success of this operation.

By July 7, 2005, 47,000 civil servants had signed up for this voluntary departure programme, and 27,000 of those have already been approved. The final total is expected to easily reach the goal of 30,000 persons. Thus, about 5 per cent of civil servants will have left the public administration. Mass salary will be reduced in 2006 by almost 3 billion DH and will constitute less than 12 per cent of the GDP instead of 12.8 per cent at present.

Most of the civil servants who chose voluntary retirement in this programme were high-ranking executives: those aged 50 to 54 years who had worked more than 25 years. Most of them also said that they had plans to launch new businesses, but it is too early to determine how many of them actually will follow through.

Box 9.6 Early Retirement's Impact on Civil Pension System in Morocco			
	Proposed Rates (In Millions [DH])		
<b>For the 30,000 civil servants</b> (per cent)	2	2 (until the legal limit); 2.5 (beyond the legal limit).	2.5
<b>I- Receipts Fall</b> <b>Employers and employees'</b> <b>contribution</b>	3,102	3,102	3,102
<b>II-Costs aggravation</b>	337	2,690	4,428
<b>III-Repayment of employees'</b> <b>contributions</b>	265	265	265
<b>IV- CMR Global cost</b> <b>In case of implementing</b> <b>measure (I + II)</b>	3,703	6,056	7,795

Source: Ministère des Finances.

#### 4. Stimulating Further Change

This voluntary departure programme is only the first step in what the government hopes will be further reforms in the area of human resources administration. Other reform efforts include plans:

- To outsource activities and services that can be carried out effectively by companies or specialized organisations;
- To keep staffing size down by merging or regrouping employees whose missions are connected or complementary;
- To keep the mass salary under control by reducing spending on staff to 9 per cent of the GDP by 2005;
- To reduce overstaffing the public sector by transferring activities to the private sector;
- To allow the transfer of know-how and expertise between different departments;
- To develop more flexible contractual practices, with fixed-term contracts for limited projects, particularly regarding application of information and communication technologies (ICTs); and
- To subject hiring practices to merit and competence criteria guaranteed by statute.

The innovations generated by this programme and others to come will create the basis for a modern and successful public service and will encourage professionalism in the public sector.

Professional employees are not simply educated and technically competent, but also loyal, neutral, diligent, effective, and creative. They are able to adapt to the changes in the local and international environment to meet new economic and social challenges. The government in Morocco understands that programmes such as this innovation are the best way to develop that professionalism.

The government commissioned studies to examine further reforms: the National Program for the Modernization of the Capacities of the Administration Management (MDP). A study sponsored by the department of the Prime Minister on administrative structures was also completed by a group of research institutes.

As a result of these efforts, two measures were adopted: the reform of the National School of Administration (ENA) and the creation of the Higher Institute of Administration (ISA). The ENA and ISA will constitute spaces for the promotion of professionalism and will act as tools of the administrative reform.

Reforms are being planned within the General Statute of the Public Service and Particular Statutes in the system of payment; and mobility and redeployment.

- **The General Statute of the Public Service and Particular Statutes**

Measures to be implemented in this field simplifying the legal system governing public service consist of the following: revising the system of internal promotion to simplify and link it to a change of function and output; reforming the system of capacity evaluation and human resources performance; revising the retirement pension system to make it more coherent, fairer, and more profitable; and forbidding the accumulation of salaries and pensions.

- **The system of payment**

The government intends to take the necessary measures to abolish privileges and to freeze high salaries within the public service on the basis of the criteria of justice, merit, and output.

- **The mobility of human resources**

There are plans to study mobility, through redeploying personnel, as a rational way to distribute human resources inside the administration and among different administrations.

## **5. Could this Innovation be Replicated by Other Countries?**

This innovative programme generated excitement within the public administration and reinvigorated the work force. By encouraging older employees to leave, new job opportunities were freed up within the administration for younger employees. By offering incentives to senior employees not simply to leave but to start new careers – with help from the state – the reduction in the workforce took place positively. The state saved money by reducing its spending on salaries.

There is no reason why this program should not work in other countries, if they adapt the financial arrangements and incentives to the needs of their workforce. Morocco understands, as should any other country replicating this programme, that this is not a total solution to human resources administration problems, but simply one step in modernizing and improving human resources and the delivery of services.

# Creating a Judge's Web-based Legal Information Infrastructure in Croatia

*By Ante Barisic*

Croatia recognizes that an effective legal system is the backbone of any stable democracy. To build and strengthen democratic government institutions, there must be an effective and transparent approach to the dissemination of information, especially legal information.

The Judge's Web programme, Croatia's innovation, set up a new web-based system for disseminating legal information openly, easily, and transparently. The aim was to help to contribute to the reform of the judiciary, improve the administration of justice, and restore public confidence in the courts. In addition, this project is helping to foster other reforms that will lead to greater foreign investment and economic growth.

### **1. Background**

The October 2003 parliamentary election brought to power a new government under the leadership of the Prime Minister, Dr. Ivo Sanader. The new head of government moved quickly to reassure Croatians, foreign governments, and members of the international community of his full commitment to continuing the political and economic reforms begun by his predecessors.

The 3,000 political questions posed by the European Commission in 2004 to Croatia's Government accurately reflect the deep complexity of the national transformation required before the country becomes a functioning pluralistic democracy founded on the rule of law, with free market competition and a proactive respect for and protection of individual human rights. For those working on the legal reform agenda, it was gratifying to learn from Minister Vesna Skare-Ozbolt of both the Administration's and her personal desire to accelerate the pace of change. Of particular interest was the Minister's concurrence in the transfer of the Judge's web to the Ministry of Justice.

The judicial system in Croatia remains problematic, particularly at the county and municipal levels, where judges, prosecutors, lawyers, and litigants lack accurate, current, and common information. Scholarly papers interpreting laws and regulations are hard to find and usually out of date. Materials that are available are not catalogued or cross-referenced, making legal research a time-consuming, frustrating, and unpredictable process for all who attempt it.

Democratically delivered justice requires several attributes: an independent judiciary, concern for the rights of the accused, understanding and adoption of standards of procedural fairness, timely hearings, and judicial rulings applied consistently across the country.

Lack of timeliness and consistency continue to afflict the judicial system and have resulted in a backlog of more than 1 million cases. Moreover, a tendency prevalent during the Communist period to buy or otherwise manipulate the outcome, “creative work-arounds,” has persisted into modern-day Croatia and brought with it the tradition of bribes, political interference, or plain coercion. It goes without saying that all such activities are even more prevalent outside major urban centres, particularly the capital, Zagreb.

These flaws in the judicial system have hindered economic growth and depressed foreign investment in many ways. To begin with, companies and individual citizens have no confidence in contractual obligations. They enter into agreements knowing that they cannot be enforced because of the glacial judicial process and its vulnerability to outside influence.

The only long-term approach to reducing the backlog and improving the standard of justice was to introduce an advanced technology system allowing timely sharing of knowledge for the judicial and prosecutorial staff.

The usefulness of electronic accessibility to this type of information was confirmed during the elections in the fall of 2003. The IT program administrator noted regular logins from members of the Organization for Security and Co-operation in Europe/Office for Democratic Institutions and Human Rights (OSCE/ODIHR) election monitoring team. A more specific example illustrates this point better. By reference to the Judge’s web, it was possible to match the street address on voters’ identity cards to the appropriate county and municipality, thus ensuring that voters were registered accurately and quickly.

Most residents of Southeast Europe are not aware of their legal rights and how to exercise the remedies offered if these rights are violated. Respect for fundamental rights is a prerequisite for EU membership. These rights are enshrined in the Council of Europe’s Convention for the Protection of Human Rights and Fundamental Freedoms and in its Protocol, which allows people to appeal to the European Court of Human Rights. The Judge’s Web has publicized, through information campaigns, the presence of this type of information on the Internet. The site, using plain, non-legal language, explains both available rights and remedies.

Similarly, there are plans to publicize the rulings of the European Court of Human Rights in Strasbourg, France, and the EC Court of Justice in Luxembourg on the website. For Croatians, the critical point will be the linkage between relevant rulings in Croatia to decisions by these two international courts. For example, if a case arose in a Croatian court of law and after exhausting the domestic appeals



process it finally were brought to the court in Strasbourg, all the relevant lower court rulings from Croatia, leading up to and including the court ruling from Strasbourg, would be available.

A functioning and reasonably efficient Croatian judicial system is necessary for Croatia to fulfil its obligations stemming from agreements signed with Western European countries. Moreover, such a legal system, based on democratic norms of transparency and due process, will be essential for Croatia to take its place among the members of the European Union. There are several challenges that are being addressed; these include a huge case backlog, inadequate staffing, and relative inexperience with the norms of a democratic, responsive, transparent legal system.

The Judge's Web programme is not a panacea. It offers a solution to only a part of the tasks Croatia faces in bringing about substantial legal reform in the sphere of court administration. Its transfer to the Ministry of Justice is an important step, however, one that has led to the Government's acquisition of a functioning, tested mechanism that makes the operation of courts and legal reference material transparent to the people who will make the system work better, more efficiently, and in accordance with international standards of a democratically based system of justice. The Judge's Web programme and its achieved success have been welcomed by the Ministry of Justice (MOJ) and many other beneficiaries in Croatia.

## **2. Characteristics of this Innovation**

Croatian judges, law professors, lawyers, and law students came together to establish the Judge's Web project, that is, an Internet-based legal information infrastructure to help to contribute to the reform of the judiciary, improve the administration of justice, and restore public confidence in the courts. The content offered in the Judge's Web databases is available through the Internet to all, free of charge. This innovation has been undertaken by a non-government organization (NGO), without any costs, for the Ministry of Justice (MOJ). Moreover, the Ministry has reserved funds to continue this project once international donor support ends. It provides services and information not otherwise available in Croatia, in both English and Croatian. The services and information offered include:

- Online searches for any location, which then match the appropriate county, Municipality and offer web pages for all the legal institutions covering the location, commercial court, appellate court, first instance court, misdemeanour court, public prosecutors office, and the county prosecutors office;
- All relevant contact information, hours of operation, internal organization structure, and short CVs for the these categories of legal institutions are presented by web pages;
- Published legal decisions, archived by theme, subject matter, court, judge, and key word, which makes judicial practice and reasoning accessible, essential for modern practitioners, citizens, and ultimately investors;

- Names, categories, background, and contact information for all court-appointed interpreters and expert witnesses; and
- All relevant information regarding court interpreters and expert witnesses is also available through the Internet, through over 2,000 published web pages. This is intended to assist citizens in their interaction with the judiciary and offer improved transparency and accountability.

The Judge's Web is an example of what can be done given the will and adequate resources. It includes databases of legal decisions that help to promote:

- Quicker and more informative drafting of legal decisions and verdicts;
- Higher quality and more instructive verdicts;
- Greater consistency of verdicts (easily consult other decisions on same fact patterns);
- Shorter court time;
- Greater predictability of verdicts; and
- Greater use of arbitration and other alternative dispute resolution modalities.

The Judge's Web has also encouraged judges to consult each other by identifying counterparts who have handled similar legal issues. Newly elected judges have reported that the website, with its constantly available reference library, significantly helped them to climb a steep learning curve faster.

The first step toward creating accountability and transparency in any system is to publish court decisions. The second and more difficult step is to convince judges of the desirability and legal necessity of acting transparently, which can run counter to the *modus operandi* of older, sitting judges.

The third step is to publish practical information on court operations on the Internet (e.g., telephone numbers, opening times, list of relevant offices in the court, officials' names, and references to other sources). The Judge's Web has developed and implemented an Internet-based application that offers all parties an opportunity to learn the key information required to interact with the courts. (For an example, see <http://www.sudacka-mreza.hr/jurisdiction.aspx?lang=eng>.)

Courts can be identified by village, city, municipality, and county, by means of the Judge's Web jurisdictional search engine. With more information, questions can be asked and answers provided. That is the first political step toward ensuring greater transparency anywhere. Making the justice system open is a part of the Copenhagen Criteria<sup>1</sup> and the commitment made by the Croatian government in the Stabilization and Association Agreement.

The Judge's Web has been institutionalized within the Ministry to preserve and expand the transparency and accessibility of information already introduced. The Minister of Justice, Mrs. Vesna Skare-Osbolt, has incorporated this project within the overall national judicial reform strategy that she is leading.

<sup>1</sup> The Copenhagen criteria are the rules that define whether a country is eligible to join the European Union.

The Norwegian Embassy's financial assistance and the combined financial support of the following governments and international organizations has made this project a reality in Croatia:

- The American Bar Association/CEELI;
- The Canadian Government, CIDA;
- The Embassy of the United States of America;
- The National Endowment for Democracy;
- The German International legal Research Foundation(IRZ);
- The Embassy of the Netherlands;
- The OSCE, Croatia; and
- International Alliances (NGO).

The donors' generous support, coupled with the willingness of the Croatian government to accept the Judge's Web, attests to the significant achievements of this initiative. The key characteristics of this innovation are:

- It is accessible to all;
- It provides key information not available elsewhere;
- It is in both languages: Croatian and English;
- It is interactive, not static, meeting the changing needs of users;
- It is unique in terms of presentation and categorization of information; and
- It enhances citizens' access to justice.

### **3. The Story behind this Innovation**

The innovation was introduced in the fall of 2001 at the request of legal practitioners and members of the legal community. It later expanded to include the requests from citizens and other interested parties to improve access and transparency of information crucial to court administration. Its main achievements are listed below:

#### **3.1 Exchange Information and Ideas:**

- A new infrastructure fosters transparency and greater consistency in rulings and the adjudication process;
- The website facilitates interaction among judges and members of the legal profession to communicate on targeted topics, which has improved the quality of verdicts by motivating judges to take into account established judicial practice before reaching their decisions; and
- The improved judiciary rebuilds citizens' confidence in the courts.

### 3.2 Improve the Current Approach to Adjudication:

- Judges have modified the deliberation methodology by reducing the level of isolated thinking in the adjudication process;
- There is increased efficiency of judicial proceedings; and
- There is continued involvement of the law faculty and its students in the Judge's Web. Law students are the future legal professionals of Croatia. If they can learn to modify their approach in the early stages, there are greater chances that they will continue these trends into the future as judges and lawyers, hence institutionalizing the reforms initiated.

### 3.3 What Sets this Innovation Apart from Others?:

- **Origin:** The programme is a result of 16 months of intensive field research, sponsored by the US Fulbright program, focusing on the operations of courts nationwide and initiated by an NGO;
- **Program Funding:** This innovation programme has been funded exclusively by foreign donors. The state budget of the beneficiary has not been burdened, yet they have received 100% of the project results and are the sole owners of the completed project;
- **Development:** The innovation programme has been formed by key practitioners, those who understand where the need for practical solutions lies and what is required to affect the most efficient solutions; and
- **Implementation:** The driving force in the implementation of this innovation is constituted by law students, who play a significant role in the daily implementation of the project. This has enabled change in future generations of lawyers, judges, and legal practitioners, teaching them the importance of information sharing and the use of ICT technology in the transfer of information.

## 4. The Tangible Results:

- Created direct access to information regarding the operation of courts and the database of legal decisions interpreting various relevant codes of law;
- Restored confidence in the legal system;
- Awakened the awareness of citizens regarding the need for transparency, the role of civil society and their contribution;
- Fostered equitable justice for minorities in remote areas;
- Reduce the opportunities for arbitrary court decisions and private interests to prevail (which inevitably leads to corruption and manipulation of the system);
- Enabled the comparison of all appellate courts decisions. In the future, this will lead to increased consistency in the legal practice of courts nationwide;

- Enabled legislative and scholarly bodies to quickly recognize legal questions for which articles of the law do not provide adequate and precise interpretation;
- Provided people with easy access to organized sources of information about how to interact with the legal system;
- Helped to shorten the length of judicial deliberations by offering judges the ability to easily target legal reasoning nationwide, which can offer insight into their particular proceedings;
- Created a database of easily searchable court decisions, which will help to decrease the uncertainty inherent in the litigation and execution of court decisions. The database could help to discourage individual citizens or corporations from commencing unnecessary litigation, by offering information needed to determine the probability of success better;
- Promoted increased transparency in the adjudication process of courts. This enables litigants to better foresee the consequences of given legal actions and estimate the probability of enforcing the terms of a contract; and
- Offered foreign corporations and investors the ability to view the judicial practice of Croatian courts, better informing them of the level of security the legal system can offer.

## 5. Who Has Benefited Most?

### Direct Beneficiaries:

- Members of the legal community (e.g., judges, lawyers, legal scholars, public notaries);
- Participants in legal proceedings (plaintiffs and defendants);
- NGOs operating in the Western Balkans; and
- Internally displaced persons (IDPs) and refugees.

### Indirect Beneficiaries

- Minority groups;
- All actors of civil society;
- Commercial sector, banks and business;
- The EU integration process;
- Regional stability; and
- The process of court administration.

### Members of the Legal Community

*(Judges, Lawyers, Legal Scholars, and Public Notaries)*

- Judges are vital to helping achieve judicial transparency. Although countries of the Western Balkans have a civil law system without common law and

binding legal precedents, it has been shown that giving judges the ability to access each other's rulings and compare decisions increases the transparency and accountability of the country's legal system, as well as the efficiency of the adjudication process.

### **Participants in Legal Proceedings (Plaintiffs and Defendants)**

- These people receive the most benefit from a more accountable legal system. They are also the members who will be most prone to increased participation in the democratic dialogue to advance their cases.

### **NGOs**

- The legal community and others can benefit from this database of legal decisions by tracking patterns and trends in the application of law throughout the courts. This will facilitate the work of various NGOs that offer legal assistance and is already being used by several groups offering legal aid. By conducting an analysis of the types of verdicts most often appealed or overturned by the higher courts, targeted training seminars can be implemented in areas of law that show the most need. Furthermore, specific courts and judges can also be targeted for training.

### **IDPs and Refugees**

- There can be no realization of the rule of law until those who were forced to abandon their homes can return safely. The return must be facilitated by the courts, which are the institution entrusted with protecting property rights and implementing the return process. The people returning to their homes and attempting to regain lost property need a transparent and open legal system. The added benefit of this project is that it creates transparency through the Internet, which enables these refugees and IDPs to be informed about the courts and their adjudication from any location. This helps them plan their return more effectively and offers them a source of information accessible anywhere.

### **All Members of Civil Society**

- Civil society is still weak in the Western Balkan countries, and citizens are not well informed about their rights and responsibilities. The Judge's Web offers citizens an opportunity to become informed about how courts operate in legislation and judicial decisions.

### **Commercial Sector, Banks, and Businesses**

- By having access to the operation of courts, the commercial sector in Croatia can estimate better the level of protection offered by the justice system. This will allow businesses to know which types of contracts have greater chances of enforcement when they are taken to court and to view the approximate amount of time required for the case to be adjudicated. In

addition, they can compare the application of the same law code throughout Croatia and determine the court that is best suited for the enforcement of their contract terms.

A stable democracy demands an equitable system of justice, and an equitable system must be transparent to the legal profession and to the public, whom it protects. The Judge's Web aims at strengthening this vital aspect of the legal system through a better administration of justice.

*Civil society* is an empty phrase without the active participation of citizens in monitoring, voicing complaints, lobbying, and pushing for improvements in their government in all its manifestations. The Judge's Web provides the basis for intelligent citizen participation in the reform process of their judicial system. For this reason public awareness campaigns are an integral part of this initiative. If people do not know that the information is available and how they can obtain it, the Judge's Web is of limited assistance.

## 6. Challenges Encountered:

- Lack of cooperation and understanding from state officials during the development and implementation (After five years the ministry has recognized the significance of the project, under the Minister, Vesna Skare-Ozbolt.);
- Lack of support for obtaining the information needed to finalize the database; and
- Judges and other members of the judiciary unwilling to have their work made public.

The implementation of the Judge's Web on a national level is now testing the willingness and preparedness of members of the Croatian judiciary to accept judicial transparency. Many judges are either afraid or reluctant to submit their legal decisions, accepting the concept of transparency in theory but unwilling to take steps to realize and implement this concept. Two types of resistance among judges have been encountered:

- **Those who are unwilling to submit their decisions.** These are usually the incompetent or corrupt judges who do not want judicial transparency for fear that their colleagues and other members of the legal profession might uncover corrupt behaviour or incompetence; and
- **Those who are willing to submit their decisions but are reluctant to do so.** These judges fear some reprisal or possible indirect sanctions from their court president or others above them in the judicial hierarchy. They require encouragement from the MOJ or Supreme Court, which directs and authorizes them to submit decisions. The Croatian judiciary is in a state of transition; it is not only the laws that are changing but also rather the individual members

of the judiciary. The older judges, who are generally court presidents, seem apprehensive about acting transparently and openly. This behaviour influences the younger judges, who do not wish to contradict their superiors.

The Changes and amendments regulating the functioning of Courts, published in the *Croatian National Gazette Number: 129*, 22 December 2000, authorize judge to publish his or her decisions.

**Article 32 reads as follows:**

Judges are required to continuously better themselves professionally by taking part in educational programs and seminars. A judge is authorized to publish professional and scholarly texts along with the publication of the content of delivered judicial decisions, actively participate in professional and scholarly gatherings, and committees and take part in the drafting of laws.

This law is proof that the legislative branch of government has opened the way for judges to publish their decisions easily and hence facilitate transparency of the judiciary. The paradox remains, however; judges are reluctant to publish their decisions.

Large organizations have invested millions in the modernization of Croatian courts but have not paid adequate attention to those who will be the beneficiaries of this investment. Many courts refuse to cooperate because they do not understand what they will gain and what is expected of them. Helping members of the judiciary to understand the benefits of court modernization and introducing innovations like the Judge's Web has been central to this project.

**7. This Innovation Could Stimulate Further Reform**

The Judge's Web is ready and prepared to talk with individual government representatives of the region and provide precise answers regarding the implementation of this project on a per-case basis. The basic elements can be defined as follows:

- Access to internet service providers;
- Cooperation from the courts and judges and minimal involvement of select members within the judiciary;
- Willingness of the relevant government institution to take local ownership of project results;
- Support from the donor community; and
- Logistical support from the government institution.

