Innovations in the Public Sector

Compendium of Best Practices: Winners of the
United Nations Public Service Awards (2003 to 2005)

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Notes

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Foreword

"Today, we recognize those who have progressively opened doors, to make the Public Service visible. Through their efforts, citizens of the world are better served; equity is promoted by ensuring access to services, particularly by the vulnerable groups; emphasis has been placed on timeliness and courtesy; transparency in decision-making, professionalism and accountability have been forthcoming, to citizens, clients and other stakeholders; methodologies and approaches to work are now a radical departure from "business as usual", producing good results, lowering costs and enhancing the quality of service; new information and communications technology has been embraced and have improved service delivery; government operations have been re-engineered; and interaction between public officials and the public at all levels of society has been promoted and improved. I commend you, the recipients of the United Nations Public Service Awards, for your exemplary efforts to improve the delivery of public services. I commend you for your efforts that contribute to the achievement of the MDGs". (Words of the President of the United Nations General Assembly, H.E Mr. Julian R. Hunte on the Occasion of the United Nations Public Service Day Ceremony at the United Nations headquarters, 23 June 2004). In promoting these words the president of the United nations general Assembly was endorsing in a way the on-going global search for how to make the public sector more effective in service delivery in order to meet the challenges of development facing the world today and in future.

This publication is dedicated to promoting the exchange of experiences and ideas on the key issues related to innovations in governance and public administration, which is a major concern in all societies throughout the world. Although with varying degrees of success, there is virtually no country where there is not a single effort in the search for how to make the public sector work better for its citizens. Governments, in partnership with citizens, non-governmental organizations and the private sector, have generally exhibited acknowledgement of the responsibility to remain aware of the conditions in the country, steer their policies, practices and resources towards improvement in the delivery of Public Services. I hope that the synopsis of each case in this publication will be additional step contributing to enhancing the sharing of experiences and information on the noble cause of improving the performance in the Public Sector.

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Acknowledgements

EXECUTIVE SUMMARY

United Nation's Department of Economic and Social Affairs (DESA) recognizing the need to encourage governments to innovate started the United Nations Public Service Awards (UNPSA) in 2003. *The Compendium of Best Practices - Innovations in the Public Sector; Winners of the United Nations Public Service Awards 2003-2005* highlights the innovative efforts of governments, all over the world, to enhance the public sector's performance. 23 winners, of the Public Sector Awards from 2003-2005, have been selected for this compendium.

The case studies are couched in a theoretical framework that contains a brief but comprehensive review of the literature on innovations in the public sector. The impetus for change and the challenges governments face in an ever changing world are the catalysts for bringing innovation to the public sector. In this era of rapid globalization and democratization both the role of, and the pressures on, the state to perform have increased. The state has to perform its administrative and regulatory role to enable the proper functioning of the society.

The first chapter discusses the multifarious challenges, at various levels, a state has to face in the rapidly changing global scenario. The "third wave of democratization" has exerted a great pressure on the state and the civil service has to innovate to become the "voice" of the citizenry to ensure a just, equitable and socially inclusive society. "Brain drain" from developing countries is posing an additional challenge on the public administration as governments are unable to recruit and retain the most talented individuals. In emerging economies and post conflict countries, the challenge for the public sector to restore a sense of order, in a timely manner, is immense. Public service also needs to innovate in order to tackle complex problems ranging from terrorism threats to human and drug smuggling to organized transnational crime, HIV crisis, refugee problems and unprecedented climatic changes due to global warming. New sources of collaboration, like privatization and out sourcing, demand an increase in the civil servants' capacity to effectively mange these partnerships.

The second chapter incorporates the definitions and characteristics of Innovation in the public sector. Research has established that the most common initiators of innovations are middle managers. Factors conducive to innovation include: increased demand and awareness on the part of the citizenry; accommodating and flexible civil service system; strong institutional capacity to withstand change; willingness to change traditional methods of operation; presence and continuity of resources; resilience factor of the civil servants; lack of transaction costs and visionary leadership. Furthermore factors that impede innovations from taking place are also enlisted. A culture of risk aversion, a policy of adhocism, delivery pressures and administrative burdens and a lack of incentive are factors that impede governments from undertaking innovations in the public sector. The government's role to act as the facilitators and enablers of innovation by providing a conducive environment and necessary support to the public institutions to innovate is also

highlighted in this chapter. Selected definitions of "best practices" are also provided along with material on transferability of innovations in the public sector.

Chapters three and four deal with the case studies selected from the winners of United Nations Public Service Awards (2003-2005). The main trends observed in the compilation of these selected 23 case studies can be roughly grouped according to the three themes: (i) Decentralization containing both Deconcentration and Devolution, (ii) Building an Inclusive Society and (iii) Adapting to the Knowledge Society. The selection criteria, for the case studies, identified efforts that have had a profound impact in "re-inventing" government and can be successfully replicated in other parts of the world. These "best practices" can act as models for countries aiming to streamline their bureaucracies. These outstanding initiatives have been further analyzed under the three categories used by the United Nations Public Service Awards: (i) Improving Transparency and Accountability (ii) Improving Service Delivery (iii) Application of ICT. For each initiative, the innovative strategies employed are highlighted and so are the lessons learnt so as to provide an outline for other governments interested in carrying out innovations in similar fields.

Chapter five provides a concise summary of the key themes to emerge from the study of winners of the United Nations Public Service Awards 2003-2005. The focus of the debate on government has shifted from "not what they do, but how they operate". These themes underpinning the innovative strategies used, such as decentralization, an honest, visionary, determined, strong yet flexible leadership, a sense of workers' ownership, cross-sectoral and tripartite alliances, citizen empowerment and move towards a knowledge society, have been identified to emphasize the importance and utility of innovation in bringing government closer to the people and enhancing the effectiveness and efficiency of its service delivery. Policy recommendations are given at the end such as: the importance of strengthening of institutions before wide ranging reforms can be put in place; having holistic approach towards designing policy incorporating coordination with other government agencies as innovative organizations cannot work in isolation, the importance of public-private partnerships and above all the importance of governments to be flexible and responsive, adapting the policy formulation according to the need of the changing global and local scenario in order withstand the pressures of this millennia.

CHAPTER 1: INTRODUCTION

1.1 BACKGROUND

United Nation's Department of Economic and Social Affairs ("UNDESA") recognizing the need to encourage governments to innovate started the United Nations Public Service Awards. The Public Service Awards were launched in 2003 as a result of the deliberations of the Group of Experts on the United Nations Program in Public Administration and Finance. It was recommended that an annual event be organized to recognize and encourage excellence in public administration by UNDESA - through its Division for Public Administration and Development Management.

The Public Service Awards, which are designed to enhance the role, professionalism, and visibility of the public service, are presented in three categories: Improving transparency and accountability; improvement of public service delivery; and application of Information and Communication Technology ("ICT") in Government. E-government.

After listing the pressures on governments to innovate, a brief review of current literature on innovations in public administration is given, highlighting the characteristics of innovation, factors conducive for innovation and the obstacles encountered. Brief summaries of the selected winners have been included in Chapter 4. These case studies represent selected PSA winners from 2003-2005 which stand out as success stories in their sectors. These "best practices" have been selected on the basis of their sustainability and transferability.

1.2 THE TIMES THEY ARE A-CHANGIN'

''Reinventing government'' has become one of the corner stones of the development lexicon. The role of the state has become highlighted rather than marginalized during the last decade of the preceding century and there is a real desire to move towards a better, transparent and more accountable government in this millennia. A government that is ; closer to the people, ensures social cohesion by providing equal opportunities and access to all and protects property rights, is being demanded by the citizenry of both the democratic and democratizing countries of the world.

This underscores the importance of streamlining and revamping the public sector, the administrative and visible arm of the government that provides services to people. The role of the public sector in the socio-economic development of a country has been the subject of intense debate for quite some time. The decade of the eighties saw a demise of the prestige and importance of the civil service. The Thatcher-Reagan revolution which highlighted the inefficiencies and corruption in bureaucracy and promoted adherence to market force philosophy was a big blow to civil servants who saw themselves as neutral

administrators of law.[1] The new mantra was that the "heavy hand" of the state should be curtailed and privatization and liberalization were to be the driving forces behind development. State Owned Enterprises ("SOEs") were privatized and bureaucracies became the escape goat of the politicians and were further sidelined. However by early to mid nineties the weaknesses in this approach started becoming apparent.

The East Asian crisis further highlighted the inconsistency of markets and their inability to be the custodians of the development paradigm. The East Asian crisis was not caused by over administration but rather due to weak and ineffective institutions that failed to regulate and curb the dangerous unleashing of global capital flows and market forces. The contagion spread due to a lack of government regulation and not because of excessive regulations. On the other hand, in the case of the East Asian Tigers, it was the government which played an interventionist role and was the chief architect of the development model.

In today's rapidly transforming world, characterized by the information super highways, rapid capital flows, and ever increasing globalization, the role of the state has once again assumed centre stage. The prevalent trend in the "global government reform movement", is not about curtailing the powers of the state but about enhancing state capacity and increasing its efficiency. On the international arena, states have to play an increasingly active role, in order to attract foreign investment and influence the international location of economic activities. Whereas, on the domestic front, with a citizenry becoming increasingly aware, the pressure on the role of the state to deliver increased. This is happening among the midst of new New Public Management ("NPM") theories advocating downsizing and budget cuts to make the public services more streamlined.

Reform and restructuring are needed to enable government workers to effectively manage these pressures. An effective, responsive and accountable public service plays an important role in poverty reduction and over all development. People all over the world, living under the crippling burden of poverty and destitution, depend upon the civil service to implement such policies that would enable them to live a dignified life, free of the fear of hunger and insecurity. In today's world where economic depravations are exacerbating ethnic and civil conflicts, the onus lies on the state to ensure that all segments of the society have equal access to services provided by the state. States, that pursue all inclusive and equitable policies where all have equal access and all are equal before law, where the human rights of citizens are respected, are the only way forward to building a freer, safer world.

1.2 PRESSURES ON THE PUBLIC SERVICE TO INNOVATE

The state has to perform its administrative and regulatory role to enable the proper functioning of the society. More importantly the state cannot be subsumed by the market rather it is needed to regulate the market forces. The role of the state being established let us now examine the pressures being faced by the governments due to the rapid changes

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[1] Dr Elaine C. Kamrack, Government Innovation around the World, Nov 2003

taking place in the world. The responsibility of the state in the current global environment has increased. There are multifarious challenges, at various levels, a state has to face in the rapidly changing global scenario.

The shifting role of the public services from the provider of tangible services to intangible services is putting additional pressures on the public services to innovate. This requires new ways of management to effectively promote and respond to the broad range of public interest in a cohesive and coherent manner. The power of the office has to co-exist with the power of ideas, the power to innovate, and the power to discover new and better ways to fulfill the emerging role and demands on the public administration.[2]

Given the speed and scope of change, public administration cannot remain the same. It has to adjust and innovate just to keep pace with events or it would find itself failing further expectations and its performance deemed more and more disappointing. The following factors are exercising more and more demands on the public administration to innovate:

1.2.1 Democratization
The wave of democratization that is sweeping the globe carries with it not only rays of hope but also enormous responsibilities. Democracy is not just about holding elections to political office but also demands characteristics such as an open society, universal human rights, rule of law, responsible, accountable and transparent government and a high degree of economic and social equity.

In every society there are people who cannot exercise the rights accorded to others; vulnerable groups dependent on public welfare including the elderly, women, children, prisoners, the infirm and others, who lack a "voice" to represent and safeguard their rights and interests. In addition, people who have been affected by natural calamities or become refugees due to civil and ethnic wars, look upon the state to provide them with the basic necessities of life. To **ensure a just, equitable and socially inclusive society** the public administration has to become the "voice", of these marginalized groups to ensure that they are accorded equal protection and decent treatment.

The citizen's have high expectations from their democratically elected governments and they demand, if not excellent than, at least adequate provision of amenities. This demands an **efficient, responsive and transparent civil service** that ensures a competent delivery of services. Democracy is an effective mechanism of accountability and civil servants working under democratic governments are answerable for their departments' performance not only to the ministers but may also face queries concerning ineffective delivery of services from the locality leaders.

The situation is further exacerbated by the public leaders, who to deflect criticism from their failure, lay blame on insufficient support and bad advice from incompetent public professionals, on one hand while on the other they are cutting down on government

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[2] Bourgon, Jocelyne.Paper presented Ad-Hoc Expert group meeting on: "Unlocking the Human Potential for Public Sector Performance"

budgets and spending on public administration. Thus the pressure on the civil servants is **"to do more with less"**. There is enormous pressure on the public servants to innovate and devise ways of improving their performance.

1.2.2 International Treaties

The world today is faced with complex problems ranging from terrorism threats to human and drug smuggling to organized transnational crime, HIV crisis, refugee problems and unprecedented climatic changes due to global warming. States being community members of the global village have to adhere to the emerging global public policies that attempt to deal with these global objectives, issues and challenges and have to acknowledge their subordination to international treaties and conventions. Public administration systems have to be bolstered t o withstand these pressures. There is a need for civil servants who are trained to collaborate with their counterparts from other countries on the international level to promote the reform of global governance institutes while being sensitive to their cultural realities.[3]

This implies that **public administration is fast becoming an instrument of an emerging global community** and now shares activities with others in a societal partnership in delivering public goods and services in both a global and local setting. The civil service has to be properly trained, strengthened and need to be equipped with the right tools and skills to be able to face and meet these new challenges.

States have to play an increasingly active role in order to attract foreign investment and influence the international location of economic activities. This requires stable economic policies, attractive tax structures, strong property rights, efficient bureaucracies and effective law administration. Foreign investors pay special attention to policy and regulatory frame works.[4] There is an extra onus on the civil servants to frame and implement such policies which are conducive for growth.

Civil servants now are faced with the dual task of representing their states at the international level in helping draft policies to resolve global issues, while on the local level, bureaucracies need to be revitalized to identify and respond to these challenges. Also at the same time, the local populations that are being affected by the adverse affects of globalization need to be provided with adequate safeguards. This is indeed putting enormous pressures on the public sector to restructure and innovate.

1.2.3 Brain Drain

Imaginative policies are needed to avoid the flight of scarce human talent from the developing world. Bad governance also plays a major role in the migration of highly skilled labor. It seems that this population is particularly sensitive when "they find the human rights/governance situation in their home country unacceptable. This can have many forms: honest civil servants refusing to be corrupted; lack of freedom to speak ones mind, especially

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[3] http;//www.iiasiasa.be/iias/aiberlin/aiberlin.htm
[4] Ease of repatriating dividends and capital, domestic capital gain against tax, stock and bond market regulation, quality of domestic accounting, degree of investors rights etc.

for civil servants; and promotions based on unprofessional criteria". This prevents talented and motivated people from joining the civil services.

There is **pressure on the public sector to prevent this flight of human capital**. Pay structures in the public sector need to be enhanced and civil service jobs made attractive to retain the qualified people needed for the effective running of the state administrative machinery.

1.2.4 Transition Economies, Democracies, and Post Conflict Countries

In countries embarking on the road to democracy and the market economy paradigm, the public administration needs to innovate to withstand the pressures of a nascent open economy and the pressing demands of the civil society.

In countries emerging from civil wars and severe ethnic conflicts, the challenge on the **public sector to restore a sense of order as soon as possible is immense**. The setting up of new effective public administrative machinery is further challenged by a civil service in which most staff lacks the technical expertise and experience to perform their jobs satisfactorily and deal with the new circumstances. Things are further complicated by the institutional vacuum created by the collapse of old institutions. The implementation of reforms coupled with a speedy restoration of services are the key challenges facing the public sectors in post conflict countries.

1.2.5 Loss of Morale among the Civil Servants:

Rapid democratization has raised the people's expectations from their governments. As is often the case there is a gap between the aspirations of the people and what the government delivers.[5] This disillusionment with the government reflects itself in a lack of faith in the government and a **stigma attached to the civil servants labeling them as inefficient, inept, corrupt** and promoters of nepotism.

There is urgent need for the public sector to innovate not only to raise its prestige and bridge the gap between the people's expectations and the provision of services but also to lift up the morale of the civil servants, motivate and challenging them to improve their performance.

1.2.6 New sources of Competition: Privatization and Outsourcing

The past decade has seen the forging of new partnerships between the federal governments, private companies, nonprofit organizations and local governments. The new doctrine of market forces saw the rapid privatization of SOEs. However in countries where the public sector was not trained to deal with this process, privatization turned into "**asset stripping**", where **.**state owned assets were given away at rock bottom prices to those who in cahoots with the politicians. [6]

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[5] Gowhere Rizvi, Speech at the UN Public Service Awards 2005, New York
[6] Stiglitz, Karla Hoff, "After the Big Bang? Obstacles to the Emergence of the Rule of Law in Post-Communist Societies Sept, 2002

The budgetary pressures are forcing more and more governments to cut down on the employees and to resort to outsourcing and forging partnerships with the private sector. On the other hand, the problem is compounded by the fact that governments are finding it increasingly difficult to recruit and retain the top employees due to the competition posed by the more lucrative private sector.

The public sector is under immense pressure on how to adjust to this changed environment and has to **redefine its modus operandi to mange these partnerships.**

CHAPTER 2: INNOVATION & BEST PRACTICES

Innovation is all about a creative idea and its implementation. It can be understood as the act of conceiving and implementing a new way of achieving a favorable result. An innovation may 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.