If one accepts the notion that there is a will to modify the current approach to adjudication, the question that remains is how and at which cost. *How* can be answered with the use of modern technology. The costs can be kept relatively low if the Internet is used to access and disseminate information among courts and the legal profession. This is precisely what this innovation has achieved.



## **8. Could this Innovation be Replicated in Other Countries?**

In Croatia, the Norwegian Ministry of Foreign Affairs, along with an impressive pool of international donors (i.e., the Embassy of the Netherlands, Embassy of Canada, U.S. Embassy, OSCE-Zagreb, National Endowment for Democracy, the American Bar Association, Deutsche Stiftung Fur Internationale Rechtliche Zusammenarbeit e.V., and international alliances) has funded this major legal innovation aimed at introducing transparency and greater efficiency in the judiciary. This program has already produced very positive results, sufficient to attract on-going funding for the five years since the initial seed money was invested.

Furthermore, the recent commitment of the Croatian MOJ to incorporate the Judge's Web project into its overall national legal reform strategy demonstrates the success achieved and guarantees long-term sustainability of results.

Tapping into the experience of the Judge's Web and its past success in Croatia could prove invaluable in jumpstarting this legal reform initiative in other countries of the Mediterranean region. This would enable the legal reform process to avoid several generations of experimentation and other lessons earned.

The Judge's Web is a flexible, adaptable infrastructure, promoting the public administration of justice, suitable for implementation in a variety of legal systems. This innovation has been successful in Croatia, and it could just as easily work to improve conditions in the judicial systems of other countries around the Mediterranean region.

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# Computerizing the Civil Records System in Syria

By Najwa Kassab Hassan

Syria's Ministry of Interior (MOI) launched an innovative project to put all of the country's civil records into digital form. Recognizing that such an informational databank is the core of any real E-government, the Ministry gave each citizen a national number and used that number as the indexed key for tracking all civil and legal records, so that citizens would enjoy fast and easy access to critical information.

### 1. The Origins of the Innovation

This innovation was introduced to provide faster, better, and easier service delivery of critical records. The conversion of all civil records – dating back to 1920, the year of the first official census – into digital format enabled the MOI to implement several other related projects: update the Syrian passport to adhere to international standards, create a new identification card, as well as an electronic family record, and introduce electronic finger-printing processing. It also allowed for the automation and expansion of immigration and naturalization services.

President Bashar Al-Assad laid out the guidelines for this reform during his inauguration speech in 2005:

*“The shortcomings of public administration in Syria are one of the biggest hurdles against development and prosperity, which affect negatively all sectors without any exception. We should, at the soonest, start studying the methods of changing this situation to the better. This will be accomplished by developing effective administrative structures and processes, and by upgrading human resources in the public sector.”*

The MOI initiated the computerization of the civil records in Syria through the Administration of Civil Records and the Immigration and Naturalization Administration, as part of the government's measures to introduce information and communication technology (ICT) to the public service. This innovation is a part of the President's plan to develop an ICT infrastructure to modernize the government.

### 2. The Basic Elements and Characteristics of the Innovation

The project, which is designed to create a comprehensive information databank, started in 2002, and the data entry was completed in 2004. By the end of 2005, the auditing and checking were completed, two years ahead of schedule. The project

was developed, implemented, and programmed by local expertise only, to ensure the sustainability of support and development of the project. Special training courses were provided in the early stages of the project in the central administration. The project adheres and exceeds all international standards, which are imperative for up-linking the project with the national information network. Ultimately, each citizen will need only one document of identification (or no document at all), because their national number will be the only thing needed to obtain all information and use services, such as filing taxes or obtaining licenses, permits, and health services. As a result, citizens will not have to travel to other centres or use the post office to obtain records, because any centre can access the central database of records. By June 2004, this service was fully implemented. Immigration processes (e.g., passport renewals) will be streamlined through computer access to the central database and linking between immigration and civil records.

### **3. An Overview**

This project is the first step to update the civil records system by creating a national network linking all the civil records centres in the country electronically and to create a national database for the civil record. The national number is a key factor in this success of this project since it provides the fastest indexing methodology for retrieving civil records.

The national number is composed of 11 digits and is unique to every record. Each number is given only once to each record (or person) on entry. The composition of the national number is designed so that the first two digits reflect the municipality, the second two digits reflect the civil records centre, and the remaining seven digits reflect the serial number of the record in the database, which is provided by the system to eliminate human errors.

The system can accommodate 10 million records in each centre and 99 centres in each municipality in 99 municipalities – without repeating the same 99 number twice. In other words, the system was designed from the beginning to accommodate billions of records for decades to come.

Each citizen will be given a unique number that will be his or hers forever. The number is designed to be used by all systems and is based on numbers only. It is the easiest way for verification of matching names or name-change cases. Another sub-project is the family number system, in which each family is given a family record entered for each marital record. The family number is primarily for demographic and statistical purposes.

Once the number is provided, all official entities may use it to verify civil Record and legal records without obtaining the record from the Administration of Civil Records. Records can be obtained from any centre immediately and without the need to travel to the municipality or wait for its delivery through postal service.

The ability to link other records (e.g., driver's license, passport, military service records, and so forth) will make it easier for citizens and official bodies to verify and authenticate personal information without any redundancies.

The old system, dating back to 1922, exceeded 26 million records because of redundancies owing to registering the wife's record in the husband's centre's records, without removing the wife's record from her family centre. By cross-linking records and eliminating redundancies, the administration could enter 18 million records, for a total of 20 million citizens. The remaining records are to be entered and verified by the first quarter of 2005. The national network connecting all the centres became fully operational by the end of 2004, using PDN technology.

The whole system was designed to be web enabled, and although it is now operating as an intranet, it is easy to upload these services over the Internet. Another benefit of such design is that it is safe; it is harder to lose data because it is distributed over the centres' servers of the centres. Backup measures also were designed to maintain fully operational up-to-date records in case of natural disasters and system failures. Finally, interactive (mirror) servers were installed in some municipalities for backup and services purposes.

To further facilitate the usage of the national number, the MOI is issuing a new identification card with the national number in both written and bar-code formats. The new card adheres to the highest international standards for counterfeiting and usability. Parallel to the automation of the civil records, the legal (criminal) record was fully automated and put into active service in June 2004. Through the new system, all police certificates can be obtained from any centre and without the need to travel.

#### **4. Conditions that Contributed to Success**

For the past few years, Syria has been engaged in ICT development as the basis for modernizing the government and encouraging economic growth. The government took several important steps that indicate it is supporting modernization through automation:

- Establishing the ICT ministry;
- Allocating budgets for automation and modernization of the public sector to accelerate the process of providing E-government services;
- Modernizing regulations and laws that obstructed ICT development;
- Establishing IT educational and training institutes;
- Restructuring ministries and streamlining the processes and procedures; and
- Launching automation projects such as the automation of tax services.

The project is a clear evidence of the strong support of the highest levels of government for modernization of the public sector.

## 5. Tangible Results:

- The project has exceeded all expectations by entering more than 15 million records;
- It provides a crucial base for facilitating E-services, especially those commonly requested by citizens, such as filing taxes, obtaining licenses and permits, finding health services, and so forth;
- It makes it much easier for citizens to access, acquire, and update their civil records. All services relating to the civil records system are provided from one centre, so that there is no need to travel or to use the postal service to obtain records;
- The creation of a comprehensive demographic and population databank makes it easier to conduct research and documentation in strategic planning of education, health, housing, and all aspects of planning for a sustainable development;
- The new system eases the process of issuing and renewing passports, while providing fast, accurate services for immigrants inside and outside the country. It also will improve the service provided at the 23 major border-ports, since all of these entry points are linked to this unified database. As such, all immigration processes have become faster, more reliable, and more user friendly; and
- An advanced-automated-answering system has made it much easier to request information over the phone (already implemented) or over the web (in its final stages).

## 6. Groups That Benefit:

- Syrian citizens and residents (the information in the civil record are the documents most often sought after by citizens);
- Traveling and returning citizens (by greatly reducing the processing time for verification and authentication of passports and travel documents);
- Foreign visitors and non-immigrant residents;
- All governmental and public agencies and institutions;
- Planning bodies and officials responsible for planning on a macro or national levels (fields of education, health, services, and supplies); and
- Researchers and academics in the fields of demography, sociology, statistics, economics, health, and many other fields needing demographic information.

## 7. Challenges Encountered

There was a shortage of experts and specialists in the ICT field, especially in the initial phase of the project. For various technical and non-technical reasons, issuing the new identification card faced some problems. Other information systems

used by other ministries could not fully use the national number, and changing or updating such systems is another daunting problem. There were also duplications and inaccuracies in many of the original records. Some data were incomplete, such as education records, change of residence, and marital status changes. It was also difficult to adapt the new automated system to the old regulations and administrative and procedural standards. The biggest difficulty facing the project currently, however, is how to get more people (citizens and governmental agencies alike) to use the new database and system, because access to the Internet is still very limited.

### **7.1 Training and Human Resources Needed to Implement the Innovation**

Special training courses were provided from the early stages of the project. More than 500 employees, technicians, and engineers were trained specifically to handle all the technical and administrative aspects of the project. A joint committee was formed to supervise and direct the project, headed by the Deputy Minister of Interior; this committee included all the directors of the major centres, advisors from the Syrian Computer Society and Damascus University, and senior engineers from the central Administration of the Civil Records.

The committee developed a plan of action, benchmarking methodology, and a weekly reporting system to monitor the progress of implementation. The committee is supervised by a higher committee headed by the Minister of Interior, four directors from the MOI, directors of IT directorates of the Ministry, and ICT experts. The main task of the high committee is to review the progress and to take action on a strategic level if the need arises, to surmount any obstacle.

The innovation was designed, programmed, implemented, and developed by local expertise. The software and modules used in the project were developed by local programmers and with the help of local private and public software houses jointly working under one unit. Operating, maintaining, and developing the software used by the project was accomplished by the administration's engineers and technicians.

### **7.2 Workflow and Technical Aspects**

By centralizing the process of record entry and creating a state-of-the-art specialized centre, the Administration was able to focus all its resources in one unit. The centres were not overloaded with work, and the training required for the process of entering the records was kept to a minimum.

At the same time, all centres received computers and networks. More than 1000 computers were installed in major centres and more than 600 computers in automation centres, all networked and connected to create one of the most advanced services in the country.

The plan was to equip each municipality with a central server for the specific purpose of issuing identification cards. The web-enabled design allowed the use of leased lines, ISDN, and dial-up services, all already available, which made the process of entering the records fast and efficient.

### **8. Is this Innovation Sustainable?**

The national number and the civil records automation project was successfully developed, implemented, and programmed by local expertise only. This fact is very important, because it ensures the ability to develop and upgrade all the project's elements continuously. That makes the innovation more likely to be sustained.

### **9. Could this Innovation be Replicated in Other Countries?**

This project is part of the larger reform process in the public administration of the country and is not merely an isolated reform effort. The project has no special factors that render it unique or difficult to be implemented by other ministries or countries.

To maximize other countries' chances of success, it would be wise to consider the following elements that contributed to the successful implementation of this project in Syria, and that other countries should have in place as well:

- Meticulous planning is critical: From planning the training of staff to distribution of workloads, every little aspect affecting workflow was examined and tested before implementation. As the results show, millions of records were entered in record time with virtually no errors;
- Financing: Adequate funding is vital to any project, and this one can be costly;
- Human resources: Be prepared to train experts if they are not already available, or exchange expertise in programming and software design, especially from other Mediterranean countries;
- Material resources and infrastructure: Even though the existence of a modernized communication infrastructure in most of the Arab countries is limited, the new advancements in satellite communications make bridging the gap a less difficult task. Considering the overall advantages of updating and modernizing ICT infrastructure, this issue is of strategic importance, and the benefits on all levels is evident; and
- Support of the government: Support at the highest levels helps any modernization effort.



# Monitoring the Performance of Public Service Delivery through the Supervisory Citizen Team in Tunisia

*By Ghazi Gherairi*

### 1. Background

After independence, the public administration, secular branch of the executive power in Tunisia had to play a fundamental role in the construction of a new State.

The Tunisian administration was given great latitude and increased power to perform its task of economic and social construction. The more the administration extended its hold to the economic and social life as a whole, the more it ran the risk of interfering in the private life of citizens and the area of guaranteed rights, which made the need for increased control even more evident.

Indeed, besides the internal (i.e., hierarchy, financial supervision, and so forth) and jurisdictional control limited to administrative responsibility, the idea of placing the administration under stricter external control was already present in spirit within the members of the Constituent Assembly. The Constitution of June 1st, 1959 had therefore anticipated the creation of a Council of State comprising a Revenue Court, with jurisdiction to impose financial controls over the public administration, and an Administrative Tribunal, which would oversee the annulment of those acts that the administration considered illegal. Nonetheless, these two institutions came into being only at the end of the 1960s. Created in 1968, the Revenue Court began its functions in 1971, and the Administrative Tribunal, created in 1972, started its activities in 1974.

Establishing the administrative machinery of a newly independent State and ensuring its omnipresence (or better still, its omnipotence), was the concern of the public powers of the times. This concern prevailed over perfecting the control over the administration, especially when the State lacked competent personnel and had limited financial means.

Accused of all evils, of being distant, rigid, opaque, and inefficient, the Tunisian administration was affected in the 1980s by the beginning of a breakthrough. The reform movement, which started with a structural adjustment plan (1986) and the VII economic and social development plan (1987-1991), continues to this day.

The new political context that started in 1987 was because of a change that took place at the highest reaches of the executive power. This change was favourable to

the implementation of reforms that from then on affected all aspects of the functions of Tunisian public administration.

That is how it is set forth in the National Agreement, which is a kind of platform for the principles of essentially moral value on which the constituents of the civil society (i.e., representatives of the political parties, and social and professional organizations) agreed on in 1988. The agreement fostered the idea that “The respect for the rules of democracy in the guiding of the State affairs... allows the State to perform its functions: in the first place, the task to assiduously work for the social and economic development of the country.”

This quest for democratization is not limited to the political life. A good administration is also aware of the “present frame of mind” when transparency and performance seem to be the guiding force among the citizenry.

Another factor, one of international importance, pushes for administrative reforms. Tunisia’s adhesion to the World Trade Organization in 1994, and the signing of an agreement for the creation of an area of free trade with the European Union in 1995, placed the Tunisian administration within two trends that have been around for more than a decade: liberalization and globalization. The triumph of liberal ideology reduced the intervention of the public sector and limited the actions of the administration to what is strictly necessary, essential, and irreducible. Competing with the private sector, the administration has been forced to relinquish some of its activities in favour of the private sector. Its role has not become subordinate, however. The administration continues to be a crucial instrument in the process of liberalization initiated by the Tunisian State. It must create a more favourable environment for the private sector to function, because without a competent, flexible, and performing administration, the State cannot implement this irreversible process and achieve social and economic development.

Starting with the idea that the administration should not passively accept this policy of openness but rather become an active partner in its implementation, the Tunisian administration has had to adapt to this new situation, thereby evolving and bringing itself up to date.

Because of this, after more than a decade, citizens are witnessing administrative reform that has become a political slogan, a constant theme that recurs not only in the plans for economic development but also in political discourse.

This administrative reform, the general premise of which is based on efficiency and expediency, is implemented by the following measures, namely, the restructuring and reorganization of the administrative agencies and the adoption of a series of procedures to enhance relations between the administration and its citizens.

Public authorities ignored the last part for a long time, but it has become a duty: to humanize the administration and make it more accessible to users. Indeed, besides

increasing the opportunity for dialogue and consultation, the public authorities wish to establish fluid communication between the administration and citizens (e.g., the creation of an office dedicated to welcoming citizens and receiving their requests). Another area of concern is process streamlining; for this purpose the administration will establish a list of the services offered, the authorizations issued, and cases needing legalization of signatures. Even those requests that have been denied must at least give the reasons for which they were refused. Attention is now focused on streamlining the services offered and delivering those services efficiently is considered most important. Although many of the measures were successful and innovative, one of them is particularly significant: the citizen's supervisory team.

For the public sector, there should be one target for its services: its citizens. With that idea in mind, in 1993 the Citizen's Supervisory Team was created, its primary task being "verifying the quality of the public service." The formation of this team was in response to the need to improve relations between the administration and its users. Innovations such as this team are part of the methods of follow-up and control the administration must implement to increase efficiency in the services offered.

## **2. Legal Framework**

The Citizen's Supervisory Team was created by presidential decree N° 93-147, on January 18, 1993. That decree was followed by two tests administered by the Prime Minister: a circular note of January 26, 1993 regarding the implementation of the team of the Citizen-supervisor, and a decree of April 7, 1993 establishing the modalities of application of Article 5 of the decree of January 18, 1993. The team is organically and functionally focused on "the directing of quality of the public service" that was instituted on March 17, 1993 and is monitored by the office of the Prime Minister.

## **3. Recruitment of the Citizen-supervisors**

Recruitment of citizen-supervisors depends on a certain number of conditions. Only those officials who are the incumbents of positions that imply activities of at least a Category B level, retired personnel, and agents with a valid contract with the office of the Prime Minister. Besides being incumbents of at least one level of Category B, having a secondary school or equivalent diploma, these agents must fulfil recruitment conditions for public functions, namely, to have Tunisian citizenship, to be able to exercise all their civil rights, to be considered of good morals, to be at least 18 years of age, possess the physical and mental abilities to do the job, and possess a report stating that their legal army recruitment obligations are free and clear.

Having satisfied these conditions, a citizen-supervisor applicant should present his or her candidacy on a standard application with all personal data, hierarchical supervisor's opinion regarding work discipline and ethics, and health and administrative sanctions (if any exist). This application is sent in a confidential folder to the

Minister in charge of public functions and administrative development, accredited by the Prime Minister, to hold the position.

After examination of their dossiers, candidates for the position of citizen-supervisor are tested to evaluate their aptitude and predispositions to fulfil these functions ably. To this effect, a selection committee has been set up by the Prime Minister that includes four members chosen from administrative personnel, presided over by the Prime Minister or his representative. The president of this committee is authorized to request the help of any specialist whose expertise might be considered useful. (In actual practice, the previous presidents of this committee called most often for the help of psychology specialists.)

To ensure the utmost discretion, each candidate is tested privately. The oral and written parts of the test are graded from 0 to 20, and the committee members assign applicants for the citizen-supervisor position according their dossiers and test scores.

The Prime Minister orders the final list of candidates for citizen-supervisors. He or she appoints each citizen-supervisor for a term of one year, renewable only once. Once appointed, every citizen-supervisor has an individual educational internship to facilitate learning the job's new tasks. The citizen-supervisor working among other officers active in different central and regional administrations, the public facilities, or local public communities is considered to be representing the Prime Minister. He or she may keep all remuneration and allowances due him or her. There is also an allowance for the citizen-supervisor to cover all expenses necessary for the performance of the job; the amount of this allowance is established by the Prime Minister at 100 to 150 dinars per month, payable to each citizen-supervisor.

Remuneration of a citizen-supervisor under contract with the Prime Minister is based on legal provisions and regulations in force.

After appointment, the citizen-supervisor pledges to the Prime Minister or his representative the following oath: "I swear before God almighty to accomplish my mission faithfully and loyally; I commit myself not to reveal the secret of the operations entrusted to me, be it during or after the performance of the duties, and to behave like a loyal and honest citizen".

Finally, the citizen-supervisor enjoys the benefits and protection of the administration, which must protect him or her against any threats or harm to which he or she could be exposed, and to redress any damage that he or she might suffer.

#### **4. Objectives for Citizen-supervisors**

The citizen-supervisor works with State services, public establishments, local public communities, and any area funded directly or indirectly by the State or local community. In a memo dated January 26, 1993, the Prime Minister requested that the ministers of State, ministers, secretaries of State, governors, and presidents of

public enterprises send to the Directorate of Quality of the Public Service any information regarding the different public services that “offer directly services to the citizens.” That memo included a form on which to list the name of the ministry or establishment, the name or names of the department(s), the address(es), and detailed information of services offered by those departments.

Each department is to be visited at least three times by different citizen-supervisors.

For security reasons, departments involved in national security are excluded from visitors, namely, the Departments of Defence, National Guard, correction services, and border customs.

Since 1993, the first year of the citizen-supervisory programme, the number of departments visited has been 852 in 13 governorates. With each year, that number has grown, and in 1999 6987 departments in all the governorates had been visited. Since this date (1999), the number of departments visited went up and down several times, and in 2003 only 5403 services were visited.

The Ministry of the Interior is at the top of the list of departments visited,<sup>1</sup> but in 2002, the Ministry of the Technology of Telecommunications and Transportation had received 4191 visits, whereas the Ministry of the Interior received only 3318 visits. The Ministry of Finances and the Ministry of Public Health shared third place. Regarding the Ministry of Foreign Affairs, the Ministry of National Defence, and the Ministry of the Women and Family Affairs, the average number of visits was fewer than 10 per year.

Considering the spread of the visits *ratione loci*, the capital city of Tunis is consistently the most visited. The governorates of Zaghuan (northeast), Seliana (northwest), and Sidi Bouzid (southeast) are almost always at the bottom.

## **5. Attributes and Activities of the Citizen-supervisor**

The 1993 decree creating the role of the citizen-supervisors mentions in the second article that “the attributions of the citizen-supervisor consist of performing, like any other citizen, factual tasks in the public services, to verify the quality of service in the administrative offices, and to observe the performance of the public agents.”

The director of public service quality establishes a visiting plan for every citizen-supervisor, one week before the end of the month. The plan should entail at least 50 visits per month. The citizen-supervisor agrees to this plan and is supposed to do so throughout the territory.

To ensure the utmost discretion and efficiency, the citizen-supervisor must observe certain rules. He or she must act like any other citizen (e.g., going to a hospital for medical assistance, using the post office during normal hours, going to a Court of-

<sup>1</sup> This ranking could be due to the fact that it is also part of the central administration but hierarchically superior to the decentralized administrations: governor, delegate and chief of sector, and the supervisory authority of decentralized entities, especially the district councils.

office to request a birth certificate). Citizen-supervisors are forbidden to reveal their appointment or interfere with the normal activity of the service being visited. During and after appointment citizen-supervisors must keep their mission secret, and they are not to mention it in any personal documents or correspondence.

Because impartiality of the citizen-supervisor's role is so important, he or she should discontinue any visit if he or she realizes that the administrative agent is a relative or if any other factor might cause him or her to fail to do the job objectively. In such cases, the incident should be reported to the directorate of quality of public service.

The citizen-supervisor must fill out a report card on which are listed all observations, according to the following parameters:

- Condition of the building offering public service (i.e., maintenance, cleanliness);
- Working conditions of the public service agents (i.e., state of equipment, materials);
- Quality of service (i.e., welcoming, waiting, priority numbers); and
- The way the public agents are performing the service (i.e., behaviour, attitude while performing the requested service).

Once the visit is finished, the citizen-supervisor documents all observations on the card provided, after leaving the premises of the administration or its proximity, to guarantee discretion.

Also listed are the designation of the office of the administration, the department or service visited, the date, the time and the length of the visit, and the nature of the operation or service that took place.

The card carries the confidential register identification of the citizen-supervisor agent who performed the visit, but no names or anything that could identify him or her. Each citizen-supervisor has a confidential register identification assigned to identify all the documents he or she presents to the director of quality of the public service. The director has a list of names and identification registers, which is kept strictly confidential, and is the only person who can establish the identity of the citizen-supervisors.

## **6. Results and Follow-up of Citizen-supervisors' Activities**

Since 1993, the citizen-supervisors have brought to light the inconveniences and imperfections found in the services offered by the Tunisian public administration. The inconveniences included:

- Deterioration of certain buildings where public services are offered, Insufficient consideration given to the cleanliness of facilities;
- Lack of materials or equipment to allow public employees accomplish their tasks in a normal environment;

- Lack of seating in some reception areas; and
- Excess demand for services in certain departments.

Regarding the behaviour of public service workers, the following problems were noted:

- Tardiness of the agents in arriving to their place of work;
- Lack of offices or windows (counters);
- Misuse of the administration's cars; and
- Inappropriately dressed employees.

Besides inconveniences or problems, any improvements that the citizen-supervisor records after the visit should also be mentioned on the card.

Information gathered by the citizen supervisor and documented on the cards after the visits is then examined and analysed by the Directorate of the quality of public service. Whether the comments and observations are positive or negative, the Directorate will circulate memos periodically, to be sent to the appropriate ministries, which in turn will take all necessary measures to act on them and inform the Prime Minister.<sup>2</sup> The Prime Minister will present the annual report of the citizen-supervisors to the President of the Republic, reflecting the results of the visits performed during the past year and measures taken by the ministries to correct any deficiencies and reinforce the positive aspects.

Measures taken by the ministries as a consequence of the reports by the citizen-supervisors are based on three initiatives with repressive and corrective aspects:

- Initiatives, by way of bestowing of exceptional promotions, decorations, or other types of encouragement for those agents whose performance is satisfactory;
- Repressive actions, by means of disciplinary measures regarding those agents who manifest unsatisfactory professional behaviour or performance. (In a non-published decree of the Administrative Tribunal issued on May 17, 2002, the administrative judge established that an agent had perpetrated a disciplinary misdeed, based on the testimony of a citizen-supervisor); and
- Corrective measures, by means of necessary measures to improve organization of work and to strengthen the human or material means that are insufficient and therefore lead to unsatisfactory service.

<sup>2</sup> It should be noted that since 1996, the use of new software has made the task of preparing monthly and annual reports much easier for the Directorate of quality of the public service. This software also makes it possible to file cards with information from previous years, to prepare visiting plans for citizen-supervisors, and to gather statistics about the citizen-supervisors team.

## 7. Conclusion

The innovative experience of the citizen-supervisor team within the framework of Tunisian public administration can set an example for improvements in other countries' public sectors. These lessons include the following points:

1. The creation of this team is evidence of the will of the public administration to improve the quality of public service.
2. The confidential character of the visits is an important advantage, because the administrative agents must be prepared for these visits at any time, which encourages the best service at all times.
3. The possibility mentioned by some of the communes (Tunis in the first place) to create local teams of supervisors shows the deeply rooted ideas of quality of service and the responsibility of the public administration, even at a local level.
4. The limited financial reimbursement presents the risk of dissuading valuable personnel from joining these teams and could discourage those already appointed.
5. The type of missions that these teams are involved in (i.e., the visit in situ and the drafting of the report) limits their role to immediate and direct services (e.g., presentation of documents, care, and so forth). That excludes these teams from more important and complex administrative operations (e.g., construction permits, recruitment competitive examinations, transfer of markets).
6. The reports that these teams submit would be greatly enhanced in value if they could be part of a general annual report that is published and widely disseminated. That publication would be useful for citizens who would see in it a guarantee and a protection, and for diligent administrators, who might find that the dysfunction is less than they had thought.



# Establishing a Civil Service Agency in Bosnia and Herzegovina

*By Srdja Obradovic*

The creation of a civil service agency and the human resources management that goes with it was a new concept in a country ravaged by war and wrestling with how to change from a communist government to a more democratic system of administration. During the socialist era in Bosnia and Herzegovina, human resource management – recruitment, career advancement, and the dismissal of civil servants, especially at higher levels of government – was thoroughly controlled by the Communist Party.

Following the general elections in Bosnia and Herzegovina in fall 2000, the country embarked on reform. The starting place for reforming and improving the functioning of the state was the creation of a professional, non-political civil service agency, and the first step toward this innovation in governance was the adoption of the law for civil service, which set out the legal grounds for selection and management, and the clearly defined rights and obligations of civil servants.

### **1. The Establishment of the Civil Service Agency**

The best practice from Bosnia and Herzegovina is a study on the establishment of the civil service agency, with innovations in human resources management in public administration. The civil service agency was set up to keep civil service management clear of political interference and in line with the administrative culture of continental Europe.

### **2. The Main Characteristics of this Innovation**

The innovation was introduced as a result of the growing pressure to change the old civil service administration, which was inefficient and inadequate to the needs and demands of the public. Both citizens of Bosnia and Herzegovina and representatives of the international community in the late 1990s demanded a radical change in the public administration.

At its meeting held in Madrid in December 1998, the Peace Implementation Council insisted on the “creation of a professional and apolitical civil service as a vital component of any effectively functioning state.” Similar but even stronger demands had been repeated at the meeting of the Peace Implementation Council held in Brussels in the spring of 2000.

The adoption of the Civil Service Law was even a requirement referred to in the road map of the EU for Bosnia and Herzegovina. Its adoption became an obligation for Bosnia and Herzegovina to meet the guidelines of the EU.

Twelve political parties, mostly centre and left-oriented, formed a state-level government known as the Alliance, for a period of two years. Those two years were marked by what have been the strongest attempts to redefine Bosnia and Herzegovina in a more effective, sustainable, and rational way. The Alliance set the adoption of the Law on Civil Service in civil service institutions of Bosnia and Herzegovina as a top priority, but the political forces, opposing and undermining all attempts on consolidation of the state, were still very strong.

## **2.1 Background: The Era before Reform in Bosnia and Herzegovina**

Introducing the idea of a civil service agency that would apply such fundamental principles as impartiality, neutrality, and meritocracy was an important step for this formerly socialist country, which is now seeking to find its place in the process of European integration.

During the socialist era in Bosnia and Herzegovina, human resource management in the public sector was never well developed. All policies applying to staffing, that is, recruiting, promoting, and dismissal of civil servants, was completely controlled and dictated by the Communist Party. It was almost impossible for non-party members to obtain managerial positions in the civil service. The link between governmental officials and civil servants was strong, but the link between those servants and ordinary citizens was weak. Service delivery was poor. Corruption, bribery, and nepotism grew as the country faced increasing political and economic crises.

## **2.2 The War Made Matters Worse**

The war brought not only devastation to human lives but also to the national infrastructure and the economy. The war was also the beginning of totally unacceptable behaviour and practices in public sector. The protection of ethnic and religious interests, largely promoted by the nationalist political parties in power as a determining factor in the struggle for the survival of whole communities, became top priority during the exercise of any civic, individual rights, and interests.

Corruption and nepotism flourished so quickly that the citizens of Bosnia and Herzegovina were forced to learn a new lesson practically overnight: “Do not communicate with administration officials if you want to protect your rights and interests, unless you have some powerful personal connections or unless you can pay for it.” Furthermore, one’s ethnic and religious background could easily turn into an insurmountable disadvantage, if the person were a member of a “minority group” in an ethnically divided country.

The end of the war brought no improvements to public administration. The country was divided into two entities: the Republic of Srpska and the Federation of Bosnia and Herzegovina, which is further divided into ten cantons, with exclusive rights granted to each “constitutive” ethnic group to dominate and govern the territories under their control.

In the post-war period, the human resource management system in the state-level institutions of Bosnia and Herzegovina was supposed to be governed by the Law on Public Administration of the Republic of Bosnia and Herzegovina, passed in 1993. This law was applied to only those forces in institutions that recognized the republic during the war. The division based on ethnic background and existing political conditions led to the creation of an absurd situation, which was an absolute obstacle for functioning of the state.

The reinforcement of common institutions in Bosnia and Herzegovina, by far the weakest layer of power in the country, has been seen as a necessary condition for any future attempts to establish the rule of law. The question that remained, however, was when the public administration reform process would begin and to which extent it would succeed.

### **2.3 The Long and Difficult Path to a New Law – A Benchmark in the Process of Reform**

The adoption of the law that would provide legal ground for selection, management, and clearly defined rights, obligations, and benefits of the civil servants was the first step toward change. In 1998, the Peace Implementation Council at its Madrid meeting insisted on the “creation of a professional and apolitical civil service.”

A working group for the development of a civil service law was established in October 2000. The group was organized and supervised by the Ministry of Civil Affairs and Communications. Both local and international experts were engaged in the creation of the document, which was envisaged as a legal basis for further reforms in public administration, particularly in the area of human resource management in the public sector.

After almost eight months and over 250 working hours, the draft of the new law was completed. The representatives of the state-level Council of Ministers held another round of consultations with the Office of the High Representative, before the Council confirmed the Proposal of the Law, sending it to the regular parliamentary procedure in September 2001.

In early 2002, both houses of the Parliamentary Assembly of Bosnia and Herzegovina (the House of Representatives and the House of Peoples) adopted the law, but each added different amendments. This situation, when the two Houses adopt one legal document in different texts, is not unusual. In such cases, the Parliament forms joint bodies to harmonize the substance of the laws. The Joint Parliamentary Com-

mission for Harmonization was established to produce one identical, consolidated version of the Law.

Obstructions that followed were largely interpreted as another political attempt to block (or at least postpone) planned reforms. The Joint Commission held four sessions, over a period of three months, failing to reach consensus about disputable items. After all these fruitless efforts of the Joint Commission to finish the task, the High Representative for Bosnia and Herzegovina had decided to exercise the powers vested in him by Annex 10 (Agreement on Civilian Implementation of the Peace Settlement) of the General Framework Agreement for Peace in Bosnia and Herzegovina and by the Conclusions of the Peace Implementation Conference held in Bonn on December 1997. He imposed the law on 23 May 2002.

The law was published in the Official Gazette of Bosnia and Herzegovina, No. 12/02 on 6 June 2002, and entered into force eight days later. The Parliamentary Assembly of Bosnia and Herzegovina supported this decision by adopting the law in due form, without making any further amendments.

The law, using the same text as that delivered by the High Representative, was published again in the Official Gazette of Bosnia and Herzegovina, No. 19/02 on 25 July 2002.

Since then, the law has been amended four times but never changed in its fundamental structure, purpose, or substance (even though the last amendments were made by the Parliamentary Assembly of Bosnia and Herzegovina, wherein the three secretaries of this legislative body were pronounced to be non-civil servants. This can be judged as a step backward, contrary to the previous three amendments, which were commonly evaluated as improvement of the Act). The adoption of this law announced the start of a process to establish a professional, merit-based civil service, the aim of which is to provide unbiased expertise and professional continuity in state-level institutions.

Several more legal acts, adopted in following years, are important tools and pre-conditions for finalizing efforts to create clear relations among the institutions of Bosnia and Herzegovina, in a manner that will meet the best European standards. Among the acts that fall into this category are the Law on Administration of Bosnia and Herzegovina (from September 2002), the Law on Ministerial Appointments and other Appointments in the Institutions of Bosnia and Herzegovina (from November 2003), the Law on Labour in the Institutions of Bosnia and Herzegovina (from June 2004), the Rulebook on the Disciplinary Responsibility of Civil Servants (from July 2003), and the Rulebook on the Procedure for Assessing the Performance and Promotion of Civil Servants in the Institutions of Bosnia and Herzegovina (from May 2004).

Nevertheless, the civil service law of Bosnia and Herzegovina, with all the innovations in human resource management that it introduced, will be remembered as a

benchmark in the process of reforming public administration, despite the difficulties it took to come into being, and the further difficulties it will face as it is implemented.

### **3. Overview of this Innovative Law**

This law was created to regulate the legal status of civil servants in government institutions in Bosnia and Herzegovina in all aspects such as recruitment and professional career advancement, positions, rights and responsibilities, conflict of interest, termination of the civil service office, remuneration and allowances, and disciplinary responsibilities. Provisions of the law cover all civil servants in state-level institutions, more precisely servants of the Presidency, Council of Ministers and Parliamentary Assembly of Bosnia and Herzegovina, and the Constitutional Court and the Court of Bosnia and Herzegovina.

#### **3.1 Exemptions**

The only civil servants that are exempt from the law are those employed at the Central Bank of Bosnia and Herzegovina and the Office of the Human Rights Ombudsmen in Bosnia and Herzegovina. A possibility for partial exemption is given to staff of diplomatic and consular services and the border service, whereby the Council of Ministers of Bosnia and Herzegovina may decide, with prior consent from the agency, not to apply certain provisions of the law.

Elected and appointed functionaries (e.g., Members of the Presidency, Ministers and Deputy Ministers of the Council of Ministers, Members of the Parliamentary Assembly, judges of both courts on the state level, the Auditor-General and the Deputy Auditors-General, Governors and Vice-Governors of the Central Bank of Bosnia and Herzegovina, Members of the Standing Committee on Military Matters, and the Ombudsman of Bosnia and Herzegovina), and other employees (mostly support staff with lower-level qualifications), are not subject to this law. Advisors to the above-mentioned functionaries are defined as non-civil servants; however, several provisions of the law are dedicated to defining this group of employees to clarify and determine their status as well. This law also aims to determine which responsible bodies and institutions are to be given the task of carrying out the duties of civil service reforms.

#### **3.2 Ethnic Differences Addressed**

General principles laid down in the law are legality, transparency, and publicity; accountability, efficiency, and effectiveness; and professional impartiality. A principle of proportional representation of ethnic groups is introduced through the provision demanding that the structure of civil servants within the civil service shall generally reflect the ethnic structure of the population of Bosnia and Herzegovina in accordance with the last census. This requirement is just one of the legal actions taken in spring 2002, to ensure the equality of the three constituent peoples (i.e., Bosniaks,

Croats, and Serbs) and the members of the group of others throughout the country, which was not the case right after the war. Intensive constitutional amendments in both entities of Bosnia and Herzegovina were conducted to ensure annulment of ethnic division caused by so-called ethnic cleansing during and after the war.

### **3.3 Specific Rules on Rights, Duties, and Merit-based Organization**

In addition to the general norms of scope, subject, and principles of the act, a summary of other provisions, such as those regarding civil servants' positions, their rights and duties, process of recruitment and evaluation, remuneration and allowances, termination of service, disciplinary responsibilities, with a special emphasis on provisions related to civil service management, will contribute to a better understanding of the quantity and quality of innovations introduced through this reform initiation.

Civil servants' positions are divided into two main groups: managerial and non-managerial civil servants. Managerial civil servants include Senior Executive Managers, Senior Executive Managers with special assignment, and Assistant Ministers. The group of other civil servants include heads of the internal organizational unit, Senior Advisors, Senior Officials, and Specialists.

During the development of the law, there were political forces lobbying to preserve the old order, by which managerial civil servants were political appointees, but the arguments of reforming forces, supported by representatives from the international community in Bosnia and Herzegovina, prevailed. The obvious reason for protecting managerial servants by determining their status through the law was to ensure that "the crown of the administration" is selected in an independent, merit-based manner and that those servants will fulfil their duties impartially, on the basis of their knowledge, professional skills, and experience.

Moreover, it was thought that the only way to preserve institutional memory was to prevent changes on managerial level over and over again after the elections. Furthermore, the law determined that the categories within these positions should be defined by by-laws, giving a general description of duties and responsibilities for each position.

### **3.4 Conflicts of Interest**

The law prescribes general duty for all civil servants to perform tasks as assigned by their job descriptions, to abide by all other duties as provided in this law, and to protect constitutional and legal order in Bosnia and Herzegovina. In case the servant receives a suspicious or allegedly illegal order, he or she is required to draw attention to the issuer. Should the order be repeated, the civil servant is obliged to ask for a written confirmation identifying the issuer and the precise content of the order.

Finally, if the order is confirmed, the civil servant shall notify the immediate superior of the issuer of the order and shall be compelled to perform it unless the order does constitute a criminal offence (in which case he or she will refuse to perform it, denouncing the matter to the competent authority).

It is required that a civil servant shall be impartial, refraining from any action of public manifesting his or her political or religious belief, or pursuing and accepting any gain, benefit, and advantage other than those given by the law. A further legal requirement is that all civil servants shall be guided by the public interest during the performance of their duties, serving and assisting the public interest transparently and accountably.

A special provision of the civil service law is dedicated to protection of property rights of refugees and displaced persons. According to this provision, civil servants are not allowed to occupy real estate property that is owned by a refugee or a displaced person, nor to occupy an apartment claimed by a refugee or a displaced person, a so-called occupancy right (based on a system of "social property" introduced during the Socialist era).

Civil servants are given the right to receive a salary and other compensations in accordance with the law and secondary legislation, to use annual leave or other permitted form of absence, and to work until retired (unless otherwise provided by laws). All civil servants are entitled to be supported in the advancement and professional development of their careers, to be treated by superiors with respect and dignity and entitled to protection of their physical and moral integrity, to have the right to join a trade union, and to go on strike. Equal treatment in all aspects of personnel management regardless of ethnic or social origin, entity citizenship, residency, religion, political or other opinion, sex, colour, birth, marital status, age, property, or disability are also granted to civil servants. They are also exempt from all military obligations after their appointment.

#### **4. Separating Politics from Public Service**

The law prohibits exercising a function or holding a position that constitutes a conflict of interest. Those in civil service are not allowed to pursue any additional remunerative activity without prior authorization issued by the head of institution in which they are employed. A civil servant cannot be a member of a governing or other board of a political party and cannot follow the instructions of a political party. Incompatibility is further evidence of a firm intention of reformists to separate civil servants from the interests and goals of political parties. In additional, provisions on conflict of interest regulate situations in which a civil servant is a candidate for a public office that is directly or indirectly elected or the conditions on which a civil servant can join the enterprise over which he or she has exercised regular supervision. The disclosure of information on his or her property or the property of close family members comes under the provisions of conflict of interest as well.

#### 4.1 Recruitment, Evaluation, and Promotion

The following provisions of a new Law are seen as the grounds for introducing successful human resource management in the future. This detailed system was an enormous step forward and an important element of a public administration reform.

There are three ways to fill a vacant position in civil service. First, the vacancy must be advertised internally, through the Agency for Civil Service. Second, if the position cannot be filled internally, the agency should attempt an external transfer of a redundant civil servant occupying a similar position in a different institution. Third, the vacant position must be advertised for open public competition. The law prescribes general directives in cases of internal advertisement (for internal and external transfers) and external advertisements (for open public competition). The civil service agency will develop future acts that regulate these processes in details.

Bosnia and Herzegovina citizenship, a university degree, health conditions, and the prior fulfilment of military obligations fall among general requirements for appointment to the civil service. People who have been dismissed from civil service as a consequence of a disciplinary measure within three years before the date of the publication of the vacancy are not suitable applicants, as well as those who are indicted for war crimes. The person applying for a position also should have a certificate that proves absence of pending criminal proceedings.

After the vacancies are advertised, the agency must organize and support the work of selection committees, consisting of five members (three from the institution concerned and two from a list of experts approved by the agency). The agency is entitled to determine the nature and the content of the open competition, and the Council of Ministers, on proposal of the agency and by by-law, determines the manner of taking the examinations and the program for the examinations. After the open public competition is finished, the Agency for Civil Service publicizes the results and notifies each applicant in writing about his or her results in accordance with the law.

There is a slight difference in appointment of managerial and non-managerial civil servants. The former may be appointed by the respective institution, on prior opinion obtained from the agency, whereas the latter may be appointed by the agency, based on the prior opinion of the competent institution. This is a kind of compromise made to the political forces that wanted to keep managerial servants as political appointees.

The general probation period (overall duration of 12 months) has been introduced for all newly appointed servants. Should the performance appraisal be satisfactory, the appointing authority confirms the appointment of the civil servant; in the opposite case, the civil servant is dismissed.

The performance appraisals, based on the results achieved and implemented by their direct hierarchical superior at least every 12 months, can be positive or negative. Positive appraisal is taken into account for promotion, whereas two consecutive negative performance appraisals lead to dismissal. The promotion of a civil



servant to a higher category within the same position is possible, but promotion to a higher working position is not. One can, on positive performance evaluation, be moved from his or her position of a Specialist (salary grade 1, category 1) to position of Specialist (salary grade 1, category 2 or 3), but one cannot be promoted to a Senior Official.