Public sector management innovation may also be defined as the development of new policy designs and new standard operating procedures by public organizations to address public policy problems. For the scope of this paper the definition of innovation is:

Innovation is about ideas, and the transformation of those ideas into value creating outcomes in products, processes and services. Innovations include breakthrough ideas that lead to new products or services, and incremental ideas which improve the way processes are undertaken, or products are manufactured. Innovation is about the creation of new knowledge, and the use of that knowledge.[7]

Since innovation is such a wide concept, it is defined in a variety of ways. Some of the other definitions of innovations from the current literature are:

• Innovation is a conscious sequence of events , covering the whole process of creating and offering goods or services that are either new, or better, or cheaper than those previously available[8]

• An innovation can be a new product or service, a new production process technology, a new structure or administrative system or a new plan or program pertaining to organizational members. [9]

• Innovation is the practical realization of a unique idea. This realization also often requires creative solutions to problems encountered in the journey from an idea to a product, for example the development of new test equipment and techniques. It is essentially a practical activity and is constrained by cost, time, material, available technology etc. The words 'Creativity' and 'Innovation' are often used together. Innovation is the successful implementation of a creative idea.[10]

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[7] http://www.innovation.gov.au/index.cfm?event=object.showContent&objectID=01456E8B-9AB0-5155-6268C8BB6F389053

[8] www.ucs.mun.ca/~rsexty/business1000/glossary/I.htm

[9] Organizational Innovation: A Meta Analysis of Effects of Determinants and Moderators, Fariborz Damanpour.

[10] www.sanguma.com/Creative_Thinking_Assistant/glossary.htm

> • **The conversion of new knowledge into economic and social benefits – now acknowledged to take place as the result of complex long-term interactions between many players in an innovation system. [11].**
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> • **Innovation is also defined as adoption of an internally generated or purchased device, system, policy, program, process, product or service that is new to the adopting organization. [12]**

There are various factors that can require an organization to innovate. The changes brought about can be in response to alterations in the internal or external environment or as a preemptive attempt to influence an environment.

2.1 CHARACTERISTICS OF INNOVATION

Innovation is a process and the way it creates changes in the structure and functioning of organizations and the delivery of services is not uniform. Some innovations devise slight alteration of functioning and service delivery whereas some incorporate completely new ways of functioning of public institutions while others render changes in the structure and function of organizations and processes.

One of the few significant surveys of innovation in the public sector indicated that innovation[13]:

- is initiated by front line staff and middle managers (50%)
- is not a response to crisis (70%)
- cuts across organizational boundaries (60%)
- is motivated more by recognition and pride than financial reward

Another study conducted by Sandford Borins[14] found that innovations carried out by the public sectors all over the world had great similarities and process mechanics. Throughout the world, the innovations incorporated holism, the introduction of new technology, process improvement, the involvement of organizations or individuals outside the public sector to achieve public purposes, and the empowerment of communities, citizens and/or staff. Despite the traditionally hierarchical structure and risk-averse stance of the public sector, the most common initiators of innovations are middle managers.[15]

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[11]www.irc-norddeutschland.de/en/info/glossar.html

[12] Daft, 1982; Damapoyr and Evan, 1984; Zlatman, Duncan, & Holbeck, 1973

[13] Innovation in the Public Sector [ver 1.9 October 2003] Geoff Mulgan and David Albury

[14] Public Management Innovation in Economically Advanced and Developing Countries

[15] Innovation in the Public Sector [ver 1.9 October 2003] Geoff Mulgan and David Albury

Innovation in public administration can be of various types:

1.   **Institutional innovations** is defined as the adoption of an idea or behavior that is new to the organization [16]. It focuses on the renewal of established institutions and/or the establishment of new institutions.

2.   **Organizational innovation** which introduces new working procedures and techniques in public administration. It is defined as "the successful utilization of processes, programs or products which are new to an organization and which are introduced as a result of decisions made within that organization." It involves the creation of new business practices, or ways of running organizations. This innovation usually involves multiple rather than single innovations.

3.   **Process innovation** which focuses on the improvement of the quality of public service delivery. It involves the implementation of a new or significantly improved production or delivery method.

4.   **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 etc.

Since innovations are in reality "new ideas at work", it is not necessary that all innovations are successful. Thus successful innovations are those that are sustainable and add value to an organizations output and can be defined as:

"Successful innovation is the creation and implementation of new processes, products, services and methods of delivery which result in significant improvements in outcomes efficiency, effectiveness or quality".

2.2 FACTORS CONDUCIVE FOR INNOVATION

"*All innovation begins with creative ideas…creativity by individuals and teams is a starting point for innovation; the first is necessary but not sufficient condition for the second*". (Amabile et al. 1996)

Although creativity is an integral part of innovation, it alone in itself cannot guarantee successful innovation. Since innovation is a process constituting various factors, its success depends upon various factors, outlined below:

2.2.1 Increased demand and awareness on the part of the citizenry
The more aware and demanding a citizenry is the more the pressure on the state to deliver. The people are essentially customers of the state and their demands to improve public services puts a lot of pressure on the public administrations to deliver.

2.2.2 Accommodating and flexible civil service system
Research has shown that administrative professionalism and institutional resources are positively associated with innovation adoption. If the civil servants are flexible in their

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[16] Daft 1978, Damnapor and Evan 1984

outlook and willing to modify existing rules and organization procedures, then there is more room for innovation. Rigid attitudes and an inability to think outside the box seriously hamper innovative thinking.

2.2.3 Strong institutional capacity to withstand change
Research has shown that big and wealthy institutions are more likely to possess the commitment and the capability to adopt and implement innovations[17]Successful political and economic systems have created flexible institutional structures that can survive the shocks and changes that are a part of successful evolution[18] But these systems have been a product of long gestation and there is no short run solution to acquire institutional strength.

2.2.4 Willingness to change traditional methods of operation
The process of innovation, therefore, typically involves a stage in which ideas are turned into more viable prototypes which can be tested. This requires champions willing to invest resources in designing, implementing and evaluating organizational structures..

2.2.5 Presence and continuity of resources
Resources are needed to incubate, test and implement innovations. State organizations that have the institutional capability and resources are likely to be more entrepreneurial. Moreover the certainty that policies won't be changed overnight and the resources won't be withdrawn, plays a vital role in enabling an organization to pursue innovative policies.

2.2.6 Resilience factor of the civil servants
If the civil servants are enthused with the spirit of public good and welfare, the probability of innovation in such a scenario will be much greater. To carry out innovations, the civil servants should not adhere to a policy of adhocism and have a wide perspective and vision. They have to be resilient to withstand any kind of political pressure and should not focus on short term delivery pressures. Since there is a lot of pressure on the civil servant to deliver, they spend most of their time dealing with day to day pressures of delivering services, reporting to politicians and hence have little time to innovate.

2.2.7 Lack of Transaction Costs
The lower the transaction costs the greater the chances of a successful innovation. Transaction costs are incurred when the adoption of innovations call for engaging lots of people in negotiating and forging consensus among different stakeholders. This can be time consuming and require both monetary commitment and motivation to overcome obstacles. Carrying out innovations is much easier in an environment which does not entitle a lot of transactions costs.

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[17] The adoption of State Environmental Policy innovations by Administrative Agencies
[18] Mushtaq Khan

2.2.8 Visionary Leadership

Innovations almost always bring a change in status quo that might be resisted very strongly by entrenched interests. Public administration theorists highlight the role of the managers and encourage an active role of managers to lead organizations towards adopting learning cultures. Strong leadership motivates the staff to accept the challenges and inspires a sense of collective responsibility, overriding personal objections.

A visionary and dynamic leadership is imperative for the successful completion of any project. This is further highlighted in the context of developing countries where the institutions are not mature enough to accommodate the demands made on them in the context of late development. For a '**learning organization**', a committed leader is essential to head the organization and guide it successfully through the transformation phase.

2.3 OBSTACLES TO INNOVATION

"The innovator makes enemies of all those who prospered under the old order, and only lukewarm support is forthcoming from those who would prosper under the new."

Niccolo Machiavelli*, The Prince (1513)*

Innovation is opposed by powerful interest groups who will lose out due to the new method of operation. The redistributive process of innovation might render some changes politically unviable due to resistance from such interest groups. Both the bottom rungs and top echelons face resistance as innovation is about breaking away from the standard operating procedures and incorporates in its very essence the disruption of the status quo. Leaders of institutions advocating innovation to enhance performance are challenged by the entrenched institutional culture. The nature of challenges faced by the perpetrators of change, however, varies, depending upon whether it is initiated by the top or bottom management. Bottom up initiatives face the additional impediment of a lack of resources and support by the administration.

Obstacles to innovation[19]
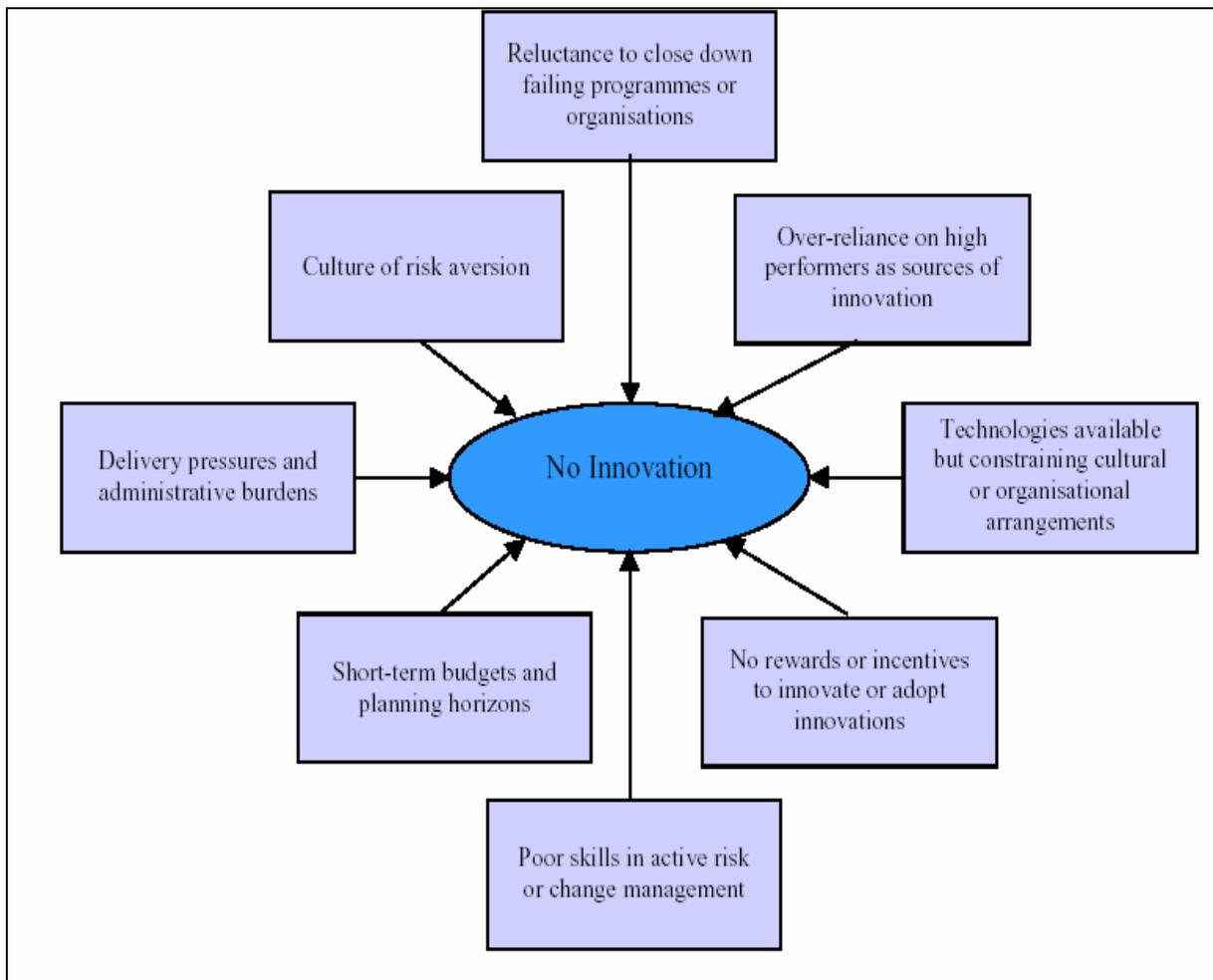
The major obstacles, amongst the ones identified by Mulgan and Albury, include:

2.3.1 Culture of Risk Aversion
Carrying out an innovation, by definition, means introducing a new concept. Bringing in place a system that has not been tried before carries with it an element of risk as all innovations are not successful. Hence due to the high risk factor, civil servants might be reluctant to go down a risky path.

2.3.2 Adhocism
Innovation requires long term planning, sustainability and commitment. Most of the governments are under political pressures to perform and under popular pressure to deliver. They have peoples mandate to deliver and the pressure of next elections makes

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[19] *Innovation n the Public Sector [ver 1.9 October 2003]. Geoff Mulgan and David Albury*

policy of adhocism more attractive instead of devising better policies that generate long term results which bear fruit in the long term.

2.3.3 Delivery Pressures and Administrative Burdens

The civil servants are operating under immense pressures and under tight budgetary constraints. In this environment they have little time or desire to devise and implement new innovative strategies. As it is, the bureaucrats are paid much less compared to the private sector and this handicaps them further by reducing their motivation.

2.3.4 Lack of Incentives

In most public sector organizations, employees are rarely incentivized to think 'outside the box.' Employees are neither encouraged nor rewarded for brining innovative ideas to the table. This lack of an incentive mechanism means that public servants adhere to the tried and tested methods and do not try to change the way they do things because if things go wrong they will get in trouble, but if things actually improve there is no upside for them.

2.4 GOVERNMENT'S ROLE AS AN ENABLER OF INNOVATION

Innovation is a mean to achieving an end i.e. adding value and improving the functioning of the government. Governments have to act as the facilitators and enablers of innovation. This can be done by providing a conducive environment and necessary support to the public institutions to innovate.
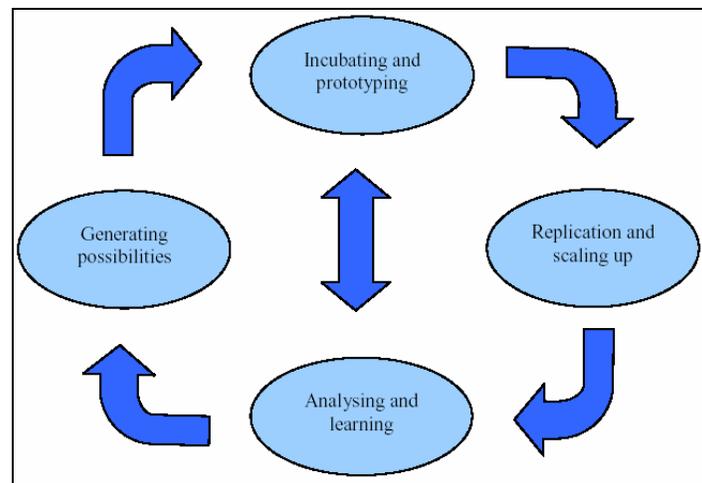
Framework for fostering innovation[20]

The process of innovation is neither linear nor easy[21] It requires a lot of planning and hard work. Each step in the innovation cycle feeds into and has a repercussion on

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[20] *I*nnovation in the Public Sector [ver 1.9 October 2003]. Geoff Mulgan and David Albury

another. As the above figure illustrates the government can play a large role from incubating ideas to generating possibilities for innovations. Singapore's government, for instance, has created an incubator called the Enterprise Challenge. The incubator supplies small amounts of funding and support for ideas which "have the potential to create new value or significant improvements to the delivery of public service"[22]. The next stage is the scaling stage in which the successful experiments are replicated. The adoption of these "best practices" by other organizations is a reward in itself as in the public sector, recognition by peers is sometimes appreciated more as an incentive, compared to monetary rewards.

2.5 WHAT ARE BEST PRACTICES?

A best practice is defined as an activity or procedure that has produced outstanding results and could be adapted to improve effectiveness, efficiency, ecology, and/or innovativeness in another situation. It has also been defined as the winning strategies, approaches, and processes that produce superior performance in an organization. A best practice is a by-product of a successful end-result[23].
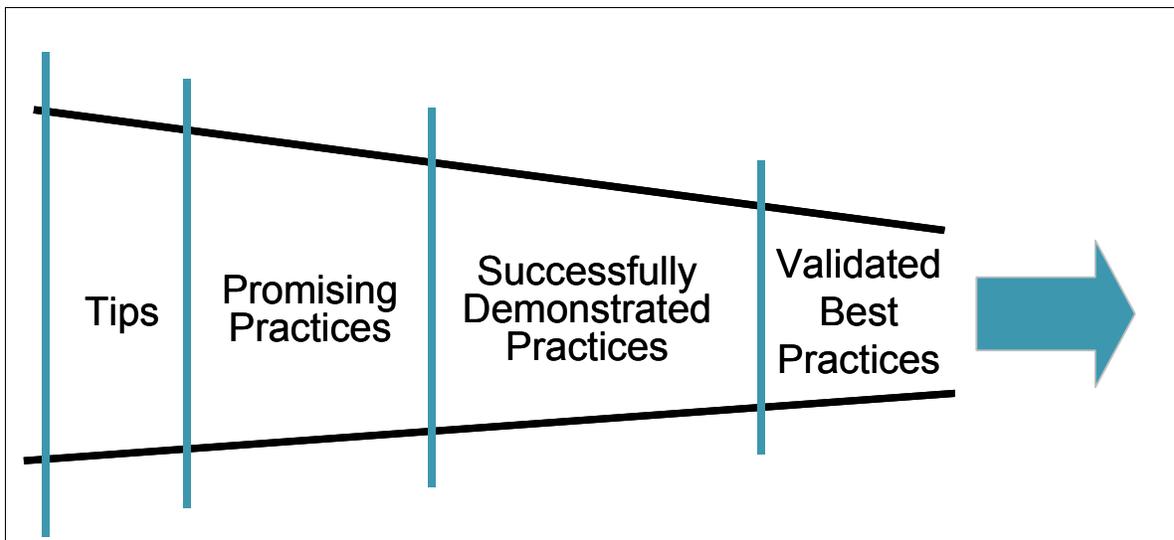
The above diagram shows the different levels of best practice [24]:

- Tips are generally unproved, however, make a lot of sense and refer to advice from those who have done it before;

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[21] C Leadbeater *The man in the caravan and other stories ...* Improvement and Development Agency, 2003.

[22] www.tec.gov.sg

[23] it.csumb.edu/departments/data/glossary.html

[24] (2004) Transfer of Best Practices: How to Accelerate the Adoption of Proven Practices, American Productivity & Quality Center

- Promising practices are those that have proven results and are suitable for application in one or more locations;
- Successfully demonstrated practices refers to those that have been successfully replicated at most or all relevant locations;
- Validated best practices are those that are used throughout an organization and validation of best practice status has been obtained through benchmarking against external or internal data

Some other definitions of best practices from the current literature include:

- **Processes, practices, and systems identified in public and private organizations that performed exceptionally well and are widely recognized as improving an organization's performance and efficiency in specific areas. Successfully identifying and applying best practices can reduce business expenses and improve organizational efficiency.[25]**

- **Processes and activities that have been shown in practice to be the most effective.[26]**

- **A best practice is a technique or methodology that, based upon experience and research, has proven to reliably lead to a desired result.[27]**

- **Also known as competitive benchmarking, the methodology that determines state-of-industry performance or application.[28]**

- **A superior method or innovative practice that contributes to the improved performance of an organization, usually recognized as "best" by other peer organizations.[29]**

- **An activity or procedure that has produced outstanding results in another situation and could be adapted to improve effectiveness, efficiency, ecology, and/or innovativeness in another situation.[30]**

- **A way of doing something which has produced triangle_top_whited good results and that could be adapted to another situation.[31]**

- **The practice that produces superior performance.**

[25] www.gao.gov/special.pubs/bprag/bprgloss.htm
[26] it.csumb.edu/departments/data/glossary.html
[27] www.pemcocorp.com/library/glossary.htm
[28] www.csxworldterminals.com/resources/Glossary.asp
[29] www.asq.org/info/glossary/b.html
[30] www.ichnet.org/glossary.htm
[31] www.kit.nl/specials/html/km_glossary.asp

The ability to identify and transfer best practices is an important indicator of competitive advantage and superior performance for any organization. Additionally, best practices serve the purpose of raising awareness amongst both decision-makers and the public at large, of potential solutions to problems which are faced by a number of stakeholders on social, economic and environmental fronts. Essentially, transferring best practices is about knowledge management and transfer: expertise and experiences are shared through networking and peer-to-peer learning.

The following diagram shows the various stages in the adoption of proven practices: [32]:
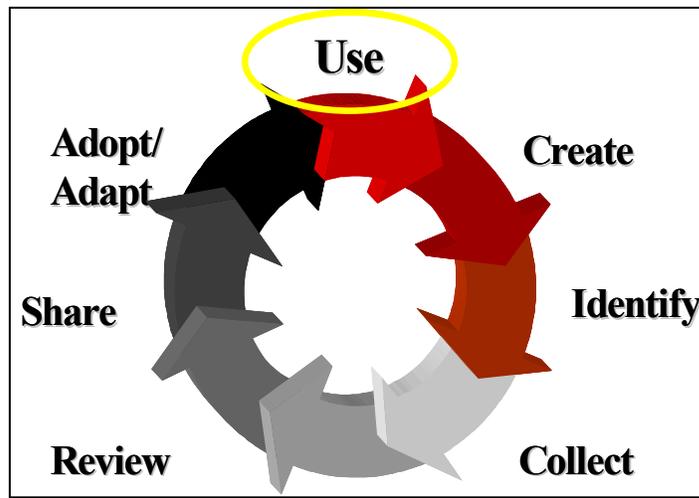
Before reaching the "use" stage, a transplanted practice will need to be adapted to be of use in the new environment. Thus, replication is one benchmark against which the strength of an innovation can be tested. Some innovations have deep impact on the place of origin but any attempt to replicate them at a different place often results in partial success in the best case and complete failure in the worst. The reason for this is that each region has a different organizational and cultural set up. Adopting best practices can not be a universal remedy and using a "One size-Fit All" approach could be dangerous. The socio-economic environment of each country is different from the other and so is the capacity to absorb and implement change. Countries with a strong institutional capacity and developed administrative structures are more likely to be able to assimilate, respond and implement new knowledge gained in the form of innovations as opposed to developing countries with weaker institutions and insufficient resources.

Innovative policies have to be adapted according to the different levels of development, institutions and skills set. Thus a set of policies that are successful in one place may not become a success story in another. Thus, a governmental innovation in a particular country might be deemed a 'best practice' in the specific circumstances of that country; however, successful replication in other countries might not be possible.

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[32] (2004) Transfer of Best Practices: How to Accelerate the Adoption of Proven Practices, American Productivity & Quality Center

The reasons for this inability to imitate are numerous: sometimes an innovation is implemented in response to a particular need within a specific administration and other administrations may not have the same need and in some cases the unique features of a central or local government administration mean that the "best practice" is not transferable. Thus it is imperative that an assessment is made of whether a best practice is a suitable response to universal needs and can be successfully replicated in other countries.

It is a universally acknowledged fact that reforming public administration is a continual process whereby all countries need to develop institutions and administrative models, which meet their own specific needs and requirements. To that end, the case studies included in this paper will provide very meaningful best practices with pass the test of ease of replication. Thus only those case studies have been included that have the merit of transferability. In other words these cases have been termed as best practices as they not only had a profound impact in the original setting, they can also be successfully replicated in other parts of the world.

The case studies included in this paper deal with the best practices in innovation that were awarded the Public Services Awards 2003-2005. Each of theses cases had innovations in the fields of improving service delivery, transparency and accountability and in the application of ICTs.

CHAPTER 3: WAYS FORWARD; NEW PARADIGMS TO INNOVATE IN PUBLIC ADMINISTRATION

Public administrations all over the world are using different methods to improve their service delivery. The main trends observed, in the compilation of the case studies selected from the winners of Public Service Awards (2003-2005) can be roughly grouped according to the following themes:

3.1 DECENTRALIZATION

Decentralization was used to help in bringing the government closer to people, improving peoples' participation and increasing efficiency and improving service delivery as well as building the trust and confidence of the people in government. Properly implemented decentralization increases government efficiency and responsiveness, enhances government accountability and is also seen as an effective tool for poverty alleviation.

Decentralization is defined as any act in which a central government formally cedes powers to actors and institutions at lower levels in a political-administrative and territorial hierarchy thus increasing ownership and participation in any reforms. It involves redistribution of authority, responsibility, and/or financial resources for providing public services. It is the transfer of responsibility for planning, financing, and managing certain public functions from the central government and its agencies to field units, subordinate units or lower levels of government, semi-autonomous public authorities or corporations, or regional or functional authorities. Administrative decentralization has three major forms: deconcentration, delegation, and devolution.[33]

About 80 percent of the developing and transition countries are experimenting with some type of decentralization.[34] In granting greater autonomy to the institutions, both devolution and deconcentration were used. A brief description of these two processes follows.

2.1.1 Devolution

Devolution refers to the transfer of authority for decision-making, finance, and management to local government. In a devolved system, local governments have clear and legally recognized geographical boundaries over which they exercise authority, and within which they perform public functions. It is this type of administrative decentralization that underlies most political decentralization.[35]

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[33] http://www1.worldbank.org/publicsector/civilservice/glossary.htm
[34] Innovation and Quality in the Government of the 21st Century, Fifth Global Forum on Reinventing Government , Capacity Development Workshops ,Mexico City,3-6 November 2003
[35] http://www1.worldbank.org/publicsector/civilservice/glossary.htm

2.1.2 Deconcentration

Deconcentration is an administrative decentralization concerning transfers of power to local branches of the central state, such as prefects, administrators, or local technical line ministry agents. These upwardly accountable bodies are appointed local administrative extensions of the central state. They may have some downward accountability built into their functions, but their primary responsibility is to central government. Deconcentration is a 'weaker' form of decentralization because the downward accountability relations from which many benefits are expected are not as well-established as in democratic or political forms of decentralization.

Great care, however, has to be used in implementing decentralization because if not properly deployed, it can exacerbate poverty, inequality and ethnic issues.

3.2 BUILDING AN INCLUSIVE SOCIETY - the participation of the powerless

Probably no other social institution safeguards human rights more than government in action i.e. public administration.[36] It is the voice of and protector of rights of the unrepresented (the old, children, infirm, minorities and those being discriminated against e.g. females). Competent accessible complaints channels bring public administration close to people, provide recourse to justice and incorporate public trust and help improve equity and access for all.

The governments have realized that enlisting the help of the Civil Society to solve problems could be very beneficial. In many of the cases, innovative partnerships have been formed. Public private partnerships and alliances with NGOs encourage citizen partnership. Horizontal integration of public service has improved service delivery and enhanced efficiency. The utilization of user responsive approaches like the creation of stop-shop centers exhibit and instill a culture of putting the citizen first. Moreover, such demand driven operations increase peoples' confidence and trust in the government.

Good policy results from consultation between, and direct involvement of, all the stakeholders. Consultative processes carried out by many countries encouraged citizens to voice their concerns and policy was formed in the light of these proposals. Engaged governance brings the government closer to the citizens and citizen participation was encouraged to ensure equity and poverty alleviation. Actions such as setting up mobile teams to reach far flung remote areas, ensured development and improved service delivery for all.

3.3 ADAPTING TO THE KNOWLEDGE SOCIETY

Due to the rapid spread of internet and international media, information is abundant and accessible. Public administration has been taken by surprise and has to adapt itself to the new reality – a knowledge society. The knowledge society dictates a closer relationship between the governors and the governed. The use of ICT facilitates the government to progress from the process of simply providing information to the citizens to a more

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[36] caiden

dynamic and interactive method, enabling citizens to become a part of the decision making process.

One innovative way devised to cut red tape and dispense with the inefficient layers of bureaucracy and expedite the various procedures regarding registration and licenses was to have one stop shops, which cater to the public's needs in a speedy and efficient manner. Government policy play's a vital role in equipping its citizens with the tools to deal with the new demands of the rapidly integrating global world.

ICT's were used to increase awareness among the people and to increase citizen participation. Technology was used to bring the government closer to the people and also to increase transparency and accountability. The dissemination of information increased the level of trust and confidence the public had in the government.

E-government measures benefited the citizenry. Provision of on line services saves time of queuing up outside the government offices for obtaining licenses and payment of bills. Delivery of services through rural kiosks leads to the social and economic empowerment of citizens.[37] Furthermore through e-government, employee productivity is increased and they can be redeployed to more productive tasks ensuring even greater efficiency.

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[37] http;//www1.worldbank.org/prem/PREMNotes/premnotes91.pdf

CHAPTER 4: CASE STUDIES

1. City of Vancouver: Towards Participatory Governance

SUMMARY:

The Vancouver agreement is a dynamic example of engaged governance to resolve administrative and governance issues, using innovative ways and forging horizontal networks to improve service delivery. It marks a fundamental shift in the administration of public services in Vancouver's Downtown Eastside.

BACKGROUND:

The Agreement, an innovative partnership between 12 government agencies and NGOs at the federal, provincial and city levels, is a unique example of how greater collaboration between governments, communities and business can be achieved. Through the Vancouver Agreement, the government partners support positive solutions to the economic, social, and public safety challenges in the area through innovative community development projects.

Vancouver's inner city was once a vibrant commercial and entertainment district in the city's economic heart. Establishment of a large street drug market in the area in 1990s led to a public health crisis being declared in 1997. There was a dramatic increase in HIV/AIDS and Hepatitis C with conversion rates among intravenous drug users living in the inner city being the highest in the developed world. In 2001, the unemployment rate in Downtown Eastside was 22 percent, compared to 8 percent in the rest of Vancouver. The Vancouver Agreement was a realization on part of the public agencies of the failure of existing policies and institutions to provide adequate services to the area.

The dire circumstances required an immediate and innovative action plan to deal with the crisis. This Agreement represents a new way for governments to work together based on relationship building and developing trust, which has resulted in innovative partnerships between government agencies, and with community groups and business. It excels in creativeness in governance and particularly implementing horizontal collaboration.

INNOVATIVE STRATEGIES INVOLVED:

Consultative Processes to devise strategies for economic development:
A key component of the plan was consultation with people who had interest in business but did not have the economic resources and capacity to do so. These sectors comprised the marginalized and excluded including the aboriginal people, women, youth and people with disabilities. Prescription included the setting up of three non-profit employment agencies: Aboriginal Connections to Employment, Pathways to Employment, and Fast

Track to Employment, which provide training and employment services to urban aboriginal people, assist long term unemployed residents to renter the work force and provides support to people to retain their jobs.

Cross sectoral Governance used to dismantle the area's open drug scene:
The three levels of government combined forces to launch *Project Lucille*, a multi-agency enforcement initiative targeting businesses that supported the drug trade or engage in practices that take advantage of people addicted to drugs. The Enhanced Enforcement Initiative focused on ensuring order and safety and issued a public education health education package for Vancouver Police Department members. Another major step was the opening of the first legal supervised injection Site in North America, *Insite*.

Task Forces constituted to increase safety:
The objective of this task was to ensure safe, secure and affordable housing in the Downtown Eastside, to upgrade physical housing standards and to improve living conditions. The Vancouver Agreement Housing Task Team developed several initiatives to demonstrate that existing Single Residency Occupant's in the Downtown Eastside be better managed and maintained in order to offer safe, affordable housing. The result was a SRO Management Training Program, on-site tenant assistance, and physical assistance, and physical building improvements, all of which were incorporated into an innovative pilot project.

Towards an Inclusive Society- Protecting and making the community safer for the most vulnerable, particularly women, youth, and children:
The Mobile Access Project (MAP) was launched that enabled a converted ambulance to reach out to sex-trade workers in Downtown Eastside. MAP was designed to provide respite and safety from violence for survival sex workers.

LESSONS LEARNT:

- **Recognition on the part of the government of the importance of coordinating efforts and forging alliances** to achieve longer, sustainable solutions. Agreement was formed because the Governments of Canada, British Columbia and Vancouver to coordinate efforts and work more closely together, with the community and business groups.
- **Courage and willingness to change public policy** and service delivery is the key to create an environment and building relationships necessary to achieve these solutions.
- **Agencies learned to work closely** and understand the differing cultures of each government, community, and community and business groups. This resulted in stronger intergovernmental relationships forged both at the policy and political levels.
- **Citizen participation empowerment** resulted in successful strategies to uplift the economic situation and find solutions to common problems.
- **Tripartite alliance** between the government, private sector and NGOs played an important role in the areas economic development.

SUSTAINABILITY AND TRANSFERABILITY:

The Vancouver Agreement is funding the first phase of a strategic plan to ensure that people with disabilities can fully participate in and contribute to the 2006 World Urban Forum and the 2010 Olympic and Paralympics Winter Games and other events, marching towards a more inclusive society.

The Agreement is entering its second five year phase addressing complex economic, safety and public health issues. It is being used as a model for projects in Bangkok, Thailand, and Santiago, Chile.

2. Industry Canada - Adapting to Knowledge Society

SUMMARY:

The Canadian Consumer Information Gateway is the Canadian Governments initiative to adapt to the knowledge Society. It illustrates the role of the government to keep up to the rapid advancements made in the world of information technology by opening a single and easy to access one stop window where the consumers could access all the information and all the service channels that governments and NGOs had to offer. It also promotes equity by restoring balance to the market place and offering complaints channel service to the people.

BACKGROUND:

Globalization is not only preordaining rapid changes and innovations in technology but also bringing unfamiliar marketing and contractual approaches to the arena. The dizzying array of new complex products and services and unfamiliar suppliers is making it difficult for the consumers to make informed decisions. This inculcates by default an imbalance in the market, where the consumer finds it difficult to validate the reputations of the suppliers entailing a higher financial risk. Moreover the risk of identity theft and other fraud multiplies as more commerce moves on-line.

Governments in Canada had been trying to restore balance to the marketplace; the results were not bearing much fruit as the efforts were hampered by the maze of jurisdictions and organizational barriers that the consumers faced. The challenge facing the Canadian Government was make information available to the consumer regarding advisory services, standards and regulations and to support him to make decisions in the market place on related goods and services through one stop shop. Canadian consumers needed better access to high-quality service, information and tools with which to protect them, shop smarter and respond effectively when their efforts weren't effectively met. These pressures transpired in the formation of an innovative portal

INNOVATIVE STRATEGIES USED:

Multi jurisdictional partnerships:
The Canadian Consumer Information Gateway was developed to deliver essential information to the consumer via the internet. It is Canada's most extensive online source of interjurisdictional information for consumers with information form more than 450 government and non-government organizational partners. Due to a pioneering approach to multi-jurisdictional partnerships, consumers can cut across federal/provincial/territorial boundaries to access services through a single window.
Equally as important in the world's second largest country which spans six time zones, is that service to consumers is offered 24 hours a day, 365 days a year, regardless of location

One Stop Shop:
The Gateway provides a menu of relevant topics, access to timely highlights and tools to help consumers save time, money and better protect themselves from fraud and deception. Consumers can now turn to a single Web portal and access mote than 7,000 programs, services and subjects from more than 450 government and NGO partners. A powerful search engine and a menu of relevant topics make access to information easy and fast. The Gateway is also equipped with telephone and in-person service delivery channels. Each link to a partner Web site is preceded by an innovative Standard Portal Document, which is an easy to print page containing background information on the source of the program , service or subject and contact information for telephone, mail and, where appropriate, in-person service.

Customer Friendly:
The Gateway is an innovative on-line tool providing educating and facilitating consumers. Features like interactive quizzes, animated features, and calculators enable consumers to do more in less time.

Complaints Channel:
The most powerful tool of the Gateway is the Consumer Complaint Courier- a bold transformation of the way government agencies handle consumer complaints. The Courier teaches the consumer the proper steps to log a complaint with a business, links them to relevant information and connects them instantly to appropriate agency. This specific feature provides enormous empowerment to the consumers. Its innovative letter wizards help citizens to prepare complaint letters by simply filling in a complaints template and the complaints database automatically forwards the complaint ot the concerned department.

Citizen information and protection:
In the current climate of globalization there is a plethora of information. More than 14 organizations involved in consumer protection, this makes it hard and confusing for the citizen to where to turn to. The Gateway synthesizes knowledge from all the sources and cuts costs of publishing and distributing information.