An upgrade to a higher position within the service can be undertaken only through open public competition. Additionally, redundancy occurs exclusively in the case of reorganization or a reduction in scope of work of an institution. It is the task of the agency to declare a civil servant redundant, on proposal of competent institution. In such a situation, the agency first tries to relocate the servant or to offer an early retirement, if the external transfer is not possible. Should this fail, the redundant civil servant is dismissed and provided with a severance package in accordance with this Law.

#### **4.2 Remuneration, Allowances, and Working Conditions**

The salary for civil servants is determined by the position they hold. There are six positions, ranging from Specialist (the lowest, salary grade 1) to Senior Executive Manager and Senior Executive Manager with a Special Assignment (the highest, salary grade 6). The law prescribes the Council of Ministers to determine the coefficient relating to salary grades.

The salary base used for calculation all levels of salary by multiplying with the coefficient has not been changed in last seven years; it is 240 convertible marks (€123). Civil servants are also entitled to a 0.2 per cent raise for each year of work experience, and up to 30 per cent in the case of a promotion, which depends on their performance evaluation.

Civil servants who temporarily perform the job of another unfilled position can receive an increment of a special salary bonus to the basic salary amount by up to 50 per cent, depending on the extent to which the volume of work has been increased. Civil servants are entitled to salary compensation during annual and sick leave, as well as for other remuneration, such as the costs of transportation, daily food rations, holiday cash grant, anniversary rewards, and education. Each civil servant is entitled to a compensation for expenses for official trips. General labour provisions regulate other rights concerning the social security of civil servants.

#### **4.3 Termination of Service**

Voluntary resignation, retirement, permanent disability, loss of citizenship of Bosnia and Herzegovina, and redundancy are some of the main reasons for termination of service. One can also be terminated for an unsatisfactory probation period or two consecutive negative performance appraisals, as a result of disciplinary sanction or by being convicted for a criminal offence on a sentence of prison for a period of more than six months.

Non-managerial servants are dismissed by the agency, on prior opinion of the competent institution, whereas managerial staff are dismissed by the appointing authority, on prior opinion of the agency. Generally, dismissed civil servants are not entitled to gain compensation, except in cases of redundancy or when retired.

#### **4.4 Disciplinary Responsibilities**

Some of the most conspicuous loopholes of the Law on Civil Service are related to disciplinary responsibility of civil servants. First, there is no clear link between acts of violation of official duties and disciplinary sanctions. (This was one of the biggest criticisms of the Venice Commission in relation to this law.)

Second, it has not been determined which body is going to create a set of by-laws regarding this problem within state-level institutions. The list of disciplinary acts is quite exhaustive, ranging from criminal offences against official duty or betrayal of state, military, and official secrets, to minor infractions like unexcused absence from work, breach of regulations related to the working discipline, or failure to execute entrusted tasks and duties in a timely and proper manner.

The law contains general provisions on disciplinary proceedings, all of which start with the filing of a disciplinary case. These provisions include a description of the role of the Agency for Civil Service, ombudspersons in the institutions, and the Civil Service Board. Detailed disciplinary proceedings are elaborated in *The Rulebook on Civil Servants' Disciplinary Responsibility*, which was adopted one year after the Law entered into force. All disciplinary proceedings are suspended in the case of initiation of criminal proceedings for the same act. Finally, the law contains provisions on preventive suspension after the initiation of criminal procedure against a civil servant.

#### **4.5 Management of Civil Service**

Each state-level institution is required to establish a section in charge of the implementation of the provisions of this law. Those sections are intended to ensure proper management of their personnel and to coordinate and cooperate with the civil service agency, including submission of an annual report and a plan of activities for the year ahead to the agency.

The civil service law has introduced a position of ombudspersons, assigned to act as mediators in all issues pertaining to the status of civil servants in accordance with this law. Civil servants within each institution elect one of their own to be an ombudsperson.

Another innovation of the law represents the establishment of the Civil Service Board. This board is responsible for reviewing all final decisions, undertakings, or non-undertakings of an institution and/or of the civil service agency pertaining to the status of civil servants. The board can act on request of the civil servant af-

fectured by the disputed decision, undertaking, or non-undertaking, respective institutions, or the civil service agency. This body is authorized to hear the applicant, call witnesses and experts, obtain all relevant information, and undertake all actions deemed necessary to accomplish the main task – reaching a final decision on the status of civil servants. Such decisions, reasoned on legal grounds and properly and fully determined facts, can be subject to review only by the court of Bosnia and Herzegovina.

## **5. The Biggest Innovation – Establishing the Civil Service Agency**

Finally, the most interesting and important innovation in this law concerns the introduction of the civil service agency. The Council of Ministers is authorized to establish the civil service agency and appoint the head, responsible for managing the Agency. The head of the agency holds the position of Secretary with Special Assignment for a mandate of five years, with the possibility for reappointment.

## **6. The Tangible Results**

The creation of the agency has fostered a general strengthening of the public administration and in particular has introduced positive changes in the status and behaviour of the civil servants. It has also strengthened human resource management and offered new opportunities for further successful implementation of administrative reform as a whole. The agency is involved in all aspects of implementing the Law that established it. Without it, this law would not have nearly the same structure, purpose, or positive effect.

### **6.1 Recruiting Staff to Implement the Law**

Although one can say that the agency was formally established after the adoption of the law and appointment of the first head of the agency, it became operational only after the staff were recruited. The High Representative Bosnia and Herzegovina appointed the first head of the civil service agency on the same day that he imposed the law. This two-year appointment became effective from the day when the Law on Civil Service in the Institutions of Bosnia and Herzegovina came into force. In his decision, the High Representative noted that he intended for the civil service state agency to be an independent body capable of recruiting and dismissing civil servants, deciding disciplinary sentences, training civil servants, and preparing all necessary legislation, and that head of the agency would be responsible for the establishment of the civil service agency and the overall implementation of the civil service law. Before issuing this decision and appointing Jakob Finčič as the first head of the agency, the High Representative had several consultations with the Council of Ministers of Bosnia and Herzegovina. The Council confirmed this decision two months after its adoption.

In the following months, a delegation from the European Commission created a team that ran the support project for the civil service agency of Bosnia and Herzegovina for six months. The team consisted of one international and three local experts with various scopes of advisory and exclusive responsibilities, aimed to give comprehensive support and assistance to the beneficiary, the head of the agency, in all aspects of creation and establishment of the agency. Those responsibilities can be summarized by these activities:

- Creation of legal acts for establishment of the agency, required by the law;
- Development of the Personnel Central Registry;
- Setting the basis for the recruitment process;
- Development of basic documents and plans for training; and
- Dispute resolution.

## 6.2 Creation of Legal Acts for Establishment of the Agency

The creation of legal acts necessary for establishment of the agency primarily implies drafting of the agency's rulebook and the Act on Systematization of Posts in the Agency. All other aspects of duties and responsibilities of the EU Support Project team were also linked to the creation of certain legal documents, but the aforementioned rule book with the attached systematization act were underlined as a legal basis for establishing the Agency. It therefore might be useful to give a general overview of this document: *The Civil Service Agency Rulebook*.

This rulebook determines internal structure, number of employees, their basic duties and responsibilities, and other issues of organization and management of the agency. The principles of legality, transparency, efficiency, rationality, and professional impartiality are proclaimed as the leading issues in delivery of services. The agency consists of five internal departments:

- The Office of Head of the Agency;
- Information Department;
- Recruitment Department;
- Department of Education; and
- Department of the Rights Protection.

## 6.3 Rulebook – Part Two

The second part of the rulebook contains provisions on work organization (establishing a clear link on the relation of the Council of Ministers to the head of the agency to the Senior Staff Board of the Agency to the agency's departments) and basic responsibilities of head of the agency, its expert advisor, and heads of departments. Furthermore, the basics for planning work within the agency, the role of senior staff board, and cooperation with personnel units within the institutions are prescribed here.

Finally, the last part of the rulebook regulates working posts and the working regime. The annex to this document is the Act on Systematization of the Working Posts, which determines:

- The title of the working post (e.g., head of the agency);
- The position/rank of the civil servant in accordance with the law (e.g., senior executive manager with a special assignment);
- Detailed job description; and
- Special requirements for the post.

#### **6.4 Development of Personnel Central Registry**

The purpose of this registry is to assemble all relevant data that could be useful to the institutions of Bosnia and Herzegovina and to the civil service agency, in examining trends, needs, and attitudes within the state's agency. The main goal is to ensure development and better functioning of the agency, proper human resources management and its standardization, and respect and improvement of constitutional and legal principles.

This exercise was critical to any further plans or execution of the policy related to human resource management in the institutions. The comprehensive, exact, and up-to-date data on the makeup of civil servants (e.g., by age, sex, or nationality), data on educational background, trainings, courses and other form of professional improvements, or frequency of promotions are essential for the creation of any personnel policies. Above all, this data register was considered to be irreplaceable, a tool enabling the agency to plan, operate, and advise.

The EU team faced significant difficulties while setting up this database: there was a clear need to fill the Central Registry with as much information as possible; however, there were recent data protection regulations that had been established in Bosnia and Herzegovina.

The first step in the formal creation of the Central Registry was to plan the future design and content of the Registry for examination to the Data Protection Commission, as required by the Law on Personal Data Protection (adopted in December 2001). The Commission was particularly interested in the purpose of data processing, the type of processed data, and the legal basis for data collection, the range of data subjects, and data source.

The agency was required to ensure data security, undertaking all technical and organizational measures and developing the rules of procedure on data protection and secrecy. One of the major requirements underlined by the commission was related to appropriate use of so-called special data categories (as per law, data related to racial origin, nationality, national or ethnic origin, political opinion or party affiliation, trade union affiliation, religious or other belief, health, sexual orientation, and criminal conviction).

After the commission had examined and positively evaluated the registry, the Council of Ministers made a decision on establishment of the Central Personnel Registry for institutions in Bosnia and Herzegovina. The creation and testing of the software and the preparations for data collection could begin.

Within its activities on development of the agency's information management, and with developing the Central Register, the EU team also worked on setting the basis for developing the survey capacities of the agency. Following their recruitment, the agency staff received a practical introduction to the issue. The course was organized by the Prism Research Agency (an affiliate of the Gallup group and one of the most famous organizations specialized in social surveying and public opinion polls).

Finally, the third component of the information management development was facilitating access to information. This component is composed of three elements: acting within the line of the Freedom of Access to Information Act, establishment and maintenance of a civil service agency web page, and printing the quarterly civil service bulletin. The last two elements are rather simple and self-explanatory, but free access to information demands a more detailed explanation.

The Freedom of Access to Information Act, adopted in November 2000, stipulates a range of obligations for all public authorities (i.e., state-level institutions, including the agency). One of the most important obligations stipulated by this act is the adoption of certain by-laws, such as guides and index registers, which must explain the access-to-information request procedure to each applicant, to make access to information easier.

The act also requires all public authorities to submit regular statistical and annual reports to the Parliamentary Assembly of Bosnia and Herzegovina. Statistics should also be submitted to the Bosnia and Herzegovina ombudsmen's office. In addition, the act obliges each public authority to appoint an information officer, who should process requests in accordance with legal requirements and to take all necessary steps to assist any citizen or legal entity seeking to exercise his or her rights under this act.

### **6.5 Setting Standards for Staffing: Department of Recruitment**

During the two years since they have entered their positions, civil servants in this Department were required to prepare a set of legal documents and offer them for adoption to the Council of Ministers or to the head of the agency.

First, the team had to prepare drafts for a set of regulations and policies and to develop basic evaluation techniques to support the recruitment process. The most important of these documents are the decision on procedure and program for the public examination for the agency staff, the decision on conducting open public competition for civil servants, the decision on contents of the public examinations, the de-

cision on establishment of the selection committees, and the rule book of the selection committees. According to the law, these by-laws are to be adopted the Council of Ministers, on proposal of the head of the agency.

During the development of the drafts of basic documents and acts required for the first recruitment process on new regulations, the EU support team provided all communication, administrative, and technical support to the head of the agency and members of different committees during the process of selection of civil servants for the agency. The final round of interviews was finished in December 2002, and the decision on who would be the first servants in the agency was reached in early January 2003. A similar practice was followed during the process of appointment of three members for the Civil Service Board.

Of course, the organization of the open public examinations remains a major task of this department. For example, the recruitment department published 54 vacancies for the open public competition during 2004, followed by appointment of 212 non-managerial and 47 managerial civil servants. Over 1.600 candidates applied for these positions (432 of them passed the general examination). In addition, 13 decisions on internal and 20 on external transfer were issued, as well as 23 decisions on dismissal of civil servants. The department was facing 16 appeals regarding the public competition process, completed before the Civil Service Board by the final decision in favour of the Agency. It is generally thought that the recruitment department, consisting of only two civil servants and one employee, is facing most of the challenges successfully, handling basic functions and obligations.

## **6.6 Development of Basic Documents and Plans for Training**

Developing a general training strategy and organizing induction training for newly appointed staff and remedial courses for existing civil servants (whose positions might be endangered during the reviewing process) were the primary tasks of the EU support unit related to the activities on education of civil servants.

A concept paper on training needs assessment was created to serve as a general guideline for future activities of employees of the agency's Department of Education and for servants in human resource management units of public service institutions and their managerial staff.

Induction training was organized and held in the last weeks of the EU Support Project, after the successful completion of the recruitment process for the civil service agency staff. Being trained eight hours a day, in a productive atmosphere with extremely proactive participation, the recently employed civil servants could learn more about the efforts related to the reform of public administration in the country, the Law on Civil Service, and the role of the agency as a pioneer in the area of human resource management and change.

## 6.7 Remedial courses

The existing civil servants in state-level institutions had never had a chance to pass the public examination, because it had not been held since the Dayton Peace Agreement had been signed. The EU Support unit has designed the curriculum and the delivery planning for these courses (inaccurately named *remedial*), aiming to train and educate existing civil servants on passing the general part of examination and obtaining the required certificate. The team prepared a draft decision on the Civil Service Training Program for the Public Examination, identifying the recipients and a timed plan for actual implementation.

## 6.8 Dispute Resolution

This part of the EU Support Project was created to elaborate on an important area in state-level institutions – resolution of all disputes within the civil service. It was designed to assist and set the foundation for Department of the Rights Protection within agency, but it was also meant to be an exercise to support reform in other institutions. The main goal here was the establishment of a Civil Service Board (including the preparation of the Board Rules of Procedures), management of the disciplinary proceedings (including drafting the *Rulebook on the Disciplinary Responsibilities of Civil Servants* and the establishment of disciplinary commissions), and the introduction of special representatives in each institution (ombudspersons).

## 6.9 Civil Service Board

The first step of the EU Support team was to prepare and support the open public competition for three members of the board, as required by the law. The team prepared the text of the decision to establish the Independent Selection Committee for the board members. This decision was adopted by the Council of Ministers on 15 October 2002.

After that point, the vacancy for the posts on the board was announced, and the EU team directed its activities at technical assistance to the Independent Selection Committee. Because the EU Project was to finish its mandate by the end of January 2003, the Independent Selection Committee, supported both by the head of the Agency and the EU team, finished its task before the end of January 2003.

The Council of Ministers appointed the members of the newly selected board on the session from 20 February 2003 (this decision was published in the *Official Gazette*, No. 6/03 17 March 2003). Board were appointed for four years. Owing to trivial technicalities, the board was not operable before June/July 2003.

## 7. Department of Education

Almost 100 different seminars, courses, roundtable, and training sessions, which drew over 1, 000 participants, were organized or mediated by this Department since



its establishment. According to the findings of those sessions, the most desirable and needed areas in education among civil servant are the following: building performance capacity of civil servants in public administration, human resource management in state-level institutions, and training for public examinations for those civil servants already in service when the law was adopted and who had no prior opportunity to pass the required examinations.

Additional analyses show that activities such as harmonization of legislation, creation and maintenance of projects, education on EU standards of public administration, foreign languages, and development of computer skills are priorities.

This department has developed strong partnerships with domestic and international organizations, using all opportunities for involvement in programs and opportunities for further education of civil servants. The most recent examples of such proactive partnership are developing programs for civil servants contributed to or sponsored by local universities, several embassies in Bosnia and Herzegovina, and the European Commission. The commission set aside €1 million for a range of educational activities within public administration in Bosnia and Herzegovina, including professional development for civil servants in the education department and post-graduate studies for employees in public administration at all levels in Bosnia and Herzegovina. At present, 29 different seminars, courses, workshops, and scholarships are open to civil servants in Bosnia and Herzegovina.

## **8. Rules of Procedures of the Civil Service Board**

The rules of procedure were created to regulate the basic elements of organization, work, and the decision-making process of the board, based on principles of legality, human rights protection, independence, professional impartiality, efficiency, and transparency. Sarajevo is the head office for the board. This body consists of three members appointed by the Council of Ministers on the proposal of the Independent Selection Committee, for a period of four years, with a possibility of re-election. The board has a president and a secretary. The post of president rotates among members of the board every four months, whereas the Council of Ministers nominates one of the existing civil servants as the secretary, whose priority is to administer professional and technical assistance to its members.

## **9. The Rulebook on the Disciplinary Responsibility of Civil Servants**

This rulebook is a combination of the best legal traditions and achievements in the areas of administrative and criminal postulates and procedures. The general subjects of this act are disciplinary responsibility, sanctions, and procedures, and the execution of disciplinary measures. The main failure of the law has been corrected in this rulebook by determining exactly which disciplinary sanctions can be imposed on different breaches of discipline.

Generally, the Act determines basic principles, such as presumption of innocence, in *dubio pro reo*, *ne bis in idem*, publicity of the disciplinary procedure, urgency, rationality of disciplinary procedure, and the right to defence and appeal.

## **10. Department of Rights Protection**

Drafting a range of by-laws required by the law is a significant task of the rights department. Among those legal documents prepared by the Department of Rights Protection, the most significant are two acts adopted in spring 2004: Decision on Categories within Civil Service Posts in the Institutions of Bosnia and Herzegovina, and the *Rulebook on the Procedure for Assessing the Performance and Promotion of Civil Servants in the Institutions Bosnia and Herzegovina*.

The former document, adopted by the Council of Ministers as yet another requirement of the law, introduced three categories within one post in the civil service. More detailed bases for promotion, depending on working experience and positive evaluation appraisals, are set forth in this document. The latter document, signed by head of the agency, further clarifies a sensitive area, personal evaluations and promotions within civil service. Performance appraisal reports, submitted annually, must underline the degree of quality, efficiency, and competence of performed duty and professional development of the civil servant, as well as devotedness and diligence during performance.

Fortunately, the activities relating to the disciplinary proceedings were not as demanding as predicted. Since it was established, the agency has conducted only five disciplinary processes. The agency has shown it is capable of carrying out its responsibilities in disciplinary matters, and it led those processes in line with the law.

### **10.1 Ombudspersons**

Launching the election of the staff ombudsperson in each institution and determining his or her role more specifically was a part of the EU Projects' terms of references. Plans for an electoral system and the practical organization of elections, as well as initial guidelines for servants with specific focus on alternative conflict resolution techniques were prepared, but the EU Support unit never completed this part of the project.

There were several reasons for the project's not being completed: lack of interest of the user institutions, delay in finalizing the recruitment process of the staff, and not enough time (the project was organized only for the period of six months) to undertake and implement too many activities planned.

## **11. Information Department (Information Technology Unit)**

This department was renamed the Information Technology Unit. It consists of only one long-term employee and one additional supporter engaged through the special

service agreement, even though three employees were originally planned. Unfortunately, the number of IT experts in Bosnia and Herzegovina is quite limited, and salaries in civil service are not as attractive as in the private sector. This might be one of the reasons why the Central Registry of institutions in Bosnia and Herzegovina is still incomplete (data on civil servants from almost 60 per cent of institutions are still missing). This is one of the most obvious shortcomings of the agency's performance. The agency's website is regularly updated and is a significant assistance to all activities of the agency, however. In 2004, over 130,000 visitors to the website were registered. All interested people can receive periodic newsletters by e-mail (over 3,000 requests submitted so far). The unit also developed a help-desk service as a simple and fast information resource. All users can ask questions relating to administrative procedures within the agency. Online answers to those questions are permanently publicized on the agency's website.

## **12. Summary of Results**

The Agency is implementing most of its activities and providing most of its services professionally and appropriately. There is good cooperation with similar agencies in the two Entities of Bosnia and Herzegovina, as well as with many local and international organizations. Its role of a main coordinator in a sphere of human resource management within state-level institutions is indisputable. The findings of an expert revision team, initiated in 2004 by the Office of High Representative for Bosnia and Herzegovina and financially supported by the United States Agency for International Development (USAID) are absolutely in line with this conclusion. The experts evaluated the work of the agency as very good and significant, setting forth several proposals that should help to improve of the agency's work and implementation of the law.

## **13. Challenges Encountered Along the Way**

The introducing of the Law on Civil Service in the institutions of Bosnia and Herzegovina, with all its innovations in human resources management that it introduced, will remain as a benchmark in the process of reforming public administration, despite the difficulties in its implementation. Here are some of those challenges.

There was a general resistance to the changes in public administration, and particularly in the area of human resources, from employees of state-level institutions. The main reason was simply that the process of review of all positions had begun, and the old political system was being changed.

Both the Communist system and nationalist parties have left their mark on public administration. Instead of a clear separation of politics and administration, the two were integrally connected. As a result, the creation of a de-politicized and professional civil service involves not just a structural change but also a change in the overall concept of public administration.

The organizational structure is still too complicated and oversized. Bosnia and Herzegovina probably has the most complicated organizational structure in the world, relative to its size, population, and economic power. Four layers of government state: two entities, ten cantons in one of the entities, and almost 140 municipalities and four cities), and 150 Ministers. These unnecessary layers of government are far too expensive for an underdeveloped and impoverished post-war country to administer. Over one half of the budget is used to maintain this oversized administration.