Citizen Empowerment:
Citizens are empowered as they are better informed to make wise choices. And complain when services are not provided. Further more they are able to protect themselves from unnecessary risk and fraud**.**

LESSONS LEARNT:

- **Technology was harnessed** to adapt to the changes being brought by the proliferation of knowledge. An ambitious new model for service delivery, one that fully leveraged the power of the internet to deliver services to Canadians regardless of time or place.

- **Government intervention is not only restoring balance in the market place but also the innovative approach of liasoning with NGOs** and the development of a central repository of program and service information for all portal partners to share has resulted in great cost savings as well as convenience for customers.
- ICT has been used effectively to deal with the problem of obtaining information from a multitude of organizations compounded by various provincial, territorial and federal jurisdictions in a vast country spanning six time zones.
- Government **restoring balance to the modern marketplace, regulating etc**

SUSTAINABLITY AND TRANSFERABILITY:

• Despite a limited marketing budget, the Gateway received over 350,000 visits last year
• In a recent online survey, 2/3 of respondents expressed a significant level of satisfaction with their experience on the Gateway
• In the same survey, 72% of users said they would definitely return
• The Complaint Courier is fast becoming the preferred complaint channel tool for both consumers and partners alike.

Awards:

2001 - 2 GTECH Distinction Awards (Gold) for both Leadership and Innovative Partnerships and Alliances
2002 - Head of the Public Service Award for Excellence in Service Delivery – Service Transformation
2002 - Finalist - Innovation Awards of the Commonwealth Association of Public Administration Management
2004 - CGR eAwards (Silver) for Citizen-Centric Inter- Jurisdictional Initiatives CCIG

CCIG has also sparked significant international attention and many aspects of the project are considered best practices of government portal development

The CCIG case study has been presented to audiences in South Africa, Singapore, New Zealand, Hong Kong, and Malaysia.

3. City Government of Naga, Philippines

SUMMARY:

Greater participation by ordinary citizens is the defining feature of i-governance. The i-Governance initiative of the city government of Naga is a "people-driven" program that promotes participation to enhance governance processes, local service delivery and city livability. The city of Naga is moving towards a participatory governance model by opening wider avenues for participation of the marginalized and voiceless segment. Functional partnerships have powered most of Naga's outstanding innovations over the last decade and illustrated that the government can "become a tool for development".

BACKGROUND:

Naga is currently one of Philippines fastest growing local economy and household income is 42% higher than the national average. Yet in 1988 Naga was rapidly stagnating. Business confidence was low, unemployment was on the rise and taxes were in decline. Low economic growth not only resulted in increase in crime and approximately 20% of the city's population was homeless. This delivery of basic services in health and education was being affected.

The city's transformation to becoming one of the most "livable city in the country", can be attributed, in a large part, to a governance mechanism over the past 15 years that involved the following strategies.

INNOVATIVE STRATEGIES USED:

Growth with Equity:
Progressive development was undertaken with "growth with equity" as a core philosophy. Afford all constituents equal treatment and access to city services, regardless of their status in life, by enhancing consciousness of opportunities and ensuring predictability of the service delivery mechanism. I-governance has become a tool for equitable service delivery. The services listed in the Citizens Charter and NetServe are not only limited to investors and visitors. They include those for the urban poor, social welfare beneficiaries and recipients of education programs and recipients of education programs and health and hospital services. Eighteen service categories cover the whole gamut of city concerns from those involving "growth-oriented" to " equity-building' programs.

Through a predictable service delivery mechanism posted on the website, all citizens are afforded the same level of service. All jobseekers have the equal opportunity of being referred to prospective employers. Equity is also promoted by providing a network component that provides access everyone including the marginalized, access to ICT tools and subsequently, government services and processes.
Partnerships:

Partnerships were developed through which the city tapped resources for priority undertakings. The *Empowerment Ordinance* passed in 1995, established a functional framework for partnership and participation with more than hundred NGOs and people's organizations through the Naga City People's Council. NCPC representatives sit in all local special bodies and city legislative councils. They can observe, propose legislation, vote and participate in the deliberation, conceptualization, implementation and evaluation of city government programs.

Engaged Governance:
To include the individuals in government decision-making to promote long term sustainability by generating broad based stakeholder ship and community ownership over local undertakings. Despite participatory systems put in place through the Empowerment Ordinance, many Nagueons remained uninvolved in local governance issues. Since for operational reasons, working partnerships are biased towards organized groups, many citizens remained far removed from the activities of the city government. I –Governance seeks to overcome this inherent limitation by opening wider avenues for participation of individuals in governing the city. It encourages participation-driven model of Naga governance down to the level of the individual to ensure that all citizens have a voice in government decision-making.

Access to Information:
Transparency and accountability is increased through improved access to information regarding the responsibilities of government agencies, processes and the operational standards for the delivery of services. Citizens are allowed to monitor government performance and pinpoint the office or person who is exactly accountable for the outcome.

i-Governance engenders citizen engagement by improving access to information on government policies and operations through ICT and non-ICT tools. The **Naga City Citizens Charter** is a guide book providing information on the step-by-step procedure for availing each service, the response time for delivery and the officers responsible for the service. The Charter catalogs more than 150 services and contains maps sketching the location of the office handling a specific service. A detachable customer feedback form is also included to generate feedback on the quality of services being delivered by the city.

Local newspapers and broadcast media are used for wider dissemination of information especially on city ordinances and procurement.

Adapting to Knowledge Society:
ICT is used to disseminate information as well. Naga was among the very first local governments to use the internet. The internet was chosen as an engagement tool because of its robust growth, the number of internet connections in the city grows by at least 91% annually. The **NetServe** is the web equivalent of the citizens Charter containing downloadable forms used in transactions with various agencies. **Share Naga** promotes information about the city government operations by regularly posting the city's annual budget along with allocations, notices of bids and public offerings, City Ordinances and

Executive Orders. **Sell Naga** provides essential information about the city and answers the call for improving Naga's marketability and competitiveness by extensively discussing the city's investment and advantages and tourism assets. **Star Naga** provides information on awards accorded to the city government, publicizes governance innovations and serves as a forum for discussing the city's governance advocacies. It reinforces the promotion of civic pride. Txt Naga allows citizens to send complaints, queries and feedback to the city government through a " hotline". Follow-up actions are directed to the relevant city department.

Since a large part of i-governance is ICT- related, the program tries to bridge the digital divide by providing the poor access to communication technology through *Cyberbarangay* and *Cyberschools* projects. Cyberbarangay provides internet access to to the barangay village residents through their barangay halls. Cyberschools provide infrastructure, equipment, and training and Internet access for all public elementary and high schools. This puts the schools on an equal footing with their private counter parts.

Creating Awareness:
Marketing strategies involved promoting the use of naga-dot-gov by forging partnerships and agreements on links with institutions that offer internet access to the city's constituency. Services were upgraded by incorporating user feedback.

Transparency and Accountability:
Naga-dot-gov publishes the city government's budget and financial status. As a matter of policy , nor requests for supplies, equipment or infrastructure program involving amounts of at least PhP 100,000 are processed unless they are posted on the city website. Information on the ordinances and schedules of public hearings disseminate through the website and radio allow citizens to track what their city councilors are doing.

LESSONS LEARNT:

• **Empowering citizens** by providing information on government operations leads to more equitable service delivery and encourages citizens to more actively participate in governance. Citizen involvement pushes government to live up to the standards and continuously innovate.
• **Committed Leadership** is essential to provide focus and direction and ensure the sustainability of a program. Innovative practices need "champions" and government personnel should have the capabilities to "make things happen".
• **Creating partnerships** with the private sector, community organizations allows government to overcome resource constraint. The cyberschool and cyberbarangay only reached completion with the assistance from the Ayala Foundation, Digitel a communication company, the Department of Education and the Association of Barangay Council.

• **Professionalism, responsiveness and customer-orientation** were introduced into the local bureaucracy so it could more effectively assume its role as a tool for development.

4. Participatory Budget in Belo Horizonte, Brazil

SUMMARY:

The Participatory Budget is a unique example of conceptual innovation in which engaged governance and decentralization are used to promote equity, growth and to enhance public service delivery. Neighborhoods and regional delegates take part in a broadly participatory process of helping to define the spending priorities in the city's budget. This program of involving people in the city administration resulted in a more alert local policy on peoples needs and made many actions possible for the vulnerable people in the degraded areas.

BACKGROUND:

This project was initiated as an antidote to citizens disinterest and apathy in the democratic method which lead them to have feelings of isolation and disengagement. The innovations taking place created greater space for greater population participation in municipalities and states governed by the Workers Party. The institutional reforms taken through the Participatory Budget helped solve the crisis of representative democracy. The participatory Budget is one of the most important opportunities for direct community participation in the definition of the priorities of local administration.

Belo Horizonte has consolidated a way of governance which is sustained by popular participation. In the meetings the population voted on the investment priorities in various area such as education, health, housing, infrastructure, recreation, sports and culture.

INNOVATIVE STRATEGIES USED:

Empowerment of Citizens:
Citizens elected hundreds of projects that would improve the service delivery and subsequently improve the quality of life of the people of the involved area. These projects were then taken up by the public agencies. Citizens were involved through out the entire process. In "The Caravan of priorities", the citizens visited the proposed projects to evaluate and guide the decision in choosing the best projects for the region.

After choosing the projects that composed the regional Plan of Works, Commissions of Inspection and Follow up- COMFORCAS worked to guarantee that the projects were done. Interventions in villas and slums made possible the access to public services like garbage collection and urban transport. Also these interventions acted as important instruments in the prevention of social and urban problems and eradicating diseases generated by the lack of basic sanitation.

Social Inclusion:
All the initiatives taken to strengthen the PB involved changes in the previously existent rules, reformulation and implementation of new planning instruments, university search

and criteria isonomy. In this sense, the PB incorporated conceptions and indicators of social vulnerability and of quality of life of the population, searching to integrate wider sectors of the society in its discussions and deliberations. It also succeeded in promoting the articulation with public policies in other areas, involving the entire municipal administration and acting form a more local to a more comprehensive level. Since its inception, the PB of Bel Horizonte has mobilized over 220000 people, the majority belonging to the less privileged classes.

Decentralization:
Bel Horiznate is administered by a coalition of political parties, social militants and leaders of the civil society. The city supported the project of an administration elected democratically which has among its principles the popular participation in the city management. The citizens identified the needs, allocated resources and prioritized investments, making use of the technical and planning criteria, generating a Work Plan which in turn, helps to orient the City Planning.

The Regional PB consists of a population demand survey of investments and of a definition of the works that was executed in the city, in the scope of the nine administrative regions in which it is subdivided.

Improving Transparency:
The decision making became more transparent as it by passed the traditional closed circles of intra-elite deal-making and provided new means of access to a process that is closer to the peoples needs and aspirations. It by passed the traditional entrenched political elites by putting the citizens in the drivers seat which resulted in increased efficiency, efficacy and transparency.

LESSONS LEARNT:

- **New form of Government** formed in which government and population represent themselves with the necessary capillarity for the involvement of wide layers of citizens in the political action.
- **Creation of new spaces for the promotion of citizenship** resulted in the concept of participation as a principle of social control over the actions of the public power.
- **The opening of privileged space for democracy** resulted in the city administration performing works in places where public power had never before had an effective action, such as the outskirts and deprived areas**.**
- **Targeting of deprived areas** resulted in their economic uplift and making residents of these areas less marginally excluded.

SUSTAINABILTY AND TRANSFERABIITY:

- The PB enjoys one of the longest experiences of participatory management in the country and not suffered any ruptures during its last three consecutive mandates.
- The project enjoys high rates of participation since it has its origins in solid support of the population. The population support lends its credibility and sustainability.

5. SESAC (General Board for Development of Public Services and the Public Service Delivery), Brazil

SUMMARY:

The Citizens Assistance Service (SAC) is a pioneering initiative that introduces an innovative concept in delivering of public services. By horizontally integrating functions of public services and forging partnerships with the private sector One –Stop-Shop Centers have been created that offer citizens the service that citizens most need and use. To promote social equity, mobile units have been introduced to reach the remote and deprived communities. The SAC are a citizen-focused delivery concentrating on meeting the needs of clients from all backgrounds, using the available public resources through a user-responsive approach to service delivery.

BACKGROUND:

The Bahia State Government started the implementation of the first SAC Unit in 1995. The SAC are multi-purpose complex with partners ranging from federal, state, and municipal agencies as well as private companies offering services to citizens. They provide quality service to the citizen by assembling public service agencies in the same space, including a common area for support services. It comprises a back-office, a service delivery area where offices belonging to multiple agencies are displayed, an area for ancillary services, and a reception to identify, organize the demand fro each service and help citizens in any eventuality. They have been placed in convenient locations for the public such as shopping malls and major public transportation hubs. They offer tremendous time savings, while delivering services with greater courtesy and professionalism.

The Mobile SAC Documents that provide the most demanded services like issuance of Birth certificates, ID card, labor id, not only delivers services to remote areas but also take into account the dearth of government sources. The Government cannot open units everywhere and the mobility means economy and flexibility.

The Mobile Health SAC offer services in Ophthalmology with eyeglasses assembly, General Clinic, Gynecologist with cithology lab and dentistry. The mobile unit carries PCs that contain patients' data and remain for two weeks in each community. The SAC system comprises 22 fix units, 2 Mobile Sac Documents and 9 Mobile Health SAC.

INNOVATIVE STRATEGIES EMPLOYED:

Access for all and Equity:
The SAC was created to render services for everyone on a fair treatment basis and seeks to be free of any form of discrimination irrespective of a person's social status, culture, race or religion. All the population has equal access to services offered by SAC, in an

efficient, timely and courteous manner. SAC has developed massive attendance capacity, some units can perform more than 10,000 assistances a day.

Benefit from technology:
State-of –art technologies were used in the government agencies and a continuous system of prospecting new solutions made available for enhancing the supply of public services as well as their users.

Communications:
Informative campaigns were used in order to make citizens aware of the usefulness and services available to them as well as to disseminate the philosophy and identity of the SAC's. Surveys were conducted to find about the adequacy, design and standard of the services delivered. The importance of communication was also highlighted in the attendance process. The language used was simplified and customized for each specific service.

Responsiveness:
Different SAC were created keeping in mind the different characteristics of each community and the volume of assistance needed. Provision of services was tailored to meet the aspirations of the users in both form and content. A system of attendance was organized capable of meeting the both territorial and urban flow concerns.

Efficiency:
Special importance was given to improving the quality of service delivery to people by seeking innovative ways of bringing services to people through new technology and partnerships with other agencies. These initiatives took into account the needs of people in the remote areas through developing outreach and community liaison arrangements.

Human Resource Management:
With a focus on people management, the management board stimulated each state agency to select the best and most motivated personnel. Training courses were offered in human relations, psychology and inbound logistics, increasing knowledge and institutional capacity. SAC philosophy was integrated into the partners' management system.

SUSTAINABILITY AND TRANSFERABILITY:

- **Popularity with the public:** SAC's are extremely popular with the public as they give the facility of regular, reliable, services offered in an efficient, courteous manner. The sustainability of this project comes form the value it creates for citizens.

- **The diversity of solutions** the SAC offers such as mobile and specialized units makes transferability even easier, inasmuch as it gives more choices terms of adaptation into a new context. Moreover the SAC technology is easily transferable. The problems it aims to defeat i.e. red tapism in bureaucracy and unequal access to public is common to many countries.

- **The SAC technology** has been recommended both at the national and international level. Since 1997, 15 Brazilian states have implemented public services delivery centers using either the know how of SAC or its model. Once implemented SAC's outcomes such as citizen's satisfaction, organization of the public service delivery are visible in the short run everywhere they have been adopted. Other organizations have been adopting the SAC technology, specially the customer service assistance model such as the Department of Public Security; INCRA and OSID an NGO providing health services.

- **Replicability**: China, Belgium, El Salvador, Cape Vert, Trinidad and Tobago, Morocco, Venezuela, Chile, Costa Rica, Sao Tome & Principe, Honduras, Nigeria, Mozambique, Philippines, Angola and Guinea Bissau have shown an interest in the SAC technology. It has also signed technical cooperation agreements with Portugal, the city of Bogotá, Nicaragua and the Provincia of Misiones in Argentina to implement similar projects. Portugal opened its first Centre in April 1999 in Lisbon with the assistance of SAC staff. Nowadays, they have eight "Lojas do Cidadao" i.e. "Stores of the citizen".

LESSONS LEARNT:

- **Focus on the citizen** enhanced the quality of the public service. Rearranging service delivery based on demand and the users need made the program more responsive and efficient.
- **Cost sharing is critical.** SAC used to afford the operational expenses such as energy and water supply and rent that are now shared proportionally, according to the area occupied by each partner. This change is significant and has diminished the cost of SAC as a whole.
- **Working Contracts system** is crucial to maintain the quality of staff. It allows the SAC to keep only the employees that fit its high standards.

6. South African Police Service

SUMMARY:

The introduction of a service delivery program cannot be in isolation from other fundamental changes within the Public Service. Improving service delivery also calls for a shift away from inward-looking, bureaucratic systems, processes and attitudes, and a search for new ways of working which put the needs of the public first, is better, faster and more responsive to the citizens needs. The objectives of service delivery include welfare, equity and efficiency.

BACKGROUND:

The government worked under the premise that Public Services are not a privilege in civilized and democratic society rather they are a legitimate experience. Thus the meeting the basic needs of all citizens is one of the five key programs of the Governments Reconstruction and Development Program (RDP). The South African Cabinet decided in July 1999 to make the acceleration of the Public Services as one of its key priorities. Particular importance was given accelerating the service delivery to communities in the rural and far flung areas which needed greater access to quality services.

The Minister for the Public Service prioritized the development of service delivery and administration (DPSA). The guide lines empowered the managers to innovate service delivery. Service Delivery Innovation was taken as an optimum mix of flexible service delivery mechanism s and tools that can be strategically utilized to achieve Government's service delivery objectives either directly by Government or in collaboration with other sectors such as the private sector or the voluntary sector (NGOs).

The Social political transformation in South Africa necessitated new vision of creating a safe and secure environment for the people. Fundamental changes were required to achieve this vision. The Northern Province comprised of 89% rural area, the area is the poorest province in the area with a 46% unemployment rate. The province had 53% social crimes and most of the crimes were committed on women and children in the rural areas. The challenge was tackling these crimes with little or no policing. The general weakness of policing in the Northern Province are compounded in the deep rural environment by the geographic isolation and topography of many of these areas, a lack of infrastructure and the resources and capacity constraints of the Police and whom they want to serve. The Head of the Strategic Management of the Province, realized that traditional policing methods applied in the urbanized areas would not work in the rural areas. The Police stations were too far from the rural community and it was not possible for the population to rural communities.

INNOVATIVE STRATEGIES EMPLOYED:

"To do more with less":

Since the SA police were experiencing budget cutbacks, building new stations and recruiting new members was not possible. The challenge was "to **do more with less**". The Rural Mobile Community Safety Centre was established. This is a police station on wheels, which offers a long term realistic program intended to improve the quality of contact and thereby providing reassurance through a more visible and accessible Police presence within rural communities. Resource redistributions did not take the police to the rural areas nor were police stations reallocated or built near rural areas. Rather run down vehicles were modified to reach the distant parts, bringing justice rights to door step of the people.

Improving Police visibility:
The Rural Community Safety Centre provided a visible policing service to the most isolated and remote villages within the Northern Province. Officers providing the Mobile Services visited villages on a prearranged schedule to allow residents make known their problems whilst providing additional services such as crime prevention, victim empowerment, registering of case dockets in rape cases and making arrest for social crimes and other crimes.

Equal access to justice for all:
The Rural Mobile Community Safety Centre will takes policing to the people of remote villages thereby enhancing service delivery and restoring faith in the ability of the government to reach out to the most marginalized communities by providing Police services where it was needed the most. The Mobile Community Centers were designed specially to service the community that had been marginalized for so long.

Forging partnerships:
The Mobile community Safety Centres is devised specially to serve the community that has been marginalized for so long. The projects restore hope in the rural community that the government is reaching out to them and partnerships were formed with the Police Service to fight rural crime. The Chiefs of the villages were visited and consulted during each visit. Visit Registers were kept by the Chiefs themselves and the driers signed them on their daily visits.

The program was so successful that the when the time came to releasing the Mobile Units to the next village, the Chiefs were so jealous that they put request for extension.

LESSONS LEARNT:

• **There was a fundamental shift of culture** whereby the public servants saw themselves first and foremost as servants of the citizens of South Africa. The Public Service was managed with service to the public as its primary goal.

• **Community Ownership** is very important for the successful implementation of an innovation. The above stated program was owned not only by the chiefs and people of the participant villages but also by other neighboring villages who wanted to have a similar policing style.

SUSTAINABILITY AND TRANSFERABILITY:

- **The creativity and innovation** has resulted in interest from various quarters including the European Union which wants to implement the Mobile Stations in the Eastern Caoe through Donor Funding.

- Cost Effectiveness and efficiency of the project prompted visits and enquiries have also been received from all nine provinces for purposes of duplicating this service into their provinces

7. National Productivity Council, Malaysia

SUMMARY:

The Interactive e-Benchmark System is a database initiative developed in BOND to enhance the effectiveness of benchmarking services in NPC. It is a web-based tool to facilitate the process of benchmarking, documentation and effective communication among the benchmarking communities.

BACKGROUND:

Prior to the introduction of e-benchmark system, data collection was mainly done using postal questionnaires while data verification and validation were made via telephone and site-visits. Keying in of data, computation, ranking and benchmarking was done manually by research assistants using spread sheets. These processes were very time consuming, costly and subject to human errors. As a result, the benchmark report cannot be delivered effectively to the participating industries for immediate use in decision making. The interactive e-benchmark system was developed to eliminate all these problems.

To assist the industries achieve higher productivity and strengthen global competitiveness, the National Productivity Council embarked upon the promotion of benchmarking of best practices. An on-line and interactive e-benchmark system to speed up the data collection and computation of benchmarks was developed. The system allows industries to conveniently key-in data, compute indicators, rank performance and benchmark comparisons, all within a submission using Internet. Confidentiality of industry data was secured using password. BOND provides the industries with information on the benchmarking events and happenings, benchmarking processes, terms and definitions. The database in BOND is presented in terms of productivity statistics and benchmarks and categorized according to the industries, sector, processes and years of reference. It facilitates the sharing of industry best practices by displaying practices of past Award Winners, Best in Class, Case Studies and TQM best management practices.

INNOVATIVE STARTEGIES EMPLOYED:

Human Resources Management:
The NPC consultants were sent to leading benchmarking establishments such as the American Productivity and Quality Centre in USA and the Centre for Inter-firm Comparisons in the United Kingdom, to get attachment training. An Australian bench marking consultant was also commissioned to assist NPC in initiating benchmarking processes. This pool of benchmarking experts became the prime mover in the Malaysian Benchmarking Service (MBS).

Government Commitment:
The Malaysian Government allocated development funds in both the Seventh and the Eight Malaysia Plans, for NPC to promote benchmarking in private and public sectors.

The Third Outline Perspective Plan (OPP3) 2001-2010 strategies on the development of Malaysia's world class companies through benchmarking with international best practices, promoting a culture of excellence and enhancing productivity. NPC had to provide an online-database to benchmark productivity in the manufacturing and agricultural sectors to extend such services to other sectors.

Effective use of ICT:
In the age of ICT application and internet, speed is the competitive edge. Innovation and creativity are needed to adapt to more efficient ways of data collection and of being able to obtain instant results and to use the facts to make efficient and better decisions. The interactive e-benchmarking System is a data base- initiative developed in the Benchmarking On-line Networking Database (BOND).To enhance the effectiveness and efficiency of the benchmarking process, NPC developed the interactive e-benchmark system. As a web-based tool, e-benchmark system was able to expedite CoP formation, data Collection and management of database for real time comparisons.

Enhancing Service Delivery:
To bring about continuous improvement in public sector service delivery, the Malaysian Administration Modernization and Management Planning Unit (MAMPU) of the Prime Minister's Department issued a Development Administration Circular "Guideline on Implementing Benchmarking in the Public Service" which outlined the importance of benchmarking for Malaysian public sector. It became the main driver of benchmarking activities in the public agencies and the local governments.

Disseminating of knowledge:
NPC spearheads the promotion of benchmarking of best practices among public and private sectors using various approaches such as training, system development, seminars, best practices forum, case studies, surveys, study missions and networking, both locally and internationally. The sharing of knowledge and best practices was further enhanced to a wider outreach by using BOND, e-benchmark, posters and publications.

SUSTAINABILTY AND TRANSFERABILITY:

- To ensure sustainability, NPC **continuously conducts system maintenance** and upgrading of the BOND. This includes the expansion of its facilities and services such as e-benchmark system, the BP Net, the public sector web page and the HR suite.
- In creating greater relevancy to the industries, NPC **continues to update** and upgrade the contents, statistics, cases and features, be it in BOND or the physical publications on benchmarking such as the half yearly issues of BP Digest, series on Case Studies, articles and posters.
- In **raising interest and influencing major** decisions makers, NPC actively promotes benchmarking in seminars, BP Forum, workshops, dialogues, training and occasional papers for the public and private sector.
- In **transferring best practices** o the public sector, NPC works closely with the stakeholders such as the Ministry of International Trade and Industry Malaysia (MITI), Malaysian Administration Modernization and Management Planning Unit

(MAMPU) of the Prime Minister's Department, National Institute of Public Administration (INTAN), local governments and public agencies. These include joint-efforts in training, promotion, system development and assessment of projects.

- NPC **actively collaborates with leading** trade and services associations at national and international levels such as the Federation of Malaysian Manufactures, Private Hospitals, Automotive Manufactures Association.

- At **the international level**, NPC collaborates with APO member countries and also Taiwan, Singapore, Thailand, China, Korea, Philippines and India in establishing benchmarking database in the region. NPC is the lead agency in this project.

LESSONS LEARNT:

- ICT is an enabler in increasing productivity, strengthening global competitiveness and achieving Malaysian companies with world class best practices. Introducing ICT in the NPC Benchmarking Model has enhanced the effectiveness of the benchmarking processes.

- Interactive e-benchmark system in benchmarking helps the companies meet the requirements of globally competitive industries. It lived up to the participating CoP member companies and resulted in an increase in number of participating CoP members in the benchmarking programs.

- E-benchmarking system has helped save time and enabled the NPC to focus benchmarking activities in other prioritized areas both locally and internationally.

8. Online Application System for Integrated Services (OASIS), Singapore

SUMMARY:

OASIS reinvents the current processes and mindsets to develop customer-centric solutions for businesses to complete their transactions with the government in a hassle free manner.

BACKGROUND:

The OASIS project provides an opportune platform to purge bureaucratic inefficiencies within government agencies. It is a unique effort in the application of Infocomm Technology to foster a pro-enterprise environment for business in Singapore and encompasses the Singapore's government vision of **"Many Agencies, One Government".**

Entrepreneurs often have limited knowledge of the licenses required to start a business. The process of visiting various agencies and filling in forms was not only cumbersome and time consuming but also the incumbents faced red tape of bureaucracy. Many of the difficulties faced by the businesses were a result of individual agency silos. Due to the lack of a common platform and infrastructure, agencies lacked an effective channel for effective communication and coordination.

The OASIS project was initiated to create a common platform to establish greater collaboration among agencies for the application of business licenses, as well as a customer-centric portal of choice for users to interact and transact with the Government to acquire licenses. The Ministry of Finance, the Ministry of Trade and Industry and more than 30 government agencies collaborated to present a more united and coherent front to the businesses.

INNOVATIVE STRATEGIES USED:

Review of Licensing Policies:
A comprehensive review of the existing Government policies was done to re-engineer the process. Regulatory assumptions were challenged to reduce red tape that were a regulatory drag on business. Only when the processes had been sufficiently streamlined that they were considered suitable for transferring the implementation of procuring the license online. After the re-engineering process, the average processing time for licenses was reduced from 3 weeks to 12.5 days. Coupled with the revised fees structure, savings accrued to business exceed $ 1.8 million per year.

Effective Use of ICT:
The effective and innovative use of technology enabled agencies to perform backend verifications and tap on central databases to share information across agencies

eliminating the need for repeated requests of the same information from business by different agencies.

One Stop Shop:
Online Business Licensing Service, an online portal allowed the user to search for licenses by selecting the appropriate business activity. If the user applied for more than one license in one sitting, the system generated a single integrated application form. The system then "intelligently" routed such information to various agencies. Applicants could pay for all the license or processing fees in one consolidated payment via online credit and debit payments. Concurrent processing of different licenses reduced the time for the applicant to receive all the required approvals saving a lot of time. Once an application had been approved, the email and SMS alerted the applicant of the change in status.

LESSONS LEARNT:

- **Harnessing Infocomm technology as a competitive advantage:** Singapore lacks lots of natural resources and IT was used to attain competitive advantage. Strategic learning was used to reinvent public services around its customers, catalyzing the removal of inefficiencies as well as organizational review within the government.
- **Consultative process is an imperative** to secure buy in and commitment from agencies. The specific concerns and needs of different agencies has to be recognized and managed. Consultations and meetings helped in understanding the requirements of different agencies. Commitments from senior mangers in the start helped a smoother implementation.
- **It is important to have a mechanism to refer to unresolved matters to higher authorities.** In cases where problems or issues could not be resolved at the working level, the issue was escalated to committees chaired by senior civil service leaders.
- **Commitment of stakeholders is the key for successful implementation.:**
(a) Dedication from the team to drive changes
(b) Participation from Government agencies who understand the value proposition of the project.
(c) Support from public users with their feedback and suggestions.

SUSTAINABILITY AND TRANSFERABILITY:

- The cost of delivering the e-service has to be economical for the project to continue to be viable. By coming onboard a central system, agencies reaped significant economies of scale instead of having to develop their own individual systems.
- Benefits by themselves are not enough to ensure sustainability; e-service is sustainable if the two key stakeholders Public users and Government support the initiative. Public users want to complete their transactions with the government as quickly without being harassed by compliance costs. The OBLS minimizes the number of interactions with the government, allowing the businesses to focus their energy and time on running the business and ensuring profit.

- The benefits accrued from the project form a strong value proposition to obtain endorsement and support from the senior management.
- 8,000 businesses have benefited from the OBLS project by applying for their licenses online via OBLS. 87% of the feedback received has been positive.

9. Australian Public Service Commission – Australia

SUMMARY:

The Australian Public Service Commission reinforced the devolution of authority brought about by previous administrations and emphasized the importance of accountability, capacity building and promotion of excellence in the Public Sector.

BACKGROUND:

The Australian Government has been involved with a "major reconceptualisation of the role of government". The New Public Management Theory has been a guiding principle in helping the government to reinvent itself in the light of pressures exerted by the rapid pace of technological advances and the resulting economical, social and political impacts. National institutions need to be agile, flexible and innovative to accommodate the changes.

The Australian Public Service Commission took a leading role in a range of supportive initiatives to create a public service system that is robust and sustainable. In 1996, the Federal Government charged the Commission with driving the modernization of a public service employment framework that could engender Public confidence in public service administration without the disadvantages of prescriptive central controls. After an extensive review, in 1999, the Public Service Act was developed and implemented by the Commission, which provided for increased devolution and flexibility to APS agencies, balanced by accountability within a clearly defined set of shared APS Values and a Code of Conduct for all APS employees.

INNOVATIVE STARTEGIES EMPLOYED:

Decentralization:
The Public Service Act reinforced the devolution of authority brought about by previous financial and personnel management reforms to provide the flexibility and agility needed for a strongly performing public service, while providing stronger accountability and ensuring continued professionalism and enhanced capability. Each agency in the Australian Public Service got the powers of employer and all were encouraged to align their staffing, their performance management systems and service delivery arrangements to maximize their effectiveness against their business objectives set by the elected government. They were made accountable through their Ministers to the Parliament for their performance.

Building Leadership Capability:
The commission focused on improving leadership capability as a way of managing the rapidly changing external environment and increased complexity, and to provide public confidence in the APS. A Senior Executive Leadership Capability (SELC) framework was established to identify the development needs of the feeder group for the most senior leadership positions. Five capability areas were identified as critical success factors in

terms of skills, capabilities and attitudes necessary fro performance in APS leadership roles. The five areas were:

- Shaping strategic thinking
- Achieving results
- Cultivating productive working relationships
- Exemplifying personal drive and integrity
- Communicating with influence

Further more a Career Development Assessment Centre (CDAC) was established as a diagnostic tool to identify the development needs of the feeder group for the most senior leadership positions. It uses the SELC framework in assessing participant performance through a series of formal scenario activities, and in supporting 360 degree feedback. It has become an important part of the succession planning in the APS.

Human Resource Capability Model:
A Human Resource Capability Model was developed to enhance the skills of APS human resource employee and improve HR outcomes for individual agencies. To be used for:

- HR people to focus on their development needs;
- Agencies to help in defining the skills required when looking for HR people;
- Agency heads and line mangers to see the contribution that HR people can make to business

International Collaboration:
Australia and New Zealand School of Government (ANZSOG) was created with collaboration between five governments (Australia, New Zealand and three Australian states) to provide world-class education and training to merging public sector leaders.

Encouraging improved Service Delivery:
Service Charter Awards were initiated that recognize and encourage high standards of service to the public by agencies. APS agencies which provide services are required to implement a service charter. The Client Service Charter Principles require, inter alia, client service standards and complaints and feedback mechanisms in all service charters. The principles also focused on monitoring and reporting performance against client service standards, and recognizing the needs of diverse client groups.

Testing of Values based management framework:
The operation and practice of the values based management framework was tested in 2002 with the aim of preparing a good practice guide for service use. A guide was launched " *Embedding the APS Values"* which promotes the values of APS. The APS Values Framework consists of three supporting elements: commitment, management, assurance. The guide draws on international as well as local experience along with case studies. A separate guide covering a wide range of aspects of official conduct, and related legal provisions and precedents has been published.

Evaluating the state of the APS:

The *State of the Service Report* was used as a tool to strengthen the evaluation strategy . the employee survey provided a reality check against the perspectives of mangers . The Commission's strategy was centered around practical products and guidance for improvement across the APS in: leadership capability and succession management, performance management, learning development, work force planning, human resource capability.

SUSTAINABILITY AND TRANSFERABILITY:

- The model is balanced by a framework of accountability mechanisms, including the Public Service commissioner's State of the Service report to parliament. Research for this report indicates that the APS values are well entrenched and staff has a reasonable level of understanding in relation to their own roles and responsibilities.
- The Commission takes an active role in building the capacity of the APS for the future, working closely with other agencies across the full range of public service reforms. The Commissions focus on encouraging, facilitating and supporting APS agencies is accompanied by an equally strong focus on evaluation to give assurance that the APS performs effectively and consistently with the APS values.
- The APS has attracted a high degree of interest in the broad management framework and specific interest in the work on values, leadership and HR capability. The commission has given briefings to public staff from the USA, the UK, Japan, Ireland, South Africa and various countries from Asia and the Pacific.
- Presentations on the new public service employment framework, the APS Values and leadership have been featured at meetings of the Commonwealth Association fro Public Administration and Management, at leadership forum in Hong Kong, and the UN's Fifth Global Forum on Reinventing Government in Mexico City.

LESSONS LEARNT:

- Effective implementation of a values-based framework provides the flexibility needed for public services agencies to implement their different business tasks and respond quickly to changing circumstances without compromising public confidence in the standards of conduct of public servants.
- Effective embedding of values into public service agencies requires an integrated approach and active promotion of values in a practical way.
- Leadership is essential to the success of reform and continued confidence in the professionalism of the public service.
- The public service needs to be agile, flexible and innovative but also resilient, to continue to perform its functions effectively.

10. Patents and Registration Office, Zambia

SUMMARY:

The Zambian Patents and Companies Registration Office has successfully achieved a self sustaining financial autonomy and has utilized this autonomy to transform into a revenue generating institution driven by customer satisfaction and improvement in the quality of service delivery.