Corruption remains a big problem. Since the war has ended, one half of the leadership of the nationalist parties is being subjected to different criminal proceeding, from accusations for war crimes to indictments for a range of “ordinary” criminal acts of abuse of the office and illegal profits. Lately, quite a number of high-ranking civil servants face accusations and initiations of criminal procedures against them. Employees of most public administrative bodies remain underpaid, and so they search for additional, illegal means to supplement their income, even though this behaviour is unacceptable.

Staff still need training and commitment to change. It was difficult to find staff with the necessary knowledge and professional capacities to fill the positions – or with a commitment to change. General apathy still prevails among many civil servants. The fact that civil servants in many institutions never elected their ombudspersons and never replied to the relevant administrative act issued by the agency demonstrates a high level of disinterest in changing the public administration.

The public administration continues to be overly politicized. The civil servants in this country have been taught for decades to “go and seek for an opinion” from central bodies of political parties (hence the joke: “I will tell you my opinion as soon as I get it from the Central Committee”). The practice of control of social trends has not been changed with introduction of parliamentary, multiparty system. Civil servants still need more space and independence in developing and managing their human and professional potentials.

There is resistance to making the administrative structure sufficiently transparent, accountable, and efficient. The citizen is still often required to make the process easy for the civil servant, rather than the other way around. For example, the complex and lengthy registration process discourages entrepreneurship and business establishment. The administration also still tends to hide information about its activities from the public.

#### **14. This Innovation Is Not an Isolated Reform**

During the last few decades, public administration had faced constant demands for radical changes. They included not only the need for its modernization but also for a comprehensive decentralization of governmental management. The reforms that

were implemented in the last two decades changed the role of public administration and the behaviour of the civil servants significantly.

Reforms will continue to trigger further changes in the years ahead. The establishment of the civil service agency is an important first step for development of human resource management in these institutions, as well as for further implementation of administrative reform.

### **15. The Future: Continued Dedication to Reform Is Critical**

To enforce and implement a law that makes dramatic changes in administration, it is critical to continue to adapt it to changing needs to ensure that the community is being served impartially, fairly, and properly. By-laws must be adopted; procedures must be changed. Further education and training of civil servants will also be necessary to meet citizens' needs for service.

The rule of law must be agreed on by all. All three branches of the power in Bosnia and Herzegovina (i.e., legislative, executive, and judicial) are experiencing radical changes, aimed at final establishment of the rule of law principle. Numerous reports indicate that not everyone is complying with this principle.

Getting citizens, non-government organizations (NGOs), and the media committed to the idea of reform will be key. They are not likely to change their attitude without extensive pressure coming from civil society and the media, through unbiased and investigative reporting. There are also very few politically engaged NGOs to spread increasing awareness among citizens and demand actions to overcome a complex and serious political and economical situation in the country. Unionism, for example, is absolutely underdeveloped (there is no union for civil servants on state level).

Further development of the Agency is necessary. Training of staff, team building, and development of leadership are all critical. Communication and cooperation must be expanded within each organization and must extend to communicating with other institutions. The initiation of regular staff meetings and the organization of basic flow of information could be a solid foundation for further building of communication skills and practices for further development of external communication and cooperation.

### **16. Could This Innovation Be Replicated in Other Countries?**

If this innovation could be launched in an impoverished, war-torn country such as Bosnia and Herzegovina, there is great hope that it could be adopted by others as well. The first step to achieve such radical changes in human resources management and public administration by establishing a real civil service agency – for Bosnia and Herzegovina and for other countries – should be the adoption of the Law on Civil Service as the legal ground for any further steps.

The law should establish clear guidelines for the selection, management, and clearly defined rights, obligations, and benefits of civil servants. The law should also set up procedures to keep political interference out of the administration of a professional, merit-based civil service. That is the first step toward achieving this innovation and modernizing the administrative culture, bringing it into alignment with that of continental Europe.

# Achieving Equal Representation of Ethnic Minorities in Public Administration in The Former Yugoslav Republic of Macedonia

*By Zhidas Daskalovski*

The Macedonian best practice innovation involved the implementation of the part of the Framework Agreement (called the Ohrid Agreement) that refers to equitable representation of all citizens in the public sector. This process has led to a change in organizational culture and in public service delivery procedures. It has increased empowerment of community groups and the equitable representation of all citizens of all ethnicities in the Macedonian public administration – one of the biggest challenges the country has faced since the escalating political security crisis in 2001.

The aim of this part of the initiative is to increase the opportunities for citizens to express their needs, to participate more in public decision-making, and to include all ethnic groups equitably in the more stable democratic administration of the public sector.

### **1. Background**

In a country experiencing serious internal conflicts, such as The former Yugoslav Republic of Macedonia (FYROM), it is very difficult to govern on a daily basis, let alone implement massive revolutionary changes in the public sector. Consolidation of a democratic regime in multi-ethnic countries is more difficult than in more homogeneous ones.

According to the 1994 population census, FYROM has 1,945,932 inhabitants: 67 per cent Macedonians, 23 per cent Albanians, 4 per cent Turks, and 2 per cent each Roma, Serbs, and others. Most Macedonians are Macedonian-speaking and Orthodox, as are the Macedonian Vlachs and Serbs. Most ethnic Albanians, Roma, and Turks are Muslims.

Although Macedonians populate the whole country, ethnic Albanians are predominantly concentrated in the Northwestern corner of FYROM, along the border with Albania. Macedonian Albanians also reside in the capital city of Skopje and the towns of the Northern former Yugoslav Republic of Macedonia along the border with Kosovo. Except for Skopje, Macedonian Serbs also populate the region around the town of Kumanovo. The other ethnic groups are dispersed throughout FYROM.

Given the diverse character of its population and especially the relatively substantial size of the largest national minority, the democratic consolidation in FYROM has been a difficult task. During the 1990s, Macedonian political elites clashed with their ethnic Albanian counterparts over the basic idea behind the concept of the state. They disagreed about many elements in the constitution: the census taking, the laws on education, local self-government, public display of national minority symbols, and the ethnic make-up of the police, army, and public administration.

The main problems in achieving democratic consolidation arose because of disagreements over the boundaries of the state, its character, and questions about who has a right to citizenship. It is difficult to consolidate a regime if a significant group of its citizens is actively disobedient. On different occasions, Macedonian Albanians have not accepted claims on its obedience as legitimate.

Despite considerable political crafting of democratic institutions and norms between 1991 and 2001, Macedonian politicians avoided negotiations, pacts, territorial realignments, or agreements with their ethnic Albanian colleagues.

### **1.1 The Former Yugoslav Republic of Macedonia Declared Independence in 1991**

FYROM declared independence, on November 21st, 1991, thus disassociating itself from Yugoslavia. According to the new former Yugoslav Republic of Macedonia constitution, safeguarding the principles of human rights and freedoms was the “basis on which the social organization of the Macedonian society must be built.” To serve the interests of the ethnic minorities and appease interethnic conflicts, the constitution provided for the establishment of a Council for Interethnic Relations within the legislature.

The new constitution also avoided the vacuum in the area of legal continuity through successfully resolving the issues of the relationships of the new legal order vis à vis both the previous federal legal framework and the international laws and conventions. The constitution received positive comments by several legal experts, including the 1991 EC Arbitration Commission, responsible for reviewing the applications to EC by The former Yugoslav republics for independence, chaired by the French constitutional expert Robert Badinter.

The foundation of the new state was not fully supported by the Macedonian Albanians, however. For example, the referendum turnout was 72 per cent, and it is most likely that ethnic Albanians did not take part voluntarily but were persuaded by partisan leaders. Ethnic Albanian politicians in FYROM did not approve the new constitution and in the early years of transition adopted an obstructionist tactic.

The special parliamentary session was boycotted by the Party for Democratic Prosperity-National Democratic Party (PDP-NDP), to protest the preamble of the constitution, which formally declared FYROM to be the national state of the Macedonian



people, providing for the full equality of citizens and permanent coexistence of the Macedonian people with Albanians, Turks, Roma, and other nationalities.

Under the former socialist constitution, the preamble defined FYROM to be a nation of the Macedonia people and the Albanian and Turkish minorities. Macedonian Albanians thought that they had been demoted because they were not explicitly mentioned with the Macedonian population.

Moreover, Article 19 of the constitution, referring to religious rights and liberties, referred to only the Macedonian Orthodox Church by name, denoting the other religions present in the country as “religious communities and groups,” thereby aggravating the sense of injustice on the part of the Muslim Albanians in FYROM even more. The 1991 constitution was to become a major bone of contention between the representatives of the Macedonian Albanians and the state institutions.

Successive events showed that Macedonian Albanians adopted radical stance against the legitimacy of the new country. In 1992, ethnic Albanians boycotted the regular Macedonian census. More important, in early January 1992, a clandestine referendum was held in the western Macedonian counties, where Albanians constituted a majority. In the referendum, 90 per cent voted for independence, although no immediate actions were taken on the vote.

In Struga in April of 1992, Albanian leaders proclaimed the Albanian Autonomous Republic of Ilirida, although again no concrete steps were taken. Meanwhile the PDP-NDP walked out of parliamentary voting sessions on international recognition and the national anthem, while also vigorously lobbying against Macedonian international recognition by the United Nations and the European Union (EU) until greater ethnic rights were given to the Albanian community.

## **1.2 Ethnic Tensions Escalated**

Under such circumstances, one could easily predict the reaction of the ethnic Albanian public. Further political mobilization of Macedonian Albanians followed. On March 31st, 1992, approximately 40,000 ethnic Albanian demonstrated in Skopje, demanding that FYROM should remain unrecognized by the international community until the state granted Macedonian Albanians the right to autonomy in regions and villages where ethnic Albanians make up the majority.

Things became more serious in June of 1992. In Radolishte, an ethnic Albanian village on the Ohrid Lake near the Albanian border, the FYROM police uncovered a cache of illegal weapons, explosives, ammunition, and paramilitary uniforms. Fears grew that radical Macedonian Albanians could organize a militia and spark an inter-ethnic conflict.

A few months later, on November 6th, 1992, the first serious incident occurred in Skopje. The FYROM police had to use force to disperse ethnic Albanian protestors

after an arrest of a young cigarette smuggler. A false rumour spread that the boy had been severely beaten by the police, and a huge Macedonian Albanian crowd gathered, demanding his release. Clashes with the police turned extremely violent, and gunfire was exchanged; the riots resulted in the deaths of four people, 36 injuries, and the destruction of over 50 shops and several police vehicles. Following the disturbances, the Ministry of the Interior Affairs seized 2,000 leaflets signed by the Ilirida Albanian Youth Movement calling on Macedonian Albanians to wage war for the right to self-determination.

In December 1992, the FYROM Parliament passed a new citizenship law, which set off a furious outcry from the ethnic Albanian politicians. The law required 15 years' residency for naturalization to FYROM citizenship. Because thousands of ethnic Albanians had migrated to FYROM from the Serbian province of Kosovo in the 1980s and early 1990s, Macedonian Albanian politicians argued for a five-year residency requirement. They asserted that the 15-year residency clause disproportionately affected ethnic Albanians, who had travelled freely between FYROM and Kosovo when Yugoslavia was one state: Albanians have been moving freely around this area for centuries. You can't use the term *emigration*. This law aims at ethnic cleansing, because suddenly there are a large number of people who are stateless.

The Macedonian Albanian politicians did nothing one way or the other, even in the face of threats from the Albanian community in FYROM to engage in civil disobedience. Moreover, after April 8th, 1993, when FYROM was admitted to the United Nations (with a proviso that it was to be referred to as FYROM within the auspices of the United Nations, and that it has to strive for a solution to the "name dispute" with Greece), the FYROM Parliament met to vote on the issue. PDP-NDP boycotted the session, however, arguing that FYROM should not receive international recognition until the country's record, with respect to its ethnic Albanian minority, "improves significantly."

Even worse, some of the members of the PDP-NDP were implicated in one of the most prominent scandals of 1993, when in November the Ministry of the Internal Affairs once again seized illegal weaponry stored in Skopje and Tetovo, as well as a list of 20,000 potential supporters. The Deputy Defence Minister Hisen Haskaj and Deputy Health Minister Imer Imeri, both from the PDP, were arrested for the alleged involvement in aiding the development of an organization called the All Albanian Army (AAA).

The PDP claimed that the incident was a frame-up designed to legitimize further constraints on the ethnic Albanian minority. In January of 1994, however, the police made additional arrests. Mithad Emini, the former General Secretary of the PDP, and nine other persons were charged with involvement in the AAA plot to smuggle weapons into FYROM to develop an ethnic Albanian militia.

During 1993, a struggle had developed for the control of the PDP as a young generation of politicians favouring a radical agenda rose to eminence with the support of the president of Albania and leader of the Democratic Party, Sali Berisha. PDP radicals, led by Arben Xhaferi and Menduh Thaci, complained strongly that the party, as part of the ruling coalition, made too many compromises that undermined ethnic Albanian interests and initially argued for a separate Albanian state in FYROM.

At a national congress held by the PDP on February 12th, 1994, the party officially splintered into two factions. The moderates still supporting active participation in the political system. The radical faction founded a new party, the PDP-A (Party of Democratic Prosperity of Albanians) and immediately asked that the Albanian language become an official language in FYROM and that the country be divided (cantonized) along ethnic lines.

Immediately after the foundation of the party, the rhetoric of the PDP-A became even more militant. The leader of the PDP-A, Arben Xhaferi, made the following remarks to *The Observer* on February 27th, 1994: If Macedonians go on refusing Albanian demands, there will be bloodshed here.... Only Albanians hold the key to stability in the country-we have a strong position and have many unused cards. This radical wing among the Macedonian Albanian political elite even claimed the right to autonomy or secession, with the ultimate goal of unity with Kosovo.

During the same year, FYROM held an extraordinary census. Because the regular census in 1991 had been boycotted by ethnic Albanians and the numbers disputed, the international community decided to help FYROM to organize a new census in July 1994, thereby alleviating some of the interethnic tension.

Just one month before the census, a Macedonian youth was fatally stabbed by an ethnic Albanian in a street fight in the town of Tetovo. The atmosphere surrounding the census was tense, and its results were again disputed by Macedonian Albanian politicians, since the percentage of this population remained at the same 22 per cent. Credible international observers dismissed objections by ethnic Albanian parties, however.

### 1.3 Further Controversies Arose

Another serious political problem emerged in December of 1994, when a private Albanian language university was established in Tetovo by the municipal councils of Tetovo, Gostivar, and Debar. Denying the legality of the project at first, the FYROM government quickly moved to close the university down. Indeed, on February 17th, 1995, a man was killed in a clash between about 1,500 ethnic Albanians and the FYROM police outside the illegal Albanian language University in Tetovo. All Macedonian Albanian MPs supported the initiative to establish this university, and

on at least one occasion they walked out of a parliamentary session, demanding governmental approval of an Albanian language university in Tetovo. In February 1995 they also demanded the right to use the Albanian language in Parliament.

Tetovo University reopened in November 1995 and has been functioning ever since without official recognition, funded by the ethnic Albanian community in the country and abroad. Throughout 1996, Macedonian Albanian political leaders claimed grievances concerning the question of higher education in Albanian, as well as several other issues such as the citizenship law and representation in public institution.

Local elections in 1997 brought to office several ethnic Albanian mayors belonging to the PDP-A, which advocated a more hard-line stance toward the FYROM government. Thereafter, various political analysts warned that troubles are imminent, and it did not take much for the interethnic problems to surface on the front pages of newspapers.

In the summer of 1997, a serious confrontation occurred between the mayor of Gostivar, Rufi Osmani, a member of the PDP-A, and the central authorities. After putting up the Albanian and the Turkish flags in front of the town hall, Osmani and the mayor of Tetovo, Alajdin Demiri, defied a May ruling of the constitutional court that other countries' flags (including Albanian and Turkish) could not be flown in public. Gostivar is a multiethnic town, where Macedonians, Macedonian Albanians, and Turks live intertwined.

Macedonian Albanian politicians have been referring to the flag issue as a human rights violation, raising the rhetorical temperature above the record previously set by the Tetovo university confrontation. Mayor Rufi Osmani called on Gostivar's Albanians to "protect their flag with their blood."

On July 7th, in an effort to defuse tensions, the Parliament passed a law allowing the flags of Macedonian national minorities to be flown outside town halls on state holidays, but the mayors in both towns rejected the law. After the government in Skopje sent in special forces to take down the flags flying outside Gostivar's town hall, the police were surrounded by an angry crowd of ethnic Albanians. The police efforts to defuse the situation resulted in more violence. Three protesters were killed, and 312 people were arrested, including the town's newly elected radical mayor, Rufi Osmani. Gostivar was effectively under undeclared martial law for a week following this incident, and repeated OSCE requests for permission to enter Gostivar on July 9 were refused by the police.

Macedonian Albanians demonstrated against the perceived discrimination of the state authorities and the imprisonment of Osmani on several occasions in 1997 and 1998. Apart from the three explosions that shook Prilep, Kumanovo, and Skopje on July 22nd, causing material damage and later claimed to be the work of the Kosovo Liberation Army (KLA) fighting for the "Albanian cause" in FYROM, there were no instances of significant ethnic-related violence in the country in 1998.

This was the year (1998) when the third parliamentary elections took place in October and early November, after which an unlikely governmental coalition between the Internal Macedonian Revolutionary Organization Democratic Party for Macedonian National Unity (VMRO-DPMNE), the new Democratic Alternative Party and the Democratic Party of Albanians (DPA), successor to the PDP-A, was formed. The new government enacted an amnesty law, which pardoned among others, the mayors of Gostivar and Tetovo, who had been sentenced to rather harsh prison terms after the 1997 riots.

Interethnic relations in FYROM, however, suffered dramatically during the war in Kosovo and the NATO bombing of Yugoslavia. Coalition partners disagreed on how to deal with the increasing influx of Kosovo Albanian refugees. The FYROM governmental experts believed that it could cope with no more than 20,000 Kosovo refugees, but by early May, a total of 250,000 refugees had arrived in FYROM. Many were accommodated by local Albanian families, while the rest were placed in quickly built camps.

There was disagreement over how to handle this new crisis. The Macedonian parties of the coalition asked for international assistance to transfer the displaced persons to other countries, but the DPA demanded that Kosovo Albanians should remain in the region. The views of the coalition partners on the question of the future of Kosovo also dramatically differed. Although Xhaferi and Albanians in general wished for independence, IMRO-DPMNE and most Macedonians thought that this would be a dangerous precedent for Balkan constellations.

Meanwhile, many young Macedonian Albanians joined the ranks of KLA, fighting the Serbian forces, while villages on the FYROM border with Kosovo became their logistical bases. Whereas the FYROM press was highly alarmed by the militarization of ethnic Albanians in the country, the government, and especially the biggest coalition party, IMRO-DPMNE, decided to turn a blind eye, hoping that Macedonian Albanians would restrain their actions.

Although the DPA decided to wield its influence so that FYROM was not destabilized despite the obvious militarization of ethnic Albanians, it did not cease to demand significant political changes of the FYROM political order. In an indicative statement made to Agence France Press on 29th of May, Adelina Marku, the spokeswoman of the DPA, stressed that Macedonian Albanians were not satisfied with their status of national minority: We want Macedonia to proclaim itself a multi-ethnic country made up on an equal basis of a Macedonian and an Albanian nation. The victory of NATO and the quick return of Kosovo refugees in the summer of 1999 proved helpful in abating the tensions in FYROM.

Tensions remained high throughout 2000, especially as the new government failed to move quickly enough on the pressing issues concerning Macedonian Albanians. DPA and IMRO- DPMNE worked closely to solve the demands of Macedonian Al-

banians, like the question of higher education and the citizenship law. For many in the Macedonian Albanian community, however, the intended governmental reforms were too slow and too meagre, especially considering how quickly they saw their brethren in Kosovo achieve their goals through military struggle of KLA and the NATO intervention.

It did not take much for the political conflict over the status of Macedonian Albanians to become very violent. FYROM entered into a full-blown civil war in the spring and the summer of 2001. Led by Ali Ahmeti, the previously unknown National Liberation Army or NLA (the Macedonian acronym is ONA; the Albanian acronym is UCK), a motley group of former Kosovo Liberation Army (also UCK in Albanian) fighters from both Kosovo and FYROM; Albanian insurgents from the Southeastern Serbian regions of Preshevo, Bujanovac, and Medvedja crossing the border into FYROM; young Albanian radicals and nationalists from FYROM, and foreign mercenaries organized a seven-month armed insurrection against the FYROM government (February-August 2001).

In the first stages of the conflict, the organization's aims were unclear. Using guerrilla warfare and also such brutal methods as ethnic cleansing and other terrorist acts against ordinary civilians, Ali Ahmeti's group soon became a powerful factor in the FYROM politics, capable of prolonged combat and further exacerbating the ethnic divisions in the country.

Finally, with the aid of international mediation, Ahmeti agreed to pacification of the NLA under the conditions that constitutional reforms were to be made in FYROM that would clarify the position of the Macedonian Albanians in the society. Indeed, the constitutional reforms envisioned in the Ohrid Agreement effectively granted special rights for this group in the country.

## **2. A More Democratic Consolidation of the Republic**

The main goal of the Ohrid Agreement has been to accommodate the grievances of the Albanian community, while preserving the unitary character of the state, thus addressing the concerns of the Macedonian majority who fear a "federalization" of the country and its eventual disintegration.

The accord envisioned a series of political and constitutional reforms designed to address ethnic Albanian demands for equal standing. Consequently, the amendments to the 1991 constitution based on this agreement clearly outlined the rights of national minorities, especially ethnic Albanians.

The major provisions include amending the preamble to the Constitution, instituting double-majority voting in parliament, increasing the representation of ethnic Albanians in the police force, and stipulating the use of the Albanian language in official proceedings.