BACKGROUND:

The PCRO is responsible for managing the country's system of protection of industrial property and registration of enterprises under the Companies Act and Registration of Business Names. In 1995 the department was directed by the Cabinet to raise its own financial resources to fund its entire budget without any dependence on the central treasury and to upgrade the quality of its service delivery.

Since there was no past precedent for this kind of transition, Management consultants were hired to make a visibility study of the project and they recommended that commercialization was the best option. The mandate to commercialize was given by the Government on the condition that once the department ceded from the Zambia Civil Service , it would no longer expect any funding from the Government. Rather the department had to completely fund its own budget and after three fiscal years enter into an arrangement with the central treasury and would be required to pay revenue to the treasury based on a defined percent of the entity's annual income budget. The government linkage of the directive for commercialization to the required necessary capability for the department's self-financing underscored the high profile in which proper management of the department's financial resources was held.

INNOVATIVE STRATEGIES EMPLOYED:

Simplification of the process:
Previously an investor required to prepare articles of association along with the application form for incorporation into a company. The Companies Act 1994 significantly simplified the system for incorporation of entities. So despite the tremendous increase in the customer value per day since the privatization of economy began, there were was a comparatively improved across- the counter service which was quicker than before. Two days was the longest period recorded by which the office expected to delay any application in a queue if there was no complications in the application submitted.

Human Resource Management:
The staff had to be trained to adjust to the demands of a work culture oriented towards profit generation in a commercial market as compared to the purely service oriented approach of the civil service. All personnel underwent induction and security seminars. A

compilation of job specifications for all positions was done that was exceedingly helpful not only for management but also for the staff concerned in developing a clear understanding of any position's job description. As the staff no longer worked on civil service conditions, a code of conditions of service and grievance procedure was written. Staff training was sponsored in the first phase by the World Bank Financial and Legal Management Upgrading Project (FILMUP).

Effective use of ICT:
Service delivery was further enhanced by harnessing ICT. Computerization of the register was funded by the technical assistance of the Government of Royal Kingdom of Norway through NORAD. The electronic database enables the office of a faster retrieval of information for both the use of the office and its many customers.

Adapting to Knowledge Society:
Information was disseminated effectively through the disclosure of patents, trade marks and industrial design data in the Zambia patent and Trade marks Journal. The Journal's format was changed to meet specific technical standards for disclosure of industrial property information. These standards are governed by the World Intellectual Property Organization (WIPO).

Self Reliance:
Acquisition of the organization's own office block saved the organization over US $ 80,000 per year which it gave as rent. For a small organization with no financial assistance from the Central Treasury, this saving released an enormous resource fro meeting other needs of the organization.

SUSTAINABILITY AND TRANSFERABILITY:

- The successful commercialization of the PCRO has been an outstanding success and is being replicated in 17 other government departments that also had been given the mandate to commercialize. For instance the Weights and Measures Department, within the same Ministry was granted approval for commercialization in the PCRO pattern.
- Buoyed by the success of the PCRO, the Government contracted management consultants to analyze the achievements and challenges faced by the commercialization process of departments like the PCRO.

LESSONS LEARNT:

- Decentralization helped the department run in a more efficient manner. Moreover the granting of a limited autonomy upgraded and enhance the quality of service delivery to the clientele.

- Granting of financial autonomy gave the department control over its financial requirements. Under the parent funding, funding was very difficult to acquire even for essential operations resulting in a lax service delivery system.

11. Ministry of Civil Service and Administrative Reform – The Aquarium Project of Sigipes, Cameroon

SUMMARY

To enable public service clients to obtain general information without disturbing the work of the staff, Cameroon Ministry of Civil service and Administration Reform (MINFORPA) has launched the project AQUARIUM of SIGIPES. This innovation has not only simplified the process of treating personnel cases, but also promoted transparency and minimized the incidence of corruption in the public service.

BACKGROUND

In 1999, the Government of Cameroon undertook an in-depth assessment of its public administration and public service system. Faced with three kinds of problems: problems related to administrative system of employees, specific problems of payment system and problem of the personnel development as human resources, the Government decided to launch in 2000 a project of de-concentration of State personnel management.

The project which is part of the overall reform of Cameroon's public administration is aimed at modernizing the civil service in order to gain more flexibility, accountability and transparency. Therefore, strategic choices of intervention were based on four logics: 1) the logic of efficiency and results according to expectations of public service users; 2) the logic of good governance of public service; 3) the logic of responsibility and imputability of civil servants; and 4) the logic of rationalizing the organizations and managing the employees.

To this end, the formulation "de-concentration of Civil Servants management" adopted for Cameroon is based on two principles: 1) Ministry that employs civil servant is to manage his career; and 2) the one that pays is to manage his salary. There are two steps adopted to indicate these principles on new organizational models; the organizational step and the information step.

- At organizational level, the reform is aimed at redistribution of competencies of Human resource Management (GRH), expressed through granting new competencies and reorganizing Ministries in Human Resource Management issue and developing new procedures for Human resource Management;
- At information level, it has to be information support to reform that is realized through operation of Information System of Integrated Management of Civil Servants and Payments (SIGIPES).

The project of de-concentration of civil service management has this application as information technology support to the planned reform as a "one bureau".

INNOVATIVE STRATEGIES INVOLVED

In order to complete SIGIPES and to avoid overflowing in managing the civil servants careers, the Ministry of Civil Service and Administrative Reform (MINFORPA) has launched the AQUARIUM project, applied by SIGIPES.

AQUARIUM of SIGIPES is an electronic space (physically symbolized by public room) where SIGIPES makes available (locally or from distance) certain information for clients, those they look for regarding their profession, payments and circulation of their administrative files.

The idea of AQUARIUM applied in SIGIPES symbolizes the combination of information culture and information technology and communication of users/clients of civil services, as they have agreed to follow the changes in their careers without disturbing employees.

Effective use of ICT

SIGIPES is a working tool for employees in a certain place. On the contrary, AQUARIUM has been created to help clients get public information faster and information on their profession and payments, regardless of the place form which they search for them (on the very spot or from distance; form Cameroon or abroad). From this perspective, users of AQUARIUM are those who can interact with the system to get the information they are looking for, to use them in as many situations as they need, or to get copies of their administrative acts.

AQUARIUM operates as a down-top architecture. One copy of data used by SIGIPES is accomplished at the end of the day in every Ministry's department, to serve as an entry database in AQUARIUM. According to the concept, SIGIPES data are regrouped following three principles: data on profession and payments of the petitioning client; on the circulation of their files and those aimed at general public, like the vacancy notices.

LESSONS LEARNT

- Performance of AQUARIUM proves that in the delivery of available information to clients, a more **responsible attitude** has started to be shown, notably for those who need to constantly look in the data on their status and files. At the same time, it has reduced the possibilities for corruption.

- The level of implications for clients is therefore enhanced. On the other hand, employees concentrate more on their daily work (processing documents with SIGIPES) without improper approach to clients' data.

- It is no longer necessary to have actual presence of a client before dealing with his/her file. A minimum degree of transparency has thus emerged form this innovation.

SUSTAINABILITY AND TRANSFERABILITY

In the framework of the reform to de-concentrate the management of human resources of the Cameroon state, 4 pilot Ministries benefited the deployment of SIGIPES. Since then, the system is currently expanding at each administrative level of the country.

12. Application of Information and Communication Technology in Governments: E-GOVERNMENT - Unidad de Gobierno Electrónico y Política de Tecnologías de la Información (UGEPTI)

SUMMARY

E-government strategies play an important role in the process of government innovation. They aim at: 1) fulfilling social needs focused on the citizens; 2) making government a competitive entity; 3) improving relations with citizens and private sector; 4) enabling implementation of good governance principles.

Portal of Federal Government:
It provides information to citizens on services and administrative proceedings. The information is organized by topics, based on the needs of the population.

Achievements: A total of 7,200 Digital Community Centers make possible that 40% of the Mexican population.

The most used electronic services are:
1)   IMSS, which integrates the main productive sectors of the country to private enterprises and public sector institutions, benefiting 28,000 medium and small enterprises.
2)   CHAMBANET, a modern tool for employment links

Some important points about the Portal:
*Users obtain information in less than 2 minutes with the portal;
* The initiative has made possible the improvement in efficiency, quality and access to public services;
* Almost 70% in savings in purchase of paper and other office supplies;
* Transparency, accountability is encouraged, through digital for a and e-surveys
* Client satisfaction: 70%

Platform for Government E-Services:
Aims at creating technological infrastructure for the development of governmental e-services through: a) a reference framework containing guidelines for development and diffusion of e-services; b) the utilization of web service standards, etc.

The platform enables interoperability of services among all government institutions, representing savings for directorates. This is evident in the efficiency, quality of services and greater access to public services.

Compranet:
Tool to make government purchases and institutional contracts more transparent by presenting biddings and other information online.

Sistema de Solicitudes de Información:
An effort made to ensure citizens access to information regarding the State.

Federal Network for Citizen Service:
A tool for the creation of public policies by means of citizen participation in order to make citizens trust government and to provide them a better service.

Technological tools of citizen participation to detect and compile solutions from the point of view of citizens.

Portal Campus:
Professionalizes all public servants in Mexico by means of state of the art education technology. Public servants have access to training programmes. The result: improvement, efficiency and quality in the provision of services.

Registro Unico de Personas Acreditadas
A registration enables users to perform administrative procedures by using a unique identification number. This initiative has reduced costs of staff and others. The impact of this initiative can be observed in the efficiency, quality and better access to public services.

LESSONS LEARNT
-        Reduction of costs;
-        Provision of more valuable service for citizens;
-        E-government is a tool that can recover trust from citizens in their government, increase citizen participation, etc;

SUSTAINABILITY AND TRANSFERABILITY

The initiatives and projects under Digital Government can be maintained, spread and transferred through the following actions:
1)   Since they are part of a strategy of Digital Government for government innovation they will be maintained in the long run. They are not isolated actions that may get lost in time. Likewise, the support from government and their presence in the Presidential Agenda will enable their development and existence in the long run;
2)   Through commitment by the E-government Network, projects and initiatives rely on sources for finance;
3)   Continuous feedback on the needs of users of government services online;
4)   Initiatives and projects take into account international best-practices, making them useful for other contexts and scopes;
5)   Governance and intergovernmental patterns and strategies are followed in order to spread Digital Government strategies;
6)   Projects and initiatives are based on technology using international standards.

13. *The Ministry of State for Administrative Development of Egypt: Improvement of Public Services*

SUMMARY

Continuous efforts by the Ministry of State for Administrative Development have improved service delivery, and in particular facilitated the access for citizens to obtain services through the use of Information and Communication Technologies (ICTs).

BACKGROUND

The objective of the Ministry of State for Administrative Development (MSAD), established in 1976, is to enhance and increase the efficiency of government by adopting new techniques and mechanisms in order to serve citizens better and more efficiently.

Offering a wide range of services to citizens, businesses, expatriate residents and investors, the government continuously faces a challenge in delivering services in an efficient manner. Yet citizens have at times experienced having to queue for hours during working days at government offices to pay taxes and fines or to obtain documents, such as driving licenses or birth certificates. Information on how and where to find rules and regulations has often been hard to find out, and it has often involved making inquiries at several different ministries or government agencies.

Since the first plan of modernizing and developing comprehensive government services in 1997-1998 efforts have specifically been taken to simplify and bundle the procedures for services provided to customers by introducing new technologies, such as voice mail service by telephone, automatized fax services and using the internet for requests.

Depending on whether you are within or outside greater Cairo, or even an expatriate, three different service-numbers are provided to request services or make inquires. This system also applies when requesting various application forms which the citizen can then have sent directly by an automatized fax service.

The website of the Ministry of State for Administrative Development furthermore offers assorted government services which can be requested. Accessing through the appropriate government body, the government service or an individual search, citizens are able to obtain the desired service. This service has since been greatly extended by the government E-Government Portal.

In addition to the utilization of new technologies, MASSD has implemented a number of policies in order to solve unemployment problems and achieve administrative reform by self-financing methods without burdening the state budget.

INNOVATIVE STRATEGIES INVOLVED

Improving services focused on three basic aspects:

- Integrating required papers and documents from citizens and eliminating duplication;
- Specifying the fees allowed by laws and regulations, thereby only requesting the minimum rate and ensuring that this will be the case throughout the country;
- Indicating the time to obtain any service stipulated by law.

In order to achieve these steps it was necessary to unify rules and requirements regarding services delivered, which was done by preparing forms for each service. The citizen now seeking a service receives a receipt indicating all the requirements needed to obtain this service, the time frame and agencies receiving potential complaints.

LESSONS LEARNT:

- Integrating government services into a single point increases the **responsiveness of the government** thus saving citizens time by providing more efficient services.
- Automating a range of basic services, such as obtaining birth certificates, diminishes the **potential for petty corruption** between the citizen and government employee.

SUSTAINABILITY AND TRANSFERABILITY

- The Ministry of State for Administrative Development has since further developed the online presence of government services. Through a continuous commitment to innovation and improvement of public services, the Ministry recently launched the country's integrated E-Government Portal for online services in January 2004. The initiative, which, is expected to save up to 900,000 working hours a year according to the Suez Canal University, was developed in collaboration with the Ministry of Communication and Information Technology.

- The bilingual portal 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.

14. Call Centre 1502, Greece

SUMMARY

By establishing the 1502 Call Centre, requesting government certificates was simplified for citizens by integrating services into a "one-call shop". With physical presence no longer needed, disabled, elderly and other marginalized groups are no longer disadvantaged in obtaining certificates.

BACKGROUND

The 1502 Call Center, which gives citizens the opportunity to submit applications to authorities over the phone, 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 the five most frequently requested certificates, however that number has later increased to 21. The four certificates most predominantly asked for are: criminal/police records (30%), recruitment status (15%), birth, death, marriage and family status (10%) and passports (5-8%).

The telephone request is received by a special service of the National Telecommunication Agency (OTE) where operators provide information regarding available services and current procedures. Standardized electronic forms are used to fill in the applicants data, which is immediately transmitted on-line and through fax to the competent agency. The agency then issues the document and sends it to the postal address of the citizen by registered mail. In the case of passports, various documents are required which the citizen needs to provide to the competent service.

The agencies are obliged to take swift action within a specific time limit. If the stipulated service-deadline is not met users may appeal to a special Commission of the relevant Region or the Ministry of Interior, Public Administration and Decentralization for compensation.

The Ministry has made special arrangements with OTE and the Postal Services in order for the prices of the services to be affordable for the public at large. The telephone call costs €2.20 and the letter is €2.

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

INNOVATIVE STRATEGIES INVOLVED

Integrating services for the benefit of citizens
Instead of letting back-office operations be decisive of where to obtain services, these operations have been pulled together into a single point of entry for requesting specific services using the 1502 Call Centre. Rather than moving citizens around, forms are now electronically and by fax being moved.

Access for all
The 1502 Call Center is unique in the sense that the barriers for users (i.e. citizens) are confined to access to a telephone which makes the penetration rate of the initiative extremely high. In particular, the 1502 Call Center offers services that were previously not attainable by, for instance, disabled, elderly and people in remote areas considering that physical presence was previously required for obtaining various documents.

Partnerships with state-owned enterprises
A special service was established by OTE taking advantage of existing knowledge and experience with telecommunications in order to receive calls. Also, special agreements with OTE and the Postal Services have made provisions to eliminate prohibitive costs for citizens with limited financial resources in obtaining certificates through the 1502 Call Centre.

LESSONS LEARNT:

The 1502 Call Centre increases the responsiveness of the public administration to the needs of the citizens because it offers the opportunity for citizens to express directly their demands to an official agency. Already providing a range of services, the next step was how to improve the delivery of those services.

The Call Centre use a citizen-centred approach emphasizing timeliness and facilitating user-friendly access to public administration, which in addition contributes to reducing the red tape in public agencies. Satisfaction surveys show that bringing services closer to the citizens are highly valued by users.

SUSTAINABILITY AND TRANSFERABILITY

The 1502 Call Centre has experienced a tremendous growth in scope and scale since it was initially launched in 1998. From providing five different documents in the beginning the service now provides more than 20 different certificates while 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% are satisfied with the delivery time;
- 94% received timely the requested documents;
- 88% expressed an overall satisfaction with the operation of the system;
- 95% expressed the great usefulness of the initiative;
- 98% expressed the intention to use the system again;

In 2004, however, a new law (Law 3242/04) was introduced with the aim to further simplify administrative procedures. The law provides for the pursuit of a number of official documents within public agencies without citizens needing to take action. For example, a citizen hired in the public sector will no longer have to procure a criminal record in order to document his or her status. Instead, the employers would have to conduct these inquiries on their own. So far, 26 certificates are included in this procedure with the primary documents requested through the 1502 Call Centre also included. This may gradually diminish the popularity

15. The Local Council of Alcobendas: ITACA Project

SUMMARY

The 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 Information and Communication Technologies (ICTs).

BACKGROUND

The municipality of Alcobendas is part of the Autonomous Community of Madrid, Spain. With a little more than 100,000 inhabitants and almost 1,200 employees in the public services, the local council in 1995 commenced a strategic plan for the modernization of the municipality.

In 1997, the initial stages of Información, Tramitación y Atención Ciudadana en Alcobendas or Information, Transaction and Citizen's Attention of Alcodendas (ITACA) was drawn up, and in 1999 the Project was formally launched. The second stage of the ITACA followed shortly after and was launched in 2003 as part of the Municipal Action Plan (PAM)

The aim of the Project 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 entities. The first stage of the Project focused on three basic services: The Alcobendas Card, interactive internet and integrated information service for the citizens (SAC). So far, a major part has been played by the development of the card, marketed as the "The Local Council in your pocket". It provides a free-of-charge form of personalized identification, information and interaction with fellow citizens and other users. The card serves as a gradual substitution for different local ID cards, drawing all services together into one card.

Furthermore, the card provides universal access to ICTs at the recently established self-service point. Here, the interactive webportal of the municipality is one option that offers different services, such as a guide to living in the municipality, customer service, information on services offered by and proceedings of the municipality in real time (INFOCIUDAD), and local media sources and associations. In 2004, more than 16,000 Alcobendas Cards had been handed out and in November 2004, 16 self-service and administration points had been established.