Other provisions from the Ohrid Agreement stipulate fulfilment of many of the demands raised by the Macedonian Albanians throughout the 1990s and introduced some features of power sharing, such as a system of double majorities requiring consent from minorities represented in parliament to key decisions of the Sobranie (Parliament), a substantial degree of municipal decentralization, equitable representation in the public administration of the non-majority communities, and confidence-building measures to overcome the immediate consequences of the 2001 conflict.

### **3. Tangible Results of the Ohrid Agreement**

Some of the changes that have been promoted through the Ohrid Agreement include the following: increased empowerment of community groups; opportunities for citizens to express their needs and become involved in public decision-making; social inclusion of vulnerable populations (e.g., based on gender, cultural diversity, age, or disabilities); more client-centred service delivery; increase in the public's ability to observe and scrutinize public processes and decision-making; and improved citizen access to public records (e.g., by increasing the use of lay language or the languages of ethnic and cultural minorities).

As mentioned previously, the preamble to the constitution had long been a contentious point for ethnic Albanians, who charged that it singled out the "Macedonian people" as a privileged constituency. The Ohrid Agreement called for the elimination of any reference to specific ethnic groups. Instead, it proposed language that speaks only of "citizens of Macedonia."

In addition, the principle of ethnic neutrality is adopted in other sections of the constitution, eliminating any mention of "nationalities" or "peoples." For instance, in Article 48, which guarantees the right to the freedom of expression of identity, the phrase "members of nationalities" was replaced by the phrase "members of communities."

The agreement and the constitutional amendments also granted that languages spoken by more than 20 per cent of the population could have official status. The official language throughout FYROM and in the international relations of the country is the Macedonian language; however, Albanian, which is spoken by at least 20 per cent of the population, could also be used for personal documents, civil and criminal proceedings, institutions of local self-government, and in communication between citizens and central government (Article 7 of the constitution). The FYROM authorities are in the process of drafting the laws and the policy measures aimed at implementing these provisions.

Furthermore, a system of double-majority voting was designed to protect minority interests in parliament. Ethnic Albanians hold only 25 of 120 seats in parliament and could thus be easily overwhelmed under a simple majority rule. Therefore, the Ohrid Agreement provided for a mechanism by which key areas of legislation and

laws affecting an ethnic minority population must be passed by a majority of members of that ethnicity, in addition to an overall majority. Constitutional amendments were changed to require a two-thirds double majority.

The agreement also provided for the creation of a new institution, the Parliamentary Committee on Political System and Inter-Community Relations, on September 18, 2003, charged primarily with resolving any disputes arising from double-majority voting, in addition to having other prerogatives. It is the successor to the already existing, although rarely convened, Council for Inter-Ethnic Relations.

To correct for the fact that ethnic Albanians are not represented in the police force in proportion to their population, the Ohrid Agreement called for the training of 500 new ethnic Albanian officers by July 2002. The agreement set forth the goal of having the police force reflect the general composition and distribution of the population of the country by 2004.

An international program carried out by the U.S. Ministry of Justice and subsequently by the OSCE trained over 1,000 new policemen from minority communities, substantially increasing the share of Albanians and other communities' share in the police forces. Considering the low starting point (approximately 2.5 per cent of Albanians in the Ministry of the Interior in 2001), an increase by mid-2003 to 10.5 per cent could be considered a substantial success. The agreement also outlined a system for local accountability in the selection of the police chief officers in the local municipalities.

The agreement also provided for the organization of a new census, carried out in 2002 and subject to international supervision. The aim of this new census was to end disputes over the actual size of the Albanian population residing in FYROM, to facilitate the introduction of proportional representation in significant areas of public life.

Achieving equitable and just representation in public administration employees at both the national and local level as the highest priority brought a key reform in the public sector.

The government now demonstrates full respect for the principle of non-discrimination and equal treatment under the law for all citizens. To do so, it has established the following bodies entrusted with coordination and monitoring of the improvement of equitable representation of members of underrepresented non-majority communities in the public administration and public enterprises:

- Committee of Ministers (including the Deputy Prime Minister): in charge of monitoring and coordination of the activities to improve of equitable representation of members of non-majority communities in the public administration and public enterprises; and
- Coordination Body for the Preparation of an Operational Program for Improvement of Equitable Representation of Members of Non-majority Communities in Public Administration and Public Enterprises: The Director of the Civil Servants Agency chairs the coordination body, while its



members are the Deputy Director of the Civil Servants Agency, the Deputy Secretary General of the government of the Republic of Macedonia, and state counsellors from 11 ministries.

The Ministry of the Interior has accelerated the process of employment of members belonging to non-majority communities in the Republic of Macedonia, principally through public announcements for the admission of trainee police officers and for the admission of persons with the status of civil servants belonging to communities, as well as through the employment of persons for operational positions within the departments of the Ministry of the Interior.

In February 2003, the government adopted a basis for preparation of a Program for Improvement of Equitable Representation of Communities in the Public Administration and in Public Enterprises. In April 2003, additional measures were adopted to improve equitable representation of communities in the public administration and public enterprises, in particular strengthening translation capacities, opening of bilingual jobs, analysis of vacant jobs within the administration, and preparatory training programs in the public administration and communication activities.

Within the PACE program (a part of the EU-funded [CARDS] program) training has been organized for 600 candidates belonging to the non-majority communities for posts in the state administrative bodies. The first group of candidates was employed in December 2004 and January 2005, and the second group will be fully employed by February 2005.

The training of 100 translators/interpreters from non-majority communities will begin on 1 March 2005. On completion of the training program, implemented within the framework of a 2004 CARDS project, the chosen candidates will be employed in state administrative bodies and courts and will be obliged to work in those bodies for at least two years following the completion of the training program. (For more information.<sup>1</sup>)

#### **4. Challenges Encountered**

For there to be justice in an ethnically heterogeneous state such as FYROM, the state must be a polity that is shared by all citizens of the country. National minorities often ask for state assistance for those things that the majority takes for granted. In a liberal polity, all persons should be treated equally. Moreover, a plural state is more legitimate if all its citizens – not only those of the majority – consider the territory of the state their own homeland, accept the legal system and institutions of that state, and respect the insignia of the state as their own symbols. These are goods to be jointly shared with all citizens.

<sup>1</sup> See: [http://www.seerecon.org/macedonia/documents/fa\\_implementation\\_cost](http://www.seerecon.org/macedonia/documents/fa_implementation_cost).

The general economic difficulties of the country made innovation a significant challenge. Reducing the number of employees in public administration and cutting expenses while increasing the minorities in the public sector was a difficult task. Efforts to accomplish equitable representation turned out to be one of the most costly aspects of the Ohrid reforms.<sup>2</sup>

Much still needs to be done to make the country's official symbols, holidays, cultural icons (e.g., what is taught in school), and historical remembrances blend so that something is taken from the traditions of all the ethnic groups within the country. Everyone must be able to see the state is not their exclusive possession but is held jointly with the other ethnic groups forming it.

More effort must be made to address past ethnic discrimination. Special measures and political mechanisms for achieving just minority representation should be employed to ameliorate past disadvantages. (In international law, the concept of affirmative action is generally referred to as *special measures*.) The important question for achieving social justice is how long to administer affirmative action without adjusting it to changeable circumstances.

Systematically disadvantaged minorities that have been discriminated against and have fewer resources and opportunities than the majority population (e.g., African-Americans in the United States) need special state assistance in overcoming this predicament and successfully integrating themselves into the society. These measures are just even if they allow for preferential treatment of citizens.

Policies offering preferential admission to educational institutions and jobs to African-Americans in the United States, Roma in Eastern Europe, or Albanians in FYROM does no injustice to white males.... since the former have achieved their superior qualifications through the underserved advantages of past discrimination.”

## 5. This Innovation Sparked Other Innovations

Since 2001 the recruitment of Albanians has extended beyond the direct requirements stipulated in the Framework Agreement. For example, the army was excluded from any equitable representation requirements but has begun to include Albanians to a greater degree than prior to the conflict.

By 2004, the share of Macedonian Albanians among the officers of the army reached 5 per cent (68 persons), 18 per cent non-commissioned officers (390), and 10 per cent (796) total army personnel. These figures are expected to rise in 2005, with the share of Macedonian Albanians among the officers of the army being 6 per cent (90), the share of the non-commissioned officers being 20per cent (355), and the share of the total army personnel 11.5per cent (875), with the government's stated aim to establish a truly proportional representation reflecting the ethnic composition of the country by 2007.

<sup>2</sup> See: [http://www.seerecon.org/macedonia/documents/fa\\_implementation\\_cost.htm](http://www.seerecon.org/macedonia/documents/fa_implementation_cost.htm).

## **6. Could This Innovation Be Replicated in Other Countries?**

The FYROM best practice could be implemented in other countries that have experienced ethnic strife, and it could create a positive environment for reforms in other areas as well. As the public learns to integrate and accept non-majority ethnic communities into public life, the process raises awareness concerning the problems of other marginalized but non-ethnic minorities, such as persons with disabilities or the gay and lesbian communities.

The FYROM example shows that the problem of democratic consolidation in a multi-ethnic society is especially serious if the minority groups have not achieved equality in the public sector and have been marginalized from the civil administration. Such marginalization, which can lead to ethnic tensions and conflict, can be tackled by a thorough program of measures to integrate these “problematic” community members speedily into the mainstream, particularly the public administration. Successful implementation of special measures for marginalized minorities will help keep FYROM from experiencing inter-ethnic conflict again in the future.

This innovation is not an isolated reform effort; it is one of the most important steps to creating a positive environment for further implementation of other reforms in the public sector. This reform could be especially useful as a model for other countries that have experienced ethnic conflicts because of the status of one or more minority populations, such as the Balkan states and the former Yugoslavia. Other countries can certainly learn from this innovation.

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# The Government Excellence Awards in Dubai

*By Ragaa Makharita*

Dubai presents a textbook case for what it takes to make innovation in public administration succeed. It is a thriving, vibrant, dynamic, growing city-state that encourages new ideas and welcomes experimentation and bold ventures. Above all, it is a nation that upholds respect for human dignity and indigenous knowledge, and one that is committed to sustainable human development.

### 1. Why Dubai?

Although Dubai is not part of the Euro-Mediterranean region, its innovation is singled out as exemplary for two reasons. It is an excellent example of successful innovation, but even more important, it is a model for success that can be replicated in other countries.

Some might argue that Dubai is a small city-state, with a young community and a small administration, so that change is not difficult. That is not always the case, however; how many small communities in the world can you think of who have done as well as Dubai? There are many lessons to be learned from looking at the specific reasons why this small community was able to make innovation in public administration work.

Dubai extends along the Arabian Gulf coast of the United Arab Emirates (UAE) for approximately 75 km, covering an area of only 3,885 square km and occupying only about 5 per cent of the total area of the UAE. The population is a mixture of Arabs, Persians, Indians, Pakistanis, Southeast Asians, and a small number of Europeans and other nationalities. Dubai is 95 per cent Muslim, and its official language is Arabic; however, many languages are spoken, especially English, Urdu, Hindi, Malay, and Tagalog.

The cosmopolitan atmosphere and air of tolerance and cooperation in this small emirate has attracted many people to come to work and live. In 1930, the population was about 20,000 people; today it is over 1 million.

Dubai, like all of the seven emirates that constitute the UAE Federation, is ruled by the Emir (Sheikh) who is completely sovereign in his domain. Unlike other states in the Gulf region, Dubai does not depend on resources from petroleum. With an economy growing at an average of 12 per cent since the mid-1990s, Dubai depends on foreign and domestic investments and trade.

Situated strategically between Africa and the Middle East, and between the Far East and Europe, Dubai has become the gateway to over 1.8 billion consumers located in countries surrounding the Red Sea and the Gulf, with the consequence that it has become a key link in the global transport and distribution system. Despite a relatively small population, Dubai's total imports in 2004 exceeded \$20 billion; non-oil imports expanded by 200 per cent between 1994 and 2004, Dubai being the major re-export centre in the Arab region.

## 2. The Path of Change

This continued growth and systematic expansion of Dubai could not have happened without the support of a public administration that is efficient and effective, people centred, and service oriented. This kind of support did not just happen. Like any developing environment, Dubai's public administration was struggling to cope with the fast-changing environment. A high percentage of foreign workers employed in the public service had brought with them diverse backgrounds, skills, and attitudes. Ownership was weak, and organizational loyalty was tied to income and job stability. The concept of innovation was alien, and staff behaved in slow and reactive mode, responding to demand for service as the cumbersome rules and procedures permitted.

A highly educated and demanding community, and foreign investors attracted to Dubai for its political stability, ample opportunities, absence of taxation, and a strategic geographic location, put pressure on administrative institutions. The administration was too slow to respond. An opaque decision-making system and organizational culture of "rule" rather than "service" made the system slow to respond.

The visionary leadership of His Highness Sheikh Mohamed Bin Rashid Al-Maktoum, Crown Prince of Dubai and Federal Minister of Defence, provided the impetus to change. His vision, of making Dubai an international business hub and a place where people liked to invest and live, was communicated to all stakeholders. The local business community responded with enthusiastic support. They invested and took risks, venturing into areas with which they had little familiarity. Strong partnerships with major foreign firms, opening employment opportunities for national graduates, and an open-ended but regulated business environment, enhanced Dubai's prosperity.

The Crown Prince of Dubai also took the time and effort to communicate his vision to the civil servants and managers of public institutions. They, too, responded positively. Young nationals were given positions of high responsibility, and experienced foreign workers became advisers. All line management and top leadership positions were given to nationals committed to working toward the realization of the vision of innovation. Generous education and training budgets were allocated. Rules and procedures were overhauled, and *process simplification* became a household term.

A paradigm shift took place. The administration conceived its new role as “servant” of the public instead of the absolute “rule maker.” Rule making had to be inspired by the needs of the clients of public services. Facilitation, transparency, easy access to public services, and customer satisfaction became the constituents of a new administrative creed. Leading administrators were given ample authority to propose and make changes. The stakeholder concept took root in the decision-making process: consultation with internal and external stakeholders led to a participatory democracy in public administration.

Clearly, such change did not happen overnight, nor was it implemented in every department equally. Top administrators differed in their ability to communicate the new leadership vision to their departmental staff; some were more energetic and forward looking than others. This led to a remarkable difference in the quality of services and output of various departments. Although the process of change was accepted and the need for it was measurable, the institutional capacity needed a big boost. The leader, who monitored the pace of change, was determined to use different tools to provide the needed boost.

### **3. Government Excellence Award Programme Inspires Change and Excellence**

The solution was to set up a competitive system to inspire change from within. In 1997, the Sheikh Mohamed Bin Rashid Government Excellence Award programme was announced. Conceived as an impetus to quicken the pace of change, the award was hoped to drive all administrations towards innovations that would bring increased efficiency and effectiveness. This competitive tool aimed to reward those whose performance excelled. Media coverage of the awards’ winners spread the word to the public that the government valued civil servants who could implement innovations in government, making change a high priority for the nation.

The award was conceived by a small team of energetic and highly devoted people in the Department for Economic Development. A unit for Total Quality Management (TQM) was established, and the pioneering work immediately took root. The objectives of the Award were articulated and widely publicized:

- Develop the public sector to raise the performance standards through the provision of a moral (and financial) reward system to encourage competitiveness and constructive cooperation;
- Reinforce the administrative development activities in public institutions, increase staff productivity, improve the quality of services rendered to the public, and ensure financial efficiency;
- Instil the concepts and practices of innovation and excellence and enhance professionalism in all public institutions;

- Establish a guiding reference and benchmarks to measure the progress in effecting change and evaluate the performance of public agencies;
- Strengthen the role of the public sector in guiding and promoting the comprehensive development plans of Dubai and creating an environment conducive to achieving excellence in all fields;
- Ensure that the public sector performs its functions in the service of the people according to established criteria and benchmarks that serve as a reference for measuring progress and comparing achievements in different departments;
- Recognize and reward those departments that excel in the performance of their duties and in the achievement of the objectives of their projects and programs; and
- Recognizing and rewarding public service employees who excel in the performance of their tasks, and motivate them for further innovative thinking and creativity.

#### **4. Implementation of the Award Process**

The first stage of an implementation plan was to convince departmental leaders of the value and benefits of the exercise. Federal departments operating in Dubai were included in the process. Several meetings took place, both at the individual departmental level and among the leaders, to explain the concept, contents, and categories of the Award, the methods of preparing departmental reports, and the criteria for evaluation. Participation was mandatory for all departments, although not necessarily for all categories.

Training programmes for the departmental teams selected to prepare the performance reports were organized; the meaning and connotations of the terminology used in the different categories and evaluation criteria were fully explained. When the departmental teams completed their training, they then organized internal training programmes to share with their colleagues what they had learned and prepare the reports to be submitted at the end of the calendar year. The media helped to disseminate the concepts and generate excitement about the awards.

Departments organized teams both at departmental and divisional levels and designed an internal competitive system, first to prepare the departmental report and to choose the winning team, experiment, or individual worker to submit their candidacies to the Award Evaluation Team. After the first year of experimentation, some departments established TQM units reporting directly to the department heads. These units grew rapidly into divisions. A new culture of innovation and inventive behaviour spread across all departments. Individual employees and working teams became imbued with a sense of renewal, creative thinking was unleashed, and a new dynamic energy changed the ways of doing business.



The model chosen for the Award was a modified Malcolm Baldrige (United States) model to suit the conditions of the Dubai government departments. The categories were divided into two major clusters: 1) general administrative excellence and 2) employee performance excellence.

**Box 15.1 Categories of the Government Excellence Award in Dubai**

**General administrative excellence:**

- Excellent Department (evaluation of total performance);
- Excellent Division  
(evaluation of individual divisions selected by their departments);
- Excellent Team;
- Excellent Administrative Experiment; and
- Excellent Technical/Technological Project.

**Employee performance excellence:**

- Excellent Government Employee;
- Excellent Administrative Employee;
- Excellent Financial Management Employee;
- Excellent Employee in Engineering or Technical field;
- Excellent Specialist  
(e.g., doctors, nurses, laboratory technicians, researchers);
- Excellent Employee in Field Work;
- Excellent Female Employee; and
- Excellent Recently Appointed Employee.

Note that female employees were given an extra chance to win, because women are allowed to apply for any category in addition to their special category (Excellent Female Employee). Submission of candidates for the award was not limited to national employees; foreign workers were given equal chances for competing. Officials operating in the streets, police officers, emergency staff, engineering and maintenance/repair workers also were given the chance to excel in their own special category.

#### **4.1 Preparation of Reports to be Submitted for the Award**

Departments were forbidden to use external experts to prepare their reports; this applied to all categories. Specific areas for evaluation were defined for all categories, and for each area several criteria for evaluation were established. Departmental staff selected to prepare the reports of the different categories received in-depth training given by the Award Management Team. The category of Departments, for example, included nine areas:

1. Leadership;
2. Policies and Strategies;
3. Human Resources Management;
4. Resources Management;
5. Operations Management;
6. Customer Satisfaction;
7. Employee Satisfaction;
8. Community Satisfaction; and
9. Institutional Outputs and Performance.

For each of these areas, there are action-related criteria that departments must address in their submissions. For example, under the area of leadership, the following evaluation criteria were established:

- Role of the leaders in implementing the vision and mission of the department;
- Personal participation of the leaders in developing and improving work procedures and methods;
- Dealing with internal and external stakeholders;
- Instilling the culture of excellence in the department's human resources;
- Creating an environment that encourages innovation; and
- Adopting a policy of continuous constructive change.

The same applies to each area and to each category. Reports for all categories are received by the Award Management Team by the end of December each year. The report for the Departmental category was subsequently made a biannual output, and all the other categories remained on an annual basis.

The category for Excellent Administrative Experiment is another example. The areas of evaluation included:

- The idea of and justification for the experiment;
- Organizing for implementation;
- Extent of innovation in the experiment; and
- Results and benefits of the experiment.

#### **4.2 The Evaluation Process**

An international team (six to eight members) was selected from the Arab region, in addition to a select group of national experts from the private sector in Dubai. (The author had the privilege of leading the Evaluation Team in 1999, 2000, and 2002.) In the selection of the Evaluation Team, it was necessary to obtain assurances that the selected expert had never worked with any public institution in Dubai. This applied to both international and local evaluators.

Prior to starting the evaluation exercise, the Evaluation Team Leader and the Award Management Team held training sessions for two to three days with the objective of team building and reaching a consensus on the terms, unifying the methods of notation, and agreeing on the method for the evaluation process. This exercise proved useful in channelling the process and in avoiding a conflict of opinions.

The Evaluation Team read each report in great detail. Each report was read by two experts and marked separately and confidentially. After the analysis of all reports submitted for the 14 categories, the international team visited all departments in person. The purpose was to vet the information of the reports on site. The two readers of the same report then prepared their respective report, according to the agreed-on format, and submitted it to the Evaluation Team Leader who would, in turn, examine each report and compare it with the results of the evaluators. In case of major discrepancies, the Team Leader would meet with the two readers to reach a consensus. Sometimes, when consensus was difficult to reach, a third reader examined the report; the Team Leader would then take the average marks of the three readers.

The evaluation reports of the two readers for the Departmental category included the department's achievements and pointed out area(s) needing improvement. Specific recommendations were made to help departments improve their performance for the subsequent evaluation period. In the subsequent department evaluation, the recommendations for the department became benchmarks in their own right. The two readers would compare what the departments had done for the implementation of those recommendations, and a table was included in the report to indicate the degree of progress. In almost all cases, departments took the recommendations seriously and implemented most of them.

For the individual employee categories, a short list was prepared indicating the three front-runners. Extensive personal interviews were conducted, and the report prepared by the individual and submitted by his or her department (after winning the internal competition within the department) was the subject of interview questions. Interviews were conducted by the international team only to avoid conflict of interest. Each person was interviewed by two experts, and the Evaluation Team Leader often joined them. Each expert submitted his or her evaluation separately to the Team Leader. The average of all marks was included in the final evaluation report.