The number of people that visited the Internet Information Service increased almost ten-fold from about 27,000 in 2000 to approximately 267,000 in 2003. In the same period of time, actual attention was provided in close to 125,000 cases in 2002 compared to roughly 85,000 in 2000, while the use of telephone information service more than tripled from about 24,500 in 2000 to almost 88,000 in 2003. A user satisfaction study in 2003 by

the Research Department revealed that the overall rating of the local council scored close to 8.7 out of 10, with particularly indicators related to the behaviour of the staff scoring well above the overall rating.

In sum, the municipality has been made more accessible through a host of integrated services that include decentralized offices, self-service points, citizen cards, the telephone service 010, universal internet access, and extended opening hours. These initiatives have improved waiting time for citizens to an average of four minutes if personal attention is required.

INNOVATIVE STRATEGIES INVOLVED

- *Alcobendas card*
- *Webportal*
- *Integrated information service for the citizens (SAC)*

LESSONS LEARNT:

- In order to accommodate the expectations and demands of the citizens new software had to be adapted and various application had to be programmed.
- The project was made possible by the civil servants and public employees of the Local Council.
- Relationship with management and joint ventures is very important.

SUSTAINABILITY AND TRANSFERABILITY

New development within the framework of ITACA includes, inter alia, extending the services to professionals and companies; new systems of payment; text messaging to mobile phones; a new multiportal platform; enhanced functions of the Alcobendas Card, and teleconsultation and participation.

Other local councils and regional administration have adapted elements of the approach employed by the municipality of Alcobendas.

The municipality of Alcobendas is committed to further improving ITACA. With the two first stages of ITACA successfully completed, a third stage is envisaged for the period of 2004-2007. Future challenges include

16. Community of Castile and Leon: Modernization Program

SUMMARY

The decentralization of employment services from the National Institute of Employment to the Autonomous Community of Castile and Leon engaged the Community to strive for full employment. A Modernization Program introduced new services and revised 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 Program 2004 was launched to facilitate the regional Public Employment Service (ECYL) in achieving full employment while at the same time providing an opportunity for Castilians and Leonese to continuously live and work in the region.

The Autonomous Community of Castile and Lean, the geographically largest region in Europe with almost 2.5 million inhabitants, is now serviced by ECYL which is responsible for carrying out activities which promote employment, offer employment training, provide 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 where human resources would be the principal engine for involving citizens.

The new vision of ECYL established holistic approach to service delivery in which the so-called Service Life Cycle (SLC) became paramount. The SLC is composed of 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, integration of smaller employment offices in rural areas, etc.

ECYL's Modernization Program of 2004 has succeeded in formalizing new methods and services, increasing user satisfaction, improving results in labor insertion, providing new communication tools and technologies and deploying them around the Autonomous Community.

INNOVATIVE STRATEGIES INVOLVED

Adapting a comprehensive approach:
In developing the design, deployment and assessment of the Modernization Program the management team used a methodology called RADAR from the EFQM Excellence Model developed by the European Foundation for Quality Management (EFQM). The

team utilized this method to facilitate the analysis and continuous follow-up of the planned actions which comprised the SCL. As part of the RADAR methodology, extensive assessments and reviews were conducted, thus documenting achievements and developing a body of best practices used as a foundation for the planned reform in 2005.

The direct participation of the technical personnel of ECYL in the Program's design together with the ideas from interest groups, especially the social and economic entities, allowed the management team to respond to societal demands.

Customized information for matching demand and supply:
A number of actions mapped out by the RADAR methodology focused on the importance of personal attention as a mean to appropriately match demand and supply. People who attended ECYL for the first time were provided with immediate and personalized treatment with the aim of learning the specific characteristics of the job seeker. Also, emphasis was put on identifying specific groups that had been away from the labour market for a longer period of time in order to target their needs. Finally, efforts were made to provide the job seeker with more detailed information about available job profiles thus guaranteeing the job supplier and adequate candidate for the job.

LESSONS LEARNT:

A number of factors were identified as critical for the successful implementation of the Modernization Program of 2004:

• The assimilation of existing employees and the Modernization Team, consisting of 83 technicians and 20 administrative assistants, through the creation of a culture of team work was imperative to the success of the Program.

• The integration of Information and Communication Technologies (ICTs) through a technological platform (www.empleocastillayleon.com) enhanced the efficient use of resources in the Community; an area larger than neighboring Portugal.

• Active employment management adapted to the characteristics of each group, especially those that are socially less favored, via collaboration with other institutions that will allow for the optimization of available resources. This improvement in inter-institutional coordination makes the society better prepared for future employment regulations.

• An agile, dynamic attention to the demand and supply identified during the first few weeks will increase the results of labor insertion. The personalized service, via validation of the profile demanded when choosing a position, allows for minimal resource needs which increment the possibilities of success in labor insertion.

• Standardization via documented procedures of best practices identified, taking advantage of the new technologies, allowing for an efficient deployment in a large number of Employment Offices all of which were deployed by the second largest community in Europe.

SUSTAINABILITY AND TRANSFERABILITY

- ECYL used **best practices** for executing their project and later documented these as methodologies, clearly describing the results obtained and lessons learned which enormously facilitated their deployment to other entities.

- The Modernization Program was extended until the end of 2005 incorporating identified improvements in the actions from 2004, and continuing with the principal vehicle, the Modernization Team. For the continuation of this project a budget of almost €4 million was approved.

- In order to continuously improve the regional Public Employment Service and share experiences, ECYL maintains contact with other Spanish Public Employment Services and uses benchmarking tools with the aim of identifying best practices.

- All of the implemented initiatives of the Modernization Program may be deployed in any national or international employment office depending on the priorities established: improving capacity of labor insertion, promoting corporate culture, reinforcing equal opportunities between men and women, etc.

17. The Public Administration Department for Efficiency in the Administrations-Italy

SUMMARY

Undergoing a transition from "regulator" to that of "facilitator", the Public Administration Department for Efficiency in the Administrations has reinvented itself as a nexus for public and private partnerships promoting innovation and improving management practices.

BACKGROUND

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

This approach yielded results as seen with reforms of the past decade, yet changes in the institutional and administrative system increased the demand for additional reform. Over the years, the EU, for instance, has assumed several important functions and others has been transferred from the State to the Regions and Local Bodies while at the same time the call for improving the conditions of the private sector and the market was growing. This eventually lead to the progressive transformation of PADEA into 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.

Today, PADEA is committed to promoting and planning modernization processes in public administrations through consensual methods such as agreements and understandings, based on the participation of administrations concerned. The objective is for innovation of the administrative system to become a shared goal amongst stakeholders rather than rules imposed from in a top-down fashion.

INNOVATIVE STRATEGIES INVOLVED

PADEA has sponsored three different projects aimed to create a network of operators who actively collaborate for the improvement of public administration and services through the comparison and exchange of good practices and to favour the adoption of new management techniques within public administration which are also used in the private sector:

- The *Quality and Efficiency Project* is a plan of collaboration with major business organizations for the establishment of working groups in order to promote efficiency and

quality in public administration. One working group, for example, is involved with analyzing how to externalize and contract out functions and services.

• The *Governance Project* is aimed towards initiating agreements between Ministries, Regions and Local Bodies in order to plan and implement systems that facilitate effective public administration. An *Observatory* has been established in order 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 which may be experimented in certain administrations.

• The *Cantieri Project* provides coordinated central government support for innovation in the public sector. It encourages and assists innovation in administration in Regions, Local Bodies and other public organizations. For instance, a tool of self-assessment has been developed, Integrated Evaluation of Change (*VIC*), to help local administrations analyze their conditions and evaluate their processes.

LESSONS LEARNT:

In the course of the 1990's, reform of the public administration in Italy was based on regulations. The motivation for the choice of action was linked to the necessity of using a strong tool in order to achieve tangible results in a short time. These measures however, did not take fully into account the nature and the conditions of public bureaucracies or the various reactions that these have produced. The reforms and privatization involved the distribution of competencies among public administrations, the devolvement from the State, the strengthening of organizations through the reorganization of their structures, the redefinition of operative mechanisms, and the management style.

The new legislative environments have proven not to be adequate in their responsiveness to the needs of citizens and businesses, also taking into consideration the inherent differences of each administration. In order for the new proposed system of governance to spread and take root it is necessary that public administrations change the way in which they operate. In short, it is imperative that reform involves the organizational culture.

The projects proposed by PADEA operate under this premise by assisting public administrations in the analysis of their needs, the planning and implementation of innovative solutions, offering information, training, personalized consultancy and through the network of innovators and organizations creating an environment conducive to change.

Action must be continual and systematic and aim overall to change the cultural context. The success of the initiatives depends greatly on the capacity of the administrations in creating an environment in which the conception, the diffusion, the promotion and the sharing of knowledge and information are supported.

SUSTAINABILITY AND TRANSFERABILITY

The creation of a network of entities conducive to change in administration and their involvement in the planning, improvement and monitoring system of the administration reform favours the spread of effective methods. In particular, PADEA has created a knowledge management and diffusion system through web sites dedicated to the three main projects, where the interested parties obtain information and exchange experiences. The establishment of Technical Desks of consultation and support in the Department, working groups for the implementation of understandings and agreements, a collection of publications of guidebooks and guide lines drafted by learning labs and comparative analysis allows PADEA to be present as a support structure for other administrations.

Local authorities have begun to come together to share know-how and experiences or to communicate specific expertise and abilities achieved 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, SSPA (School of Public Administration) and Formez who are directly involved in the implementation of the three projects.

18. Programme for Providing Water to the Rural Population, Government of Morocco:

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

The *Programme d'Approvisionnement Groupe en Eau portable des populations Rurales* (PAGER) or the Program for Providing Water to the Rural Population was initiated in 1995. Implemented by the Directorate General for Water, the aim is to provide drinking water to 90 percent of the rural population, which translates to 31,000 villages comprising 12 million people, by 2007. The costs of the investment are estimated to $1 billion with government funding amounting to 80% through various means, rural *communes* paying 15% and users contributing 5%.

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) or the National Office of Drinking Water. By employing provincial teams consisting of three to four technicians, including one liaison, both technical capacity and assistance and education in setting up associations and managing the installations were provided.

So far the execution of this ongoing project has already substantially increased the rate of the rural population with access to drinking water from 14% in 1994 to 55% 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 enrolment in rural areas, where the attendance for girls have surged from 30 to 51 percent with young children, in particular girls, previously supplying families with water. Similarly, women in rural areas are no longer limited by tasks related to procuring water. Finally, 500,000 work days have so far been created each year due to the proliferation of PAGER projects.

INNOVATIVE STRATEGIES INVOLVED

Financing for development:
The implementation of PAGER is done within a framework of partnership between the State, the rural *communes* and the users. Of the 80% contributed by the State, 25% originated from the general budget, 45% was foreign capital either in the form of loans or grants, and 10% was paid by a national fund financed by surtaxes levied on the use of water by the urban populations. The 5% contribution by the users may not seem

significant, nevertheless it was considered crucial in order to create ownership amongst the users and guarantee sustainability of the initiative.

Engaging rural communities through a participatory strategy:
PAGER is implemented through a participatory approach that emphasizes conferring the responsibility of operation and maintenance to the rural communes and the users of the services. This approach involves sensitizing potential users and to actively include them throughout the process of establishing installations and onwards. This is done partly by allowing people to express their needs as well as their opinion towards the technical proposals. These proposals are furthermore the result of a process of dialogue taking into consideration the technical condition, financial capability as well as the organizational capacity of the rural communities.

The process is intended to invoke a sense of ownership in the investment and at the same time prepare the local community to autonomously operate and maintain the installations at their disposals. The latter is stipulated in contractual terms with the community and the people, on one side, and the provider of the services and the State, on the other.

LESSONS LEARNT:

- *A key project may spearhead additional initiatives*

The political will to improve the living conditions of the rural areas was already present in Morocco prior to the advent of PAGER, yet the appropriate interpretation of facts and the consequent practical application of strategies posed difficulties. With the resounding success of PAGER, however, the different projects of providing clean water within the framework of the programme often became an entry point for projects undertaken by NGOs or other providers of public services related to socio-economic development (e.g. agriculture, health, and education). Thus, synergy effects were achieved between the two sectors, which decreased traditional difficulties of developing integrated projects.

- *Think small when thinking big*

Fundamental in the success of PAGER was the role of the small provincial teams that mobilized the rural populations into associations of users and made local officials receptive to the initiative. Assisted by the Food and Agriculture Organization (FAO) and United Nations Development Programme (UNDP) tools, such as guides, posters, video films, etc. were developed in order to convey the message of PAGER to the rural populations. In addition, educational boards with drawings accompanied by Arabic in local dialects were used to easily provide an overview and entry point to understanding the benefit of the initiative.

SUSTAINABILITY AND TRANSFERABILITY

- To secure the sustainability of PAGER it was opted to pursue the strategy of conferring the responsibility of the operation and maintenance to the local level. By engaging local communities and also stipulating the partnership in contractual terms between the community and the rural population, on the one hand, and the

services of the State, on the other hand, the viability of the initiative seems secured.

- The contract also defines the prerequisites which must be fulfilled, such as the establishment of an association of users, the collection and mobilization of financial resources of the population and the local communities, before actually commencing on the project.

- With regards to sustainability and maintenance of the infrastructure, the government of Morocco has decided to involve the Office National de l'Eau Potable (ONEP) or the National Office of Drinking Water in the management of the project. This was with a view to making ONEP's expertise available to rural water initiatives, and setting up a price per cubic meter that will allow the entity to maintain the system in both rural and urban areas. The current price is set at 3 dirhams per cubic meter, however the poorest families are provided with water free of charge.

19. Decentralization of the quality control of fruits and vegetables for exports, Morocco

SUMMARY

The decentralization of the quality control of fruits and vegetables for exports in Morocco shows that abandoning a previously centralized control system may have a significant impact on the international competitiveness of domestic enterprises.

BACKGROUND

With the creation of the *Etablissement autonome de contrôle et de coordination des exportations* (EACCE) or the Autonomous Establishment for the Control and Coordination of Exports, in 1986/1987, the quality control of fruit and vegetables intended for exporting was confined to three regional centers in the port-cities of Casablanca, Agadir and Nador.

800,000 to 900,000 tons of perishable products, provided from almost 500 processing plants, were forwarded to these centers. Products that did not meet the quality standards were either returned for re-processing at the plants or were simply rejected, with the rate of rejection varying between 10% and 50%.

By 2002/2003, however, the number of regional centers had increased to 21 and the rejection rate had been cut to zero. The additionally incurred transaction costs had been completely eliminated with quality control of 100% of the exports taking place free-of-charge at the location of the processing plants.

With scientific support, a high tech network of laboratories and a reliable information system that provides detailed information on export of produce and related products, as well as trade regulation, 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 acknowledged that conformity with marketing standards applicable to fresh fruit and vegetables had been attained by granting EACCE the authority to perform checking operations prior to import to the European Community.

INNOVATIVE STRATEGIES INVOLVED

Revitalization of human resources:
The composition of staff was revitalized by confining recruitment to highly skilled employees such as engineers and specialized graduates. In order to facilitate such a selective recruitment practice, EACCE in 1997/1998 took action by offering training to staff and voluntary departure to early retirees. In 1999/2000, the number of specialized

staff had increased from 9 in 1986/1987 to 46 in 2003/2004 while the number of administrative staff had decreased from 110 to 60 over the same period of time.

Decentralization and enhancement of control facilities:
Between 1988/89 and 2002/2003, EACCE opened 18 new regional centers bringing critical government services closer to the enterprises in need of those. The new control facilities strongly contributed to the improvement of the working conditions at the procession plants as well as the general hygiene in the different processes of production. In addition to these centers, laboratories conducting chemical and micro-biological analysis and controlling packaging have been established; one in each primary district of processing.

Collaboration of public and private entities:
Only through a sustained effort by EACCE, in collaboration with the industry, has it been possible for the domestic producers of fruits and vegetables to gain a viable access to international markets. By initially targeting priority issues, EACCE employed a gradual approach to innovation where the focus first was on refrigerated products which were considered as having the greatest potential for return on investments. Looking forward, the decentralized control system is part of a second stage strategy with a global outlook where a further developed system of control of quality and traceability will be integrated into the processing itself.

LESSONS LEARNT:

Several lessons were drawn from the experience of local quality control:

- Understanding the costs and time inflicted by centralized public sector "bottlenecks" is crucial when facilitating the development of the private sector
- Decentralization of essential government services is likely to cut transaction costs for business, thus improving the competitiveness domestic enterprises in the global economy.
- The development of a vibrant and competitive economic sector is fully dependent on the willingness of private and public agents to jointly commit themselves to initiatives facilitating private enterprise.
- The quality of an innovation in the public sector is not determined merely by the availability of financial resources. Rather, the existence of will, vision and strategy, as well as the redeployment of already existing resources, are of critical importance.

SUSTAINABILITY AND TRANSFERABILITY

- Considering that tight control measures are necessary for exporting fresh fruit and vegetables to foreign markets, the facilitating role of EACCE in enhancing the competitiveness of domestic business is likely to be of increasing importance in the future.
- Moreover, the administrative innovations brought about with the efforts of EACCE have spurred emulation in other parts of government. Also, draft

amendments to current legislation focus on the continued efforts of making private enterprises responsible and embedding government initiatives within a framework of proximity and facilitation.

20. Aduana Nacional de Bolivia, ,Bolivia

SUMMARY

In 1999, Bolivian Customs started a deep reform process to 1) improve efficiency in tax collection; 2) combat smuggling and 3) to facilitate foreign trade through the most efficient and transparent service. This process implied important changes in different areas, particularly human resources, information technology, custom regulations and interaction with users.

Thus, staff was hired through public announcements, based on professional experience and merit. The process of recruitment was supported by private entities specialized in this issue. In terms of technology, new systems are being implemented in order to improve custom procedures with a view to make them simpler. This will save time and resources and will make controls more efficient.

Regarding custom regulations and interaction with users, the Board of Directors cleared a set of regulations to standardize customs procedures in the country. The regulations were devised in close consultation with the private sector.