The Evaluation Team worked independently, had its own secretariat, and no external contacts were permitted. The report submitted by the Team Leader included the main volume that summarized the evaluation process, gave the results and the justification for each winner in each category, and showed the detailed calculation of marks for all departments, divisions, teams, and persons in each category.

Sometimes special awards were recommended for persons who did not win but showed extensive ability, excellent output, and had great potential for the future. The main volume included comments and suggestions for the subsequent evalua-

tion exercise. There was also a detailed report for each department, including all the departmental submissions for all categories, and, as indicated above, recommendations for improvements.

In a highly publicized and televised award ceremony, winners in the categories of the first cluster received a Cup of Excellence and an Appreciation Certificate for Excellent Achievement. Winning departments were subsequently given generous budgets for continuous improvements. Winners in the categories of the second cluster were given substantial monetary reward and, in most cases, a promotion. (The present UAE Minister of Trade and Industry was one of the Award recipients when she was a departmental employee.)

### **5. The Award Becomes an Institutional Programme**

Soon after the second evaluation exercise, the award became a programme for excellence. It became an independent entity without significantly increasing the number of staff involved. Each department became committed to change, and the heads of the TQM units/divisions became the Dubai team for program support. The criteria were subjected to intensive review by that team, and progress was made every year.

In 2002, the concept of the Mystery Client was introduced to the evaluation process. Persons were selected by the Award Programme to act as clients of different departments and were asked to grade the department's performance. The marks that the Mystery Client gave were considered part of the department's final evaluation.

In 2003, the concepts of employee satisfaction and departmental social responsibility for the community were introduced to add another dimension to the evaluation. Employee satisfaction is necessary for continued improvements and increased loyalty; it also sheds light on the kind of leadership and managerial environment in the department. Community satisfaction became an important element of the evaluation. Corporate social responsibility counts, and departments must show the quality of services they provide to the community to help achieve the vision of Dubai as a place where people want to invest and live.

In 2003, another category also was added: Excellence in Departmental E-government Achievements. The aim was to encourage and further the application of E-government systems and reach the goal of a paperless administration. Many services are now provided online, and kiosks are available in shopping malls to obtain certain government services.

In 2004, the model was changed, and an adaptation of the European Business Excellence model was applied. This model enhances innovation, learning, and transparency. Its major components are first the *enablers*, who are represented by leadership, people, policy and strategy, partnership, and results, all functioning

through clear processes. The other component is *results*, for people (staff), customers, and key results on institutional performance.

Also in 2004, the site visits were extended to two days in each department, for an extensive vetting of the information submitted through meetings held at different levels of the departments. At present, the Dubai Government Excellence Programme is part of the Executive Office (macro-strategies, new projects, and overall development policies).

## **6. Extending the Programme Concept to Arab Countries**

In October 2001, the Sheikh Mohamed Bin Rashid Al-Maktoum Award for Excellence in Arab Administration was launched to help Arab countries benefit from creative thinking and innovative solutions in public institutions. Several Arab countries welcome the award and participate actively in the process.

Competition for the award was open to both public and private sectors. Three categories were included:

- Excellent institution (e.g., ministry, department, agency, university centre, company);
- Excellent experiment (e.g., administrative experiment, project, innovative applications in public or private administration with the objective of enhancing economic development, community development, improving living conditions for persons and communities); and
- Excellent employee (any rank, for services to benefit the country and the community and achievements of excellence in performing and delivering those services).

The evaluation criteria for each category are similar in nature and scope as those of the Dubai Government Excellence Program. The award for the first category is \$50,000, \$25,000 for the second, and \$15,000 for the third. Several countries have benefited, including Egypt (twice), Palestine, and Morocco.

## **7. Impact of the Dubai Government Excellence Programme**

The Award Programme has stimulated many innovative changes in Dubai's government – new thinking prevails, and the process of transformation continues. Gone are the days of merely ad-hoc reactive programming. Strategic plans are prepared by each department, and budgetary resources are allocated on the basis of the projects and activities indicated in those plans. Decisions are no longer made only at the top; participatory management is the new rule. Walls separating divisions and units have disappeared and been replaced by a collegial system of cooperation in a matrix organization. The sense of public service is demonstrated in the assistance that departments provide to facilitate access to quality public services. Transparency has

strongly increased, and the constant monitoring of performance has enhanced public officials' integrity and accountability.

Rules became something to help change instead of inhibit it. The advent of an E-government system forced a re-engineering of all the processes that simplified access to public services. Transparency in procurement, availability of information, and involvement of stakeholders in strategic planning are evident. Periodic surveys and opinion polls are now conducted to assess customer satisfaction. All government departments will soon be working under the Dubai E-government umbrella and providing essential services through innovative online channels on its portal: <http://dubai.ae>. The Dubai E-government programme has set itself a major objective: to make Dubai a model society driven by technology and innovation, which brings about a transformation in the functioning of the public sector.

To support this programme, several training and educational organizations have been established: the Institute for Human Resources Development, the Leadership Development Program, and the Dubai School of Government, the latter in collaboration with the Kennedy School of Government at Harvard University. The objective is to institutionalize the transformation process and develop a world-class public service. Future leaders are being prepared to assume positions of responsibility in different expansion projects, and the transformation continues to gain strong momentum.

Seven years after its launch, the programme commissioned the services of a team from Cranfield School of Management, United Kingdom, in 2004, to measure the impact of the excellence models on administration and on the users of public services. The team interviewed department leaders, administered questionnaires to department staff, including focus groups of department employees, and other questionnaires to department customers, in addition to literature search of secondary information on department performance.

The study results showed that the Dubai Government Excellence Programme is credited by employees as being the key driving power behind the positive change and the progress achieved in the public service. ("Measuring the Impact of Business Excellence Models: the Dubai Government Case Study," by Yasar Jamal and Nabil Al Yousuf, was presented at the seminar on Performance Measurement and Management: Public and Private, Edinburgh, UK, 28-30 July 2004). Significant change management on the part of leaders was reported, and the strategic and planning functions credited for stability and forward-looking approaches were reported as key products of the program. Innovation was encouraged, and the overall perception of employees was very positive, over 70 per cent citing positive change. The impact of E-government application, human resources policies, care for customer satisfaction, efficient utilization of resources, and the impact on the community were all very positive.

## 8. Lessons Learned

In looking at Dubai's example, it is possible to see several factors that made the innovations in public administration possible and successful:

- A visionary leader who believes in the ability of public servants to achieve excellence and who is accepted and appreciated by the people and public employees;
- Communication and publicity as key instruments to convey the message and obtain positive response;
- Willingness to listen to all who want to contribute without regard to rank or position;
- Setting targets and establishing the conducive environment in which these targets can be reached;
- Monitoring mechanisms to measure change against established benchmarks, based on a common vision; and
- A reward system that establishes accountability, enhances creative thinking, and unleashes innovative abilities that otherwise could not be expressed.

## 9. Could This Innovation be Replicated by Other Countries?

The answer is *yes*. The Emirate of Abu Dhabi (UAE), Qatar, Jordan, and Egypt have made preparations for launching a similar competitive award programme, albeit with changes to meet the conditions in each country. If there is a visionary leader who champions the cause of change, and if the leader is willing to take the risk, build alliances, and use proper tools of communication and publicity to establish an environment conducive to change in a competitive world, and furthermore, if that leader is dedicated to monitoring and rewarding achievements, then positive change can take place and build its own momentum in other countries, just as it did in Dubai.

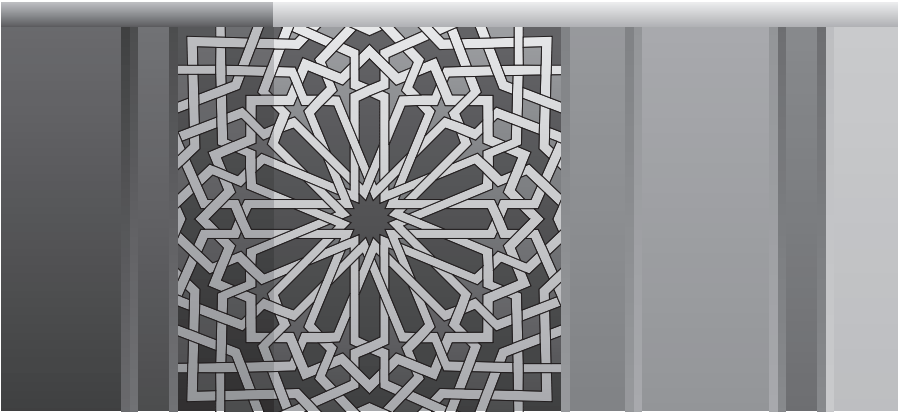
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# Part Three

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Lessons Learned and  
Key Policy Recommendations



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# What Makes Innovation Happen: Lessons Learned from the Mediterranean Region

*By Adriana Alberti and Laila Fala*

The Mediterranean region is characterized by both diversity and homogeneity. The wide range of political, economic, and social systems that exist in this region is counterbalanced by its close cultural and historical ties. The geographical proximity of these countries adds to the strong interdependency among the people of the Mediterranean area so much that what happens in one country has consequences in the region as a whole. This also applies to governance and public administration, and in particular to the growing movement toward innovation that characterizes the Arab region and Western Balkans. Despite the persisting difficulties in some governance areas, several innovations in public administration are taking place in this part of the world. Improving the performance of the public sector, in particular the delivery of public services, is emerging as a top priority in the agenda of several countries of the Middle East, North Africa, and Western Balkans.

The objective of this chapter is to provide useful recommendations to decision-makers and practitioners engaged in innovation. By comparing and contrasting the cases presented throughout this book, we have distilled key lessons that can help make sense of the innovation process. Although the innovations showcased in this book present certain specificities and differences, the implementation challenges are similar, and useful recommendations can be drawn from the experiences of the innovators. Moreover, most lessons learned go hand in hand, from recognizing a need for innovation and hunting for an innovative solution to the pursuit of well-defined objectives, from assessing and managing the risks associated with the activities undertaken and resources allocation to introducing changes and improving the process, or from sharing findings and lessons learned to the dissemination and possible replication of innovations. These steps are all part of an indivisible ensemble and complement each other like the pieces of a jigsaw puzzle. How a given country implements an innovation and which steps are followed can offer valuable lessons.

### **1. What Promotes — or Thwarts — Innovation in Public Administration?**

In nearly all of the successful practices analysed in this book, innovations occurred because there was a need to improve the performance of the public sector. Some organizations enhanced efficiency by integrating services, whereas others embraced

new technologies to improve delivery. In democratizing countries, importance was given to increasing access to information and establishing channels of transparency and accountability. Countries in post-conflict reconstruction paid particular attention to building channels to ensure equal participation of all ethnic and social groups in government institutions, including public administration.

To understand what facilitates or hinders innovation in governance, we should first look at how innovation in governance occurs and what is involved in the process of innovation. Innovation can be set in motion by an outside actor (e.g., the European Union and its accession policy) or it can be internally driven. Both are important triggers for change. Innovations can occur at all levels of government, at central and local levels.

Innovation can also be jump started by citizens, with the government playing only a supporting role. There are several examples where people have come together to solve a problem affecting the whole community. For example, in Croatia the collaboration among judges, law professors, lawyers, and law students, working together in an NGO, has resulted in a web-based legal information infrastructure called the *Judges' Web*. Its purpose is to improve the transparency and efficiency of and access to Croatia's judicial system. The *Judges' Web* is considered one of the most innovative practices in the Croatian judicial administration, and its efforts have been recognized and praised by the Ministry of Justice to an extent that the project has been incorporated into the overall legal reform strategy.

From the various cases analysed, it emerges that there is no direct link between political orientation and good government practices; in other words, innovative programs can be identified and implemented regardless of the party in power or of the political regime in place. The same can be said about size and population. It has been recorded that good government practices occur in small municipalities as well as in heavily populated areas, and that neither size nor financial resources are determinant factors for innovation. It also has often been argued that innovations require political support, but evidence has shown that this is not always true. Innovations occur for different reasons: a crisis, regime change, new leadership, opportunities, or challenges. People do not start out by deciding that they are going to innovate; they start by solving a problem in a way that they or others later realize is innovative.

In terms of mechanics, innovation in governance involves agents of change, processes, and mechanisms, as well as value systems and normative orders, technology, and resources (not necessarily financial). Captains of innovation usually take risks without knowing the result of their actions. In some cases they achieve successful results, but when they do not, failures can be disruptive for an organization that relies on continuity and a certain degree of stability and strict accountability. Fear of instability therefore has a tendency to restrain innovation in the public sector sphere.

Analyzing an innovation should be a two-step process: understanding the innovation itself and the organizational characteristics that lead to that innovation. Some countries are increasingly focusing on how to transform public organizations into learning and innovative organizations rather than exclusively on how to promote single innovations.

Factors that can hinder innovation in government include:

- Lip service and administrative formalism (adopting an innovation because it looks modern, but without anything behind it);
- A change in a law or adoption of a practice without reference to contextual variables; structural/institutional barriers that inhibit the implementation of an innovation; institutions that do not allow risk taking (although it should be noted that government is based on minimizing maximal loss, not maximizing maximal gain); and
- Personalization of the innovation by the leader, or inertia of public officials who view an innovation as an exclusive prerogative of top managers in the organization.

Innovations by their very nature are the catalysts of change and often challenge the existing status quo. Although successful innovations bring about positive change benefiting all, they are always high risk because of the vested interests and powers they might challenge. Unlike other more traditional fields of development, governance interventions are seen to be inherently political and normative. Governments cannot do without innovation, because they are trying to solve problems for which the policy of “business as usual” is failing. Furthermore, they need to keep pace with the changing and evolving needs of the citizenry. Innovation hence presupposes openness to new ideas from different perspectives as well as the aptitude to see the problem from different angles.

## **2. What Can Governments Do to Create an Enabling Environment?**

Everyone is for innovation, but it is not easy to make it work. “It takes time and energy, and public servants have enough trouble coping with their current responsibilities,” stated the late Professor Joseph Galimberti (“Adaptation of Best Practices: The Experience of the Institute of Public Administration of Canada”, *Innovations in Governance and Public Administration: Replicating What Works*, 2006, UN-DESA.). “Once identified as an innovation that works and the risk now diminished, innovations can spread rather quickly and are often improved or expanded,” he cited.

Several factors are critical to building an enabling environment for innovation. They include:

1. Strong and effective leadership
2. Organizational culture supportive of innovation

3. Careful testing, planning, and evaluation
4. Promotion of partnerships and collaborative processes
5. Shared vision and measurable outcomes
6. Citizens' engagement and participation
7. Commitment to learning in the public sector as lever for change
8. Open communication among stakeholders
9. Resources availability and sustainability

## **2.1 Strong and Effective Leadership**

Strategic leadership capacity building is an important tool to foster innovations in governance. Experience has shown that strategic leaders encourage responsible risk taking and are open to ideas from members of the team. The type of leadership also affects the sustainability of an innovation. If an innovation is based on a leader and it is not institutionalized, the innovation will die as soon as the leadership changes.

The role of an effective leader is thus to build capacity and share responsibility and authority so that the innovation introduced can survive his/her departure. Accordingly, leaders that have avoided the “I syndrome” and used more inclusive language (“my community”) have achieved more sustainable results, as in the case of PAGER in Morocco. Thus leadership refers not only to the leader in sponsoring the whole process but also and foremost to his/her capacity to mobilize individual members of the group to achieve a desired common goal. The organization itself is only as strong as its members, and what holds the team together is not formal organization but personal commitment to a shared purpose.

When public servants feel empowered and take responsibility, the organization as a whole benefits, and the public servants' professional pride and satisfaction are enhanced. In this culture, managers do not categorically reject new ideas as interruption, which gives a strong negative message. Instead, they welcome new ideas and new approaches and are ready to consider their potential value.

Schools of public administration can play a key role in this respect, as well as international organizations, centres on governance innovation, and academic institutions. Advocacy and awareness-building activities, including meetings and workshops on innovations, can also be of critical importance. Awareness must be built on the concept of what it means to be a strategic leader in the public sector.

Strong leadership was of paramount importance in the case of the Dubai Government Excellence Award Programme, where the presence of a visionary leader who is accepted and appreciated by the people and public employees and is willing to take risks to resolve an impasse in negotiations quickly and definitively, provided strategic direction and moral support throughout the implementation process. Top management support resulted in successful implementation of the project by ensuring project visibility while minimizing organizational uncertainties. This sup-

port conveyed a perception of constancy in overall project purpose and of mutual dependency, which united the entire team for a deeper commitment to the project plan and objectives.

## 2.2 Organizational Culture Supportive of Innovation

To build a culture supportive of innovation, it is necessary to promote an organizational environment based on shared leadership and trust. An organization that promotes a sense of ownership among all employees empowers employees to take proactive measures. If public servants perceive their jobs as repetitive and mechanic, with no margin of autonomy, innovation and new solutions become less likely. The innovations proposed in the framework of PADEA, for example, were based on the understanding that for reform to take root and spread, public administrations must change the way that they operate.

A new mind-set or organizational culture, which places emphasis on thinking about the potential rather than the obstacles, should be promoted through different mechanisms, including recruitment mechanisms, socialization on entry in the public service, training, fair performance appraisal system, rewards, recognition, and latitude to experiment.

## 2.3 Careful Testing, Planning, and Monitoring

Both *pre-* and *post-*phases of the implementation must be considered. Organizations launching an initiative need to plan all resources needed, without which delays can occur and the public interest will wane.

Innovation must be well directed to achieve measurable progress. Without a well-planned and managed approach, the routine of everyday operations takes over. One response to this is to develop benchmarks against which to judge the success of innovation efforts.

For example, in 2005 the Ministry of Government Administration and Home Affairs of the government of Korea developed a Government Innovation Index, which is a tool to gauge the level of innovation of organizations in the public sector. The index helps organizations to diagnose levels of innovation, identify weak areas, and develop action plans to fortify their innovation capacities.<sup>1</sup> The overall results of the index can serve as a reference for national innovation strategies.

Strategic planning is vital to achieving goals and reaching results, as are monitoring, follow-up, and evaluation. Every little aspect affecting the flow of work has to be closely examined and tested prior to implementation.

Testing is the ultimate judge of the operational readiness of a given programme, whether a process is in synchrony with its objectives, and whether the functional requirements and criteria are met. This constitutes the ultimate phase of ensuring that

<sup>1</sup> For more information on the GII, visit: <http://www.innovationkorea.gii>.

the allocated funds are available and that the project implementation schedule is realistic. Test planning must start at the outset of the project, as well as identifying and promoting the innovations. Failure to do so can cause a project to come to a halt in the midst of the implementation phase.

Evaluation is critical to learning. After a collaboration, the participants or others can look back to learn whether the overall program or parts of it met their objectives and how to improve future efforts. Stakeholders should be involved in the evaluation, but it is *sine qua non* to engage citizens and other beneficiaries in the process to help guide, direct, and implement the evaluation.

Projects should establish ongoing evaluation processes. The latter should include opportunities for mid-term adjustments and *post-facto* evaluations that allow for replication, adaptation, and transferability of the same innovations elsewhere. The exact stages should be flexible and adapted according to the specificity of each case so that adjustments can occur along the way. The case studies indicate a general consensus that 1) projects should focus on quantifiable results; 2) agreed-on measures can strengthen ownership; 3) a monitoring system should allow stakeholders to track results easily.

For example, and in the case of TE in Egypt, the emergence of low-cost, mobile-to-mobile calling has reduced TE revenues, especially long-distance revenues. In a mutually agreed vision of the agency, management has purchased a stake in Vodafone Egypt, which enables TE to access the fast-growing and competitive mobile market at an attractive price. TE's long-standing strong relationship with the regulatory agency will give TE an advantage as that agency makes rulings on an optimal pricing formula.

Similarly, in the VEDO programme in Turkey, to ensure the smooth running of the project, the revenue administration had to make certain changes in fiscal regulations to update and adapt them to the new E-filing system. In the same context, a high-level security system had to be developed for the management of online tax return submissions, consisting of both a role-based access control (RBAC) and a dynamic authorization method based on resource access decision (RAD) and the adoption of digital signature technology. The integration with other government sites and other application systems had to be ensured. Overall, the case studies suggest that stakeholders should strive to be as specific as possible about their objectives early in the process, within their broadly agreed-on vision.

Successful innovations stress the importance of having a clear action plan before embarking on the implementation phase. Extensive research to identify the problems and analyse the socio-economic and cultural environment and sensitivities was conducted by the organizations before designing the blueprint for the innovations. Key objectives and goals should be clearly identified.



## 2.4 Promotion of Partnerships and Collaborative Processes

Lack of or deficient partnerships are a major handicap to implementing innovative approaches, particularly during the early stages of project implementation. Partnerships involve a shared responsibility and accountability for results, with a clear definition, understanding, and acceptance of roles. Partnerships also involve collaboration. Although not every problem can be solved through collaboration, people and institutions collaborate because it allows them to advance their own interests in ways consistent with others' interests in a cost-effective manner and creates multi-stakeholder ownership of the process, outcomes, and measures of success, which can prompt positive changes in policy and practice.

Collaborations are becoming more complex than in the past. It is usually no longer a one-time transaction in which a single party governs the process, many players participate, and the process has a precise output to produce. Today, references to collaborations often mean long-term relationships to create institutional frameworks that foster many synchronized collaborations.

Strong partners can effect great change, as was demonstrated in the cases from Jordan, Morocco, and Spain (see elsewhere in this volume). In Spain, strategic alliances with financial institutions and technology corporations were essential in providing various features of the Alcobendas card and other interactive services. By utilizing the competitive advantages of private enterprises in the fields of financial transactions and telecommunication, the municipality was able to integrate and improve its service delivery.

Promoting teamwork and partnerships brings together people with complementary skills and experiences that exceed the capacity of any one of the members, or of the members collectively but working independently. Teams facilitate the breaking down of barriers among gender, age groups, race, ethnic groups, and geographic biases. The communication skills and network that successful teams develop create a capacity to respond quickly and flexibly to new problems and changing environment. Collaborative strategies were also used by some countries in the region to form a broad base of consensus regarding the reforms. This particular aspect also encompasses forging partnerships with the private sector as well as other entities such as the civil society, national, regional, and international organizations. In the Public Employment Service of Castile and Leon in Spain, the creation of a culture of teamwork among the existing employees and the Modernization Team--consisting of 83 technicians and 20 administrative assistants--was key to the successful implementation of the innovation.

Inclusive stakeholder participation is critical and can be accomplished through a variety of techniques. The PADEA innovation in Italy is an example, in which a top-down approach to reform was abandoned for a more inclusive approach. In the 1990s, Italy introduced several regulations to reform the public administration. The reforms and privatization involved reorganization of structures, redefinition of operative mech-

anisms, and changes in management style. The government used this top-down approach in an effort to achieve tangible results in a short time. These measures, however, did not fully take into account the nature of public bureaucracies or the various reactions that such an approach produced. The new legislative environments have not proved to be adequately responsive to the needs of citizens and businesses.

To achieve outcomes, often the contribution of several different departments is instrumental. Coordinating the various programmes across ministries is a significant problem that must be overcome for the success of the reforms, however. Progress on crosscutting issues requires action on several fronts, which must be combined with bottom-up testing of how the government is working in the regional and local levels, followed by responses reflecting the circumstances of each region.

Trust is essential to the success of an initiative. The most important determinant of trust is stakeholder ownership of the process and outcomes. Dedication and enthusiasm of personnel during the various phases are major factors in the project success. The mutual participation of the public servants and the state in the early retirement programme instituted in Morocco contributed to a successful outcome, but mobilizing support at the highest level of the government to ensure proper implementation and full cooperation of all relevant parties was also extremely important.

Teamwork is never easy. Training on team building and how to negotiate partnerships must be encouraged in the public sector, with new organizational arrangements to work in partnership with civil society and the private sector. Building trust, legitimacy, and partnerships are all critical to the feasibility and sustainability of governance innovations. For this, peer-to-peer exchange (rather than a donor-recipient scenario) is preferable for sustainability of innovations.

## **2.5 Shared Vision and Measurable Outcomes**

Successful projects always exhibit an overall plan with shared purpose and goals and management's commitment to these goals. Equally important are the presence and support of dedicated and skilled people. The criteria for success include visibility of requirements, involvement of citizens or recipients of change, and customers throughout the development life cycle, support of a dedicated and skilled team, effective team communications, and compliance to sound guidelines for cost-effective implementation. Successful innovations usually meet stringent requirements, promote constant improvement, and are accomplished on schedule and within budget.

Shared management and decision-making authority is often critical to success. The PAGER, viewed by stakeholders as a great success, involved a unique management structure in which the state, the local administration, and the citizens jointly managed the process. When one stakeholder or the convening party is viewed as having more control over the process or its outcomes than the others, difficulties

sometimes arise. The Ministry of Finance in Lebanon dealt with this issue in its reform implementation, when the interference of government authorities' influences with efficient decision-making, as well as the rigid regulations governing the civil service job market and redundancy in roles and responsibilities among government entities constituted a real challenge to the success of this initiative owing to the unbalanced share of control over the process.

### **2.5.1 Starting Small: Sudden Drastic Change versus Incremental Approaches to Innovation**

Small, targeted projects spark commitment. They not only better address priority issues but also increase the commitment of local stakeholders to the process, binding them in concrete areas of joint action. In the same context, introducing incremental innovative reforms is more advisable than radical reform, which sometimes requires a clean-slate approach. In the former, even when problems arise during the implementation phase, the pace followed allows for needed adjustments to be made. Is incremental reform then to be favoured over radical reform in all cases?

As demonstrated in the experience of PAGER in Morocco, thinking small yielded big results. Fundamental to the success of that programme was the role of the small provincial teams that mobilized rural populations into associations of users and made local officials receptive to the initiative. These small teams used tools such as guides, posters, and video films developed with the assistance of the Food and Agriculture Organization (FAO) and UNDP to spread the message of PAGER's mission to the rural populations. In addition, educational boards, displayed with artwork and in Arabic in local dialects, helped the local community understand how they might benefit from the initiative. Nevertheless, small reforms still should take place within a general framework and as a response or reaction to a need and demand for change within a specific structure.

The same project demonstrated that the success of one innovative project could spur a country on to other innovations. "The water project taught lessons that went far beyond the importance of water," said the Moroccan officials in charge of PAGER. The government had the political will to improve the living conditions of the rural areas prior to the project, but launching the programs to do so met many obstacles. The resounding success of PAGER in providing clean water, however, set in motion other projects undertaken by NGOs or other providers of public services to further improve socio-economic development (e.g., agriculture, health, and education).

## **2.6 Citizens' Engagement and Participation**

An important aspect of designing innovations is to devise strategies that draw all segments of the society within their ambit. The public sector must stay in touch

with the citizenry by communicating what it expects from them but also listen to them. An innovation that has more chance to succeed is the one implemented in concert with all major actors. Agreeing on the desirability of both the objectives and the means for achieving them is crucial. Women, children, senior citizens, and the disabled must have equal access to public services but sometimes because of their vulnerabilities are left outside the fold. Special attention should be given to these marginalized and excluded communities, enabling them to benefit equally from the changes the innovative project will bring (e.g., the Turkish initiative).

Awareness campaigns are of the utmost importance to involve citizens in the process of innovation. Whether through radio, television, the Internet, newspapers, pamphlets or face to face contact between decision-makers and citizens, building awareness of what needs to be done and how citizens can participate in defining useful solutions to public concerns is one of the main aspects of all successful innovations as seen throughout this book. For example, the Ministry of Finance of Lebanon set up a communication campaign to foster knowledge about the Ministry's initiatives that would end the general public's ignorance of achievements made in this field. These new approaches indicate a fundamental departure from how the public sector formerly perceived its role as service provider.

Citizens must have a feeling of ownership and roles to play, because they are the main recipients of policies and reforms. To pave the way for new innovations, empowering citizens and tapping into the resources of the civil society and local NGOs to incorporate grass-root support are of paramount importance. But even more important is that citizens or specific stakeholders become co-producers of public services, i.e. solutions to public problems are not being solved by the public sector alone, but together with citizens who. Experience shows that innovative projects that have a high rate of community participation are more citizen-centric in their service delivery and more sustainable.

Several cases have shown that asking the population to be involved in the solution of a pressing problem from the beginning and making it part of the solution has had impressive results. There is strong evidence that top-down approaches (e.g., imposing drastic solutions on the population without consulting them) are not as effective as changing the habits of citizens through participatory mechanisms.

### **2.6.1 Decentralization as a Means for Achieving Optimal Results**

The rationale for these efforts is that more effective and efficient services for citizens are produced because the services are generated closer to the people. For example, decentralizing the quality control of fruits and vegetables in Morocco enhanced competitiveness of exports and therefore had beneficial effects that transcended the local level.

In the case of many initiatives, experience has shown that decentralized management works better: the conviction that a network of equal partners at the local

level jointly working toward the same goal is in many cases the optimal recipe for success. For example, the case of Turkey's Local Access-21 (LA-21) program reflects a decentralized and enabling approach, based on networking and collaboration among equal partners instead of management from a central office. The primary decision-making and implementation mechanisms are the local networks, supported by national and international partners. The primary linkage between the participatory platforms in partner cities and the co-coordinating agencies is sustained by LA-21 general secretaries, who are also authorized to make expenditures from the local budgets. The functioning of city councils and working groups reflects the same democratic and facilitating approach. The widespread tendency in Turkey to work with hierarchical structures has been significantly eroded during the course of the functioning of local participatory platforms, being gradually replaced by more horizontal and collaborative working relationships among local stakeholders.

Involving local networks as equal partners works better than an innovative project involving decentralization being managed from the centre. Decentralizing essential government services is likely to cut transaction costs for business, thus improving the competitiveness of domestic enterprises in the global economy.

For example, on the supply side, Morocco's PAGER project, bringing water to the rural population, would not be feasible were it not for the devolvement of the operation and maintenance of water facilities to the local communities. Conversely, on the demand side, it was not until Morocco established regional rather than centralized control facilities for inspecting fresh fruits and vegetables for export that their businesses stopped wasting time and money transporting produce to far-away inspection facilities. When they did that, fruit and vegetable exporters were finally able to compete successfully in the international market. In Greece's 1502 Call Centre, reducing red tape in public agencies and bringing services closer to the citizens was highly valued by users.

These arrangements at times introduce challenges and difficulties that are similar yet more complex than the accountability and fragmentation problems at the national level. In decentralization efforts (and in privatization), in which the central government transfers all authority for a programme to the local level, countries have found that the central government still remains responsible or accountable for a programme over which they no longer have control.

## **2.7 Commitment to Learning in the Public Sector as Lever for Change**

Another critical factor for the development and diffusion of innovation is knowledge and skills of public sector employees that match the specific requirements needed. Public officials should be trained to embrace a culture of learning and to see themselves as active agents of change, as underscored by the United Nations Committee of Experts in Public Administration at its first meeting in 2002.

It is impossible to introduce innovations in public organizations and instil change in public organizations without continuously upgrading employees' knowledge and skills through different means, including training, and without their being exposed to recent developments in their respective areas of expertise. Currently, distance learning offers enormous, cost-effective opportunities for continuing education. Diversity can also be a source of innovative ideas and creative solutions to problems because it brings together different backgrounds and ways of thinking. This is particularly evident in the case of the reform implemented in Bosnia and Herzegovina, where it was difficult to find staff with the necessary knowledge and professional capacities or the commitment to change needed to fill the positions. General apathy still prevails among many civil servants. The fact that civil servants in many institutions never elected their ombudspersons and never replied to the relevant administrative act issued by the civil service agency demonstrates a high level of disinterest in changing the public administration.

Usually large state-run organizations are characterized by over-staffing, low morale among the public servants owing to low remuneration, and unwillingness to change because of lack of incentives. Innovating organizations successfully changed their human resource management policies and invested in building the skill sets and improving the capacities of the mid-manager-level public sector employees. Moreover, public servants were motivated to bring about change. This was done by introducing incentives and instilling a sense of pride in their job. To increase the efficiency level, the public servants were also trained to benefit from new technologies.

Other organizations both within and outside of the region can implement well-designed employee training programs to enhance overall organizational and individual performance. Motivating employees to strive for excellence in achieving the organization's goals can boost public service performance. To streamline the organization and to enhance efficiency, the following strategies can be employed: recruitment based on merit, matching competencies to skill set required by the job, right sizing, voluntary retirements, outsourcing, and merging or regrouping employees whose missions are complementary. Moreover, high-performance employees should be retained, and the best among them should be trained for future leadership positions. This not only helps to retain competent staff but also ensures a successful succession-planning program and eases the transition process, minimizing gaps in productivity.

Empowerment of the human resources necessitates the development of a country-specific innovation competency model that identifies the knowledge and skills needed, in cooperation with relevant departments. The model should be the basis for formulating criteria to be used in recruiting, training, and motivating, as well as in evaluating staff performance. To build its capabilities in promoting innovations, human resources management policy should systematically seek, develop, encourage, and assess innovation specific skills. These skills relate to the identification, promotion, and marketing of innovation.

One of the biggest problems TE faced as it transformed itself into a service-oriented enterprise centred on human resources problems was overstaffing and poor managerial skills. The centralized hierarchy for approvals led to excessive paperwork and low productivity levels. Furthermore, the salary structure did not provide any incentives for employees to provide quality service. Workers had complete job protection, as stipulated by labour laws (137/1981 and 91/1959) that governed human resource management before the issuance of the New Unified Law of 2003. In addition, recruitment, hiring, and promotion of employees of the public sector depended on seniority, not productivity.

In The former Yugoslav Republic of Macedonia, the general economic difficulties of the country made human resource innovation a significant challenge. It was not easy to reduce the number of employees in public administration and cut expenses while increasing minorities in the public sector. Efforts to accomplish equitable representation turned out to be one of the most costly aspects of the Ohrid reforms.<sup>2</sup>

## **2.8 Open Communication among Committed Stakeholders**

Open and transparent communication fosters not only trust and ownership but also informed and timely action. The existence of a communication divide during the various phases of the implementation process can be caused by various factors, including conflicting goals and lack of information. The resulting communication gaps can have adverse effects on the planning and design of an innovation. Effective policy makers have detailed consultations with all the stakeholders and maintain open channels of communication to prevent disgruntled workers from creating impediments in the successful running of the innovative initiative. One way to effect cultural change is to raise awareness about why the innovation is being introduced, what people can do to help achieve the desired goals, and which processes are involved.

Project management implies a project-wide communications infrastructure from the outset. Essential to this infrastructure is the existence of a common information repository that is accessible to every member of the team. This encourages and enhances team building by enabling shared information throughout the process. In Turkey, not all stakeholders had been made fully aware of the process and thus were not committed to the goals for achieving and sustaining the innovations. Successful dissemination of information thus plays an important role in raising awareness on what to expect from the imminent innovation and what change it entails. A useful strategy in this regard can be involving the national media and press to publicize the program and help spread information.

In the Croatian Judges' Web innovation, the elements already mentioned were some of the challenges encountered. This led to lack of support for obtaining the information needed to finalize the database, because judges and other members of the judiciary were unwilling to have their work made public. Two types of resistance

<sup>2</sup> See [http://www.seerecon.org/macedonia/documents/fa\\_implementation\\_cost.htm](http://www.seerecon.org/macedonia/documents/fa_implementation_cost.htm).

were particularly seen: from those who were *unwilling* to submit their decisions and those were reluctant to do so because of fear of reprisal or possible indirect sanctions from the judicial hierarchy. This latter group usually includes incompetent or corrupt judges who do not want judicial transparency for fear that their colleagues and other members of the legal profession might uncover corrupt behaviours or incompetence.

## 2.9 Resource Availability and Sustainability

Quality of an innovation is determined not merely by the availability of financial resources but also by the public sector's willingness, vision, and strategy to make changes and re-deploy existing resources. Innovations being carried out by the public administration can run into problems owing to a lack of funding if adequate funding is not secured to finance all objectives. Funding for the projects in the LA-21 program was not readily available from local, national, or international sources; this quickly emerged as a major problem.

*Surprisingly*, sometimes lack of financial resources cannot be counted as a factor that hinders innovation. In fact, many cases prove that it is precisely the lack of funds that triggers creativity and leads to innovations in governance, which should be considered and analysed in connection with other factors already discussed.

## 3. Concluding Remarks

The countries of the Mediterranean region can look back on several successful innovations. It is hoped that the documentation of their experiences might prompt governments to pursue the development of other innovative practices, with a view to foster good governance, avoid past mistakes, and build on strengths and successes.

Overall, there is still a largely untapped potential for innovation. The success stories presented here were sometimes achieved in spite of an overall random approach to promoting innovation and a public sector environment that is not yet enabling as it could and should be. The critical lessons learned from this process are that improving governance is a long-term endeavour, whereas the cycle of an innovation tends to occur in a shorter timeframe. Difficulty in monitoring results and unexpected outcomes were more significant than originally planned. Clearly, governments have the potential to do more and better with innovations if planning and assessment are done more thoroughly and carefully.

Three pillars are believed to be critical to the success of any reform: the structures supporting the innovation, the human resources necessary to implement it, and, last but not least, the procedures that make all of it happen. Any administration must be able to recruit and retain the best people to meet its organizational needs and to create an environment that motivates them. For example, in Jordan and in Egypt the reform of TE has made it a leading provider of telecommunications in the region.



Through job analysis, training and development, and performance appraisals while involving employees in the process, it has developed the skills of its mid-management levels. Structures are as vital as human resources and procedures. Without efficient institutions, reform efforts would have little chance for success.

Political, institutional, social, cultural, and economic aspects all contribute to either the success of an innovation or conversely undermine it. The Network of Innovators in Governance in the Mediterranean region established by UNDESA in June of 2006 is one important tool that can constitute a coherent mechanism to generate and disseminate learning from innovations taking place in the region. The network of innovators can also be used to address the analytical gap between collecting success stories and truly capturing lessons that can be applied to future innovative initiatives.

With no clear strategic approach to innovation, innovations will remain sporadic and on a case-by-case basis. The ultimate aim of any innovation in governance extends beyond its direct impact, to achieving replicability and upscaling. It is therefore the hope of all the authors of this publication that innovations of the past and present can inspire champions of change in the future to promote a better life for all in the Mediterranean region.

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## About the Contributors

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**Guido Bertucci** is Director of the Division for Public Administration and Development Management, Department of Economic and Social Affairs, United Nations. In this capacity, he is in charge of the United Nations Programme on Public Administration, Finance and Development, which promotes sound governance and efficient and competent public administration around the world. He has served the United Nations in a number of capacities for over twenty-five years. He has been responsible for advocacy activities in governance and public administration at the global level and for promoting high-level intergovernmental discussions and consensus on these themes. He has written, spoken and organized meetings worldwide on topics such as democratic governance, civil service reform, leadership, innovation in government and public administration, e-government, decentralization, economic and social governance, ethics and integrity. He has been responsible for the creation and management of networks in governance and public administration. Mr. Bertucci has managed large scale departments and operations including financial and human resources. Has taught, lectured and delivered training and provided advice and technical assistance to countries in the area of governance and public administration. From 1971 to 1974, he was Associate Professor of Comparative Constitutionalism at the Catholic University of Milan. From 1992 to 1993, he was an Associate Professor of Public Administration at New York University, Robert F. Wagner School of Public Service. He graduated with a degree in Political Science from the Catholic University of Milan, Italy and holds a post-graduate degree in Administrative Sci-

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**Korel Göymen** is presently Professor of Political Science and Public Administration at Sabancı University, in Istanbul and also sits on the Executive Board of the Istanbul Policy Centre, a research body, closely associated with Sabancı University. He has also taught at Middle East and Bilkent Universities in Ankara for several years and was visiting professor at Birmingham University from 1999 to 2000. Dr. Göymen also served as Deputy Mayor of Ankara (1977-1980) and Under-Secretary of the Ministry of Tourism (1992-1994), as well as sitting on the boards of several civil society institutions. His teaching, writing, and research activities have concentrated on issues of local/regional/metropolitan and NGO governance, and he acts as resource person, project leader, and advisor to several Turkish municipalities and international bodies such as UNDESA, OECD, UNDP, the World Bank Institute, the Mediterranean Development Forum, and Eurocities. Dr. Göymen has received several awards, including the OECD scholarship for doctoral work at Leeds University, the World Bank grant to act as advisor to the Government of Pakistan on administrative reform, a United States government grant under Special Guest status, the Friedrich Ebert Stiftung grant to act as advisor on local government; the Top Bureaucrat of the Year in Turkey (1994) national award, and the Top NGO Executive of the Year (1989) national award.

**Tarek Hatem** is Professor of Management at the American University in Cairo and has over 20 years of experience in that field in Egypt. Dr. Hatem earned his Ph.D. in Strategic Management from the University of Colorado in the United States in 1986. In 1981, he obtained his Master's degree in Public Administration from the same university. He is a Certified Management Consultant from the Institute of Management Consultancy in the United Kingdom and is the chairman of the Management Consultants' Association in Egypt. He also taught principle management courses at AUC, including Strategic Management, Management of International Business Operations, Introduction to Public Administration, Introduction to Small Business and Entrepreneurship, Administrative Environment and Public Policy in Egypt, Organizational Behaviour, International Business, and Business Planning and Strategy. Dr Hatem was awarded the Teachers' Merit Award in 1997-1998, and two of the theses that he supervised were granted the Wisner Award, in 1998 and 2001. In 2006, Dr.

Hatem was awarded the Microfinance Management Institute (MFMI) Fellowship. Dr Hatem has a lengthy publication record. His most recent publications include “Human Resources Management in Egypt” in Budhwar and Mellahi’s *Managing Human Resources in the Middle East*, and *Understanding the Cultural Differences between Americans and Egyptians: A Key to Building Cross-cultural Effectiveness*. Dr Hatem has also been an active participant in both local and international conferences and seminars. Dr Hatem has more than 15 years of consultancy experience and has developed several training programs in the areas of strategic management, entrepreneurship, business planning, and international business. He is a member of the board of several leading Egyptian companies, including Orascom Construction Industries and Egyptian Sun for Agriculture Development.

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**Srdja Obradovic** is a legal coordinator and advisor in Democratisation Department of the OSCE Mission to Bosnia and Herzegovina. Sarajevo-born and educated, Mr. Obradovic is an active participant in legislative reforms in the country. As a lawyer, he acquired legal knowledge and experience working for various domestic and international organizations and institutions, such as the EU, GTZ, OSCE, and the Ministry of Civil Affairs of Bosnia and Herzegovina. Over the last several years he was a member of numerous working groups that created various laws and legal standards in the areas of civil service, transparency of public authorities, local self-government, and organization and work of legislative bodies. He also created several different rules of procedures, rulebooks, disciplinary codes for civil servants, guides, and other by-laws that are being applied all over the country and at all levels of government.

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**Zana Vokopola** is the founder and for eight years has been the Executive Director of the Urban Research Institute, an Albanian NGO, based in Tirana, Albania. She combines practical project management skills with research and analytical capacities from over 15 years of experience with public administration programs. Trained as an electronic engineer, she has developed other skills by participating in many education and training activities in the fields of performance management, public procurement, and anticorruption tools and techniques in prestigious universities, such as Oxford University, Trento University, Italy where she is finishing her studies for a Master's in degree Comparative Local Development for the Balkans and Other Areas in Transformation. In her work at the Urban Research Institute, Ms. Vokopola has gained comprehensive experience and invaluable knowledge of many municipalities and communes throughout Albania. She has authored several studies and articles for *World Bank Magazine*, NISPACee/ UNCTAD, LGI (SOROS). She is an active member of the Albanian Coalition against Corruption and served as Chairperson for over two years (2002-2004).