SUSTAINABILITY AND TRANSFERABILITY

- The legal bases for the election of the Board of Directors of ANB was used by other public institutions
- The 5-year mandate of the Executive president and Directors is not linked to the election periods to assure depolitization of their mandates
- The ANB Board of Directors is renovated gradually, one Director each time to ensure continuity in work
- Other actions have also been implemented, such as: distribution to all staff a bulletin containing all new regulations approved by the Board; training courses on electronic tools; seminars on Code of Ethics for all staff.

LESSONS LEARNT:

- Corruption acquires more sophisticated ways each time;
- These ways need to be identified asap to combat them;
- Reform takes time;
- Use of technology is vital to advance towards efficiency and eradication of corruption
- Change is possible.

21. District Administration Zell am See, Austria

SUMMARY:

The District Administration Zell am See has ("the Administration") made a remarkable transition from a public office to a consumer oriented service centre for public affairs. The Administration is recognized for the quality of service it provides to the public and for bringing innovation to the public sector, for instance, utilizing advanced cost-benefit analysis techniques.

BACKGROUND:

The District Administration Zell am See is the decentralized organizational unit of the central and regional government in the province of Salzburg, responsible for approximately 60,000 inhabitants. Over the past decade, concrete efforts have been made to thoroughly and consistently modernize the Administration. As a consequence, today all activities and processes at the Administration are citizen-oriented with ample use of management strategies and tools and broad involvement of all staff in various fields of activities.

Amongst the key initiatives in bringing about this change, adopting a broad, holistic approach to the whole modernization process was key. This meant, looking at *all* the processes, procedures and personnel and deciding upon the optimum level of resource deployment to achieve the objective of serving the public in the most efficient and effective manner. Other steps included adopting advanced cost and management accounting techniques to ensure that measurement of costs and benefits could be done in a scientific and objective manner.

INNOVATIVE STRATEGIES INVOLVED:

Project "Model Zell":
The aim of this project was to make the Administration a citizen-friendly service enterprise which delivered its services in a cost-conscious manner. An integrated approach to reform was adopted and the Administration was turned into a learning organization. This meant that a culture of trust, openness and partnership was fostered. Thus, in addition to classic personnel development measures and incentive systems, real emphasis was placed on a culture of trust. Buy-in from all executives and employees was imperative and this was obtained through a consultative and inclusive process. All employees were empowered, that is, actively integrated in the modernization process and were encouraged to contribute ideas. Delegation of tasks to appropriate levels created a real sense of empowerment amongst the employees. Finally provision of training in relevant areas (for example conflict resolution) enhanced the knowledge base of the individuals who had to carry out these specialized tasks.

Effective cost control:
The emphasis on providing services effectively and efficiently, required adopting practices whereby both the costs and the benefits of resources deployed could be measured in an objective, timely and scientific manner. This was a departure from the traditional system. In addition to mere recording of costs, an innovative approach was adopted whereby costs incurred were made transparent to the employees. This meant that staff became aware of the actual costs of services and materials and were able to make more informed decisions when it came to procurement. An additional, psychological impact was the signal sent to the staff that they were "in the loop" and were seen as trusted partners. Employees' morale and satisfaction with their jobs increased as a result.

"Each Citizen is King":
The objective of transforming the Administration into a customer focused organization required a paradigm shift: staff had to think of citizens as customers. The efforts undertaken here included deploying more resource on public relations front. This included creating a better communication framework with the citizenry. While, on one hand, information dissemination was improved, on the other a dialogue was created whereby citizens' input was requested on a number of issues, for instance, through questionnaires on quality of services.

Electronic Processing:
Utilization of information technology was envisaged as a genuine enabler and back in 1996 (much before the hype around internet reached astronomical proportions) a website was launched by the Administration. The website not only provides information and downloadable documents, some applications could be completed on-line. This e-government initiative increased efficiency in the delivery of services. In addition, a state-wide automated system, utilizing specialized software, for processing penalty tickets issued for motor offences was introduced. The system, which required manual intervention in a limited number of cases, has reduced the time and labor involved in processing.

LESSONS LEARNT:

- **In order to change the culture of an organization,** those who will be affected by the change, need to be involved in the implementation of change. Thus, creating a culture of trust requires open communication and giving the employees a sense of involvement where their input is encouraged.
- **A citizen is not a petitioner; rather a customer** and the communication between the Administration staff and the citizenry should reflect this relationship.
- **Modern management methods improve effectiveness and efficiency** and simple measures, for instance, more transparent cost control measures can produce better results both directly (reduced costs) and indirectly (through lifting employee morale).
- **E-government measures are enablers** and enhance the productivity of a system.

SUSTAINABILITY AND TRANSFERABILITY

- The empowering of employees has meant that they now have a self-interest in continuing with the reform, that is, having witnessed the productivity gains and enjoyed the benefits of working in a learning organization where their input is encouraged and rewarded, employees do not want to revert to the previous model.

- Further evidence of sustainability comes from the various prizes which the Administration has won over the past few years, and perhaps more importantly, from the increase in customer satisfaction registered.

- The innovations implemented in the Administration are more about mind-set shift and do not require extensive resource deployment and as such could be replicated in most other settings. Transferring these ideas and management techniques would require initial set-up costs for knowledge transfer but after that these should be self-sustaining. It is recognized that e-government initiatives require substantial capital investment and are not suitable for environments where citizenry's access to the internet is limited.

22. *Internal Revenue Service of Chile*

SUMMARY

The Internal Revenue Service of Chile (SII) has developed a unique means of using an e-government application, which encourages compliance with filing requirements, lowers costs, and increases trust in government. Unlike most online tax sites, the Chilean site automatically calculates taxes for each tax payer, based on information already on file. Users then have the opportunity to accept or modify the existing form.

BACKGROUND

Since 2001, naturalized persons subject to the global complementary tax have had access to a *Proposed Income Tax Return*, which is prepared by and placed on the website of the Internal Revenue Service of Chile or the Servicio de Impuestos Internos de Chile (SII). Tax payers can confirm this proposal or modify it, sending it through the internet to the SII.

This innovation has had a large impact on approximately half of tax payers required to submit the Annual Income Tax Return (roughly 2,100,000 contributors), saving them from having to do this declaration themselves. In this way, miscalculations or omission errors that can generate fines from the SII to rectify income tax returns are avoided. The innovation has made it easier for tax payers to comply with their requirement to file, lowered the cost of compliance for tax payers, and produced savings for the SII, which no longer needs to spend resources on typing and needless audits, thereby increasing its effectiveness at the same time.

The extent to which this initiative has been successful and accepted can be appreciated via the results of the last income declaration process in April of 2002, in which the quantity of accepted proposals reached 489,675 or 23.5% of total returns submitted in that year. Considering that around 1,100,000 tax payers had access to this *Proposed Return*, this means that 47% of them accepted this service, just as it was proposed by the SII.

EVOLUTION OVER TIME

A central aspect of SII's substantive functions involves the administration of large quantities of information. In this sense, the effectiveness of different processes largely depends on the adequate administration of the information involved in the tax payer registry, the registry and audit of tax payer documentation, periodic tax filing and collection, and auditing on the basis of information of third parties, among others processes. It particularly depends on how simple and easy it is for users to comply with tax requirements that enable this information to be achieved. With this perspective, the SII has placed special emphasis on the modernization of its information technologies to

enable an increase in efficiency and effectiveness of the development of its substantive and support processes.

In 1993, the SII undertook a fundamental change in its modernization process by adopting open information technologies (TCCP/IP in network protocols and UNIX in corporate systems) and relational databases.

In 1995, the SII adopted the internet as a technological platform for interacting with tax payers, and also for internal use. In October of that year, the SII website was inaugurated. (http://www.sii.cl/).

When first implemented, the SII website was used primarily as a means of communicating with tax payers to provide them with different types of information and help them to meet their tax obligations.

In May 1997, a fundamental change took place, and the SII website took on a transactional character. The first online transactions took place, which allowed tax payers to directly access SII databases to consult the state of their annual tax filings on income realized in April of that year. Hence, the concept of a secret key code[38] for each tax payer was incorporated, which permitted them to gain access to finding out whether their tax return had been accepted without corrections or if it was necessary to appear before the SII for a thorough audit process.

In May 1998, the transactional nature of the SII website became increasingly emphasized, and the capture of third party information (salaries, bonuses, profit taking) began to verify the annual income tax returns of tax payers through information nexes.

In April of 1999, an additional step was taken with an application that allowed people to declare their income taxes over the internet, by either filling out an online form, using free software distributed by the SII to send a file, or by using similar software available commercially. Similarly, tax payers were allowed to follow-up on the processing and approval of their tax return in the Internal Revenue Service, providing them with information on whether it was accepted or rejected, along with any objections that were made, through the same website. In this way, the tax payer has the opportunity to correct errors that he or she might have made, and if not in agreement with the objections, can better prepare his or her response when cited by authorities. Obviously, corrections or rectifications can also be made over the internet.

In April 2000, income tax filing over the internet increased and added a payment option. This was implemented through an draft request that the tax payer presented to the bank to charge his or her checking account at the moment when the taxes were filed online. In 2001, the online payment system was improved, allowing contributors to make an online debit from his or her bank account to cover the amount to be paid at the moment of submitting the tax return. In 2002, the online payment process was broadened with an additional option to charge credit cards.

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[38] The text says secret key code (clave secreta), as opposed to password (contraseña).

In April 2001, a fundamental landmark was achieved (leading to this application) when the SII website started being used for transactions: the *Proposed Income Tax Return* was created by the SII and placed on its website for the convenience of tax payers. In effect, the *Proposed Income Tax Return* emerged from the large volume of information that the SII captures from third parties through the internet and the information model of the regulation that applies to tax filings. Thus, tax payers (roughly 60% of natural persons required to file in 2002) benefitted from the possibility of reviewing this proposal and, if in agreement, accepting it and thus completing their responsibility to file taxes. Any corrections could be made or amended with additional information held by the tax payer. This innovation has meant a significant impact for the simplification of tax compliance and a reduction of compliance costs.

INNOVATIVE STRATEGIES

The strategy selected to introduce this innovation has been to associate it exclusively with the package of services offered to tax payers over the internet. *Proposed Income Tax Returns* are not distributed by hardcopy or in SII offices. Moreover, for those people who request refunds, these are given in anticipation of the respective check or deposit in the checking account. This helps to achieve the more general objective of privileging the use of the internet as tax payers' preferred mechanism for dealing with tax payments and the massive filing process.

To support the above, the SII has made important investments over the last seven years in its computer and communications structures, in items such as servers, drive space, computer and communications networks, support systems and applications to interact with users, database and communications security, automated help desks, and training of staff, which has acquired significant experience and specialization in internet customer service. The investments and resources that enable its current operation have been completely incorporated into the SII's annual budgets.

LESSONS LEARNT

One of the most important lessons learned through this initiative is how an internally available resource – information from the "External Vector"[39] – can be taken advantage of and creatively used to provide a high value added service to a significant portion of tax payers, while helping them to improve their voluntary compliance. Tax administrations often have the tendency to focus more on preventing tax evasion and developing control systems, than on helping tax payers. Usually, initiatives emphasize polite service and the dissemination of information more than they effectively help users with their errands.

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[39] The original text defines the External Vector as "tax payer information that the SII captures from external sources, in contrast to the information provided by the tax payer in the return. Most of this information is received during the first trimester of the year from informing agents with respect to various concepts (withheld taxes, dividends, interest, property and vehicle transfers, etc). Box 1, p. 4 of application in Spanish.

This initiative aims to effectively support compliance with the requirement to file, as only one "click" is needed for the operation to be accepted.

However, perhaps the central lesson learned is to advise that a radical change is possible in the way that the tax administration perceives its mission and relationship with tax payers. By showing the income information that it has on file, the SII makes a show of trust; people filing then know that the Service has only that information and therefore become responsible for declaring additional sources of income.

Nonetheless, in reference to what seems to be a larger assumed risk, it is important to point out that the SII complements this Operation Income plan with other permanent plans that maintain a public perception of the risk of being audited and therefore dissuade tax evasion.

The success of this focus is based on the administration's awareness that roughly 80% of tax payers comply with their filing obligations regularly and voluntarily, as indicated by studies on the inclinations of tax payers. This is reinforced by conclusions of other studies, which indicate that global tax evasion within Chile is close to 20%.

SUSTAINABILITY AND TRANSFERABILITY

- The *Proposed Income Tax Return* has been completely accepted by tax payers, who appreciate it as a great help. With this initiative, the SII's strategy to use internet technology in all sizeable interactions with tax payers is reinforced. These advances have received wide recognition within the country and in some cases internationally.

- The large number of systems that have been based on this technology would make it difficult to reverse the initiative, not only due to the high cost that this would mean for the SII, but also because tax payers themselves would respond very negatively to the loss of this service, since it significantly facilitates tax compliance.

- With regard to transferability, an initiative like this one could be taken and applied by any tax administration that receives income declarations from naturalized tax paying persons. However, it must be kept in mind that, as with the Chilean case, the institutions involved must have access to sufficient and truthful background information on tax payer income deriving from alternative sources (third parties) in order for the administration to construct a valid *Proposed Return*.

- In Chile, the ability to access this background information is made legally possible by a law that requires diverse companies and institutions to hand over information each year by sworn declaration. A lack of compliance or errors in the data filed is punished with fines enforced by the administration itself.

23. Public Procurement Service, South Korea

SUMMARY:

Public Procurement Service ("PPS") has overhauled the entire procurement system by introducing e-Procurement – an electronic system covering all the stages in a procurement cycle. The cumbersome procedures, which were in place previously, did not only make the whole process inefficient, they were also susceptible to manipulation by corrupt elements. The reforms have improved efficiency by greatly reducing the lead time for procurement services, decreased costs (savings realized of some 300 billion won – approximately $ 273 million – per year) and rooted out sources of irregularities and corruption by making the procurement process more transparent.

BACKGROUND:

Public Procurement Service ("PPS") of the Republic of Korean administers procurement of goods and services for around 30,000 Korean public institutions. The previous paper based system was slow and caused the users a great deal of inconvenience. In addition, a series of corruption scandals had hurt the reputation of the PPS.

Given this backdrop, PPS launched a government e-procurement system. This was essentially an 'e-mall' - a combination of an Electronic Data Interchange (EDI) system and an internet shopping mall. This 'e-mall' has proved to be a big success. Currently, about 92% of the procurements, involving 24,000 public organizations, flow through this system. The process is greatly streamlined, enhancing efficiencies for both customers and suppliers.

INNOVATIVE STRATEGIES INVOLVED:

Web-based e-commerce system:
Previously, the PPS was dealing with 4.2million pieces of documents per year! The introduction of an electronic system reduced the manual handling of documents drastically. This streamlined system is not only much more efficient and effective; it has also proven to be very user-friendly.

e-bidding:
The introduction of on-line bidding, as part of the electronic procurement system, has also improved the efficiency of the entire process. The initial concerns about security were resolved through the introduction of such innovative technology as e-signature and authentication. A very positive result of on-line bidding, couple with participation of external experts, such as NGOs, is the increase in the level of transparency in the whole procurement system. This was very much needed after the recent corruption scandals.

A customer-oriented service:

In addition to the technological innovations, a fundamental shift in the mind-set was introduced to turn the PPS from an ineffective, public sector entity to a lean, customer-focused services provider. Increasing customer convenience became the mantra. The PPS re-engineered its structure from an item-centered organization to customer-oriented one and started running mobile offices and help desk to bring itself closer to its customers.

LESSONS LEARNT:

- **In order to bring about a fundamental change, it might be necessary to adopt a 2 stage process.** In the PPS' case, the systematic reform was pushed forward in 2 stages: in the first phase, the procurement systems and procedures were revamped and in the second, the organization and its culture were overhauled.
- **Complete and honest diagnosis of the problem is essential** and involving external stakeholders in this process could be very useful.
- **Objectives of the reform need to be clearly identified** and communicated to the employees, in particular, to encourage their participation.
- **Increasing transparency of a system goes a long way towards enhancing government credibility.**

SUSTAINABILITY AND TRANSFERABILITY

The effective change-management has meant the new system has proved to be remarkably sustainable. There is a virtuous cycle element at play: once a system provides a superior service to its users, the users generate positive feedback and this positive feedback encourages the system (i.e. the public servants at the PPS) to strive harder to provide an even better service. Two recent wins, for best government organization prize and customer satisfaction survey, confirm that going back to the old regime is not an option at the PPS.

The e-procurement system of the PPS could be utilized in other public institutions in Korea and other foreign procurement agencies with little customization. Given that this is more of a business-to-business ("B2B") model, rather than the business-to-consumer ("B2C") model and as such its transferability should not be hampered to countries where the general populations access to e-commerce based systems is not that widespread.

CHAPTER 5: CONCLUSIONS AND POLICY RECOMMENDATIONS

5.1 CONCLUSIONS

As discussed in this paper, the focus of the debate on government has shifted from **"not what they do, but how they operate"**[40]**.** Governments all over the world are devising new ways to improve their service delivery**.** Innovations being carried out by public administrations all over the world include the tenants of both New Public Management ("NPM") and the "reinventing government" doctrine. Following the guiding principles of NPM, many public service organizations have **started treating citizens as customers**.

The key themes to emerge from the study of winners of the UN Public Service Awards (2003-2005) are:

- **Enhancing civil service capacity** is fundamental to bringing about successful innovation. To enable the staff to adapt to new methods of operations, training and better education is crucial.

- **Workers motivation and the sense of achievement** they derive form their work is essential in ensuring the success of any program. Raising the prestige of the civil service and creating an environment in which civil servants feel a sense of pride and dignity are amongst the fundamental factors in making the implemented innovations a success.

- In many cases the **government forged alliances with the private sector** and this resulted in successful implementation of innovations. These partnerships not only increased the resource pool of talent but also initiated knowledge transfer. Public-private partnerships were one of the constant themes of innovation to come out of these case studies.

- **Creating a sense of ownership** in which all the stakeholders', that is the government officials who implement an innovation and the citizens who are the beneficiaries, buy-in has been obtained is also one of the tenants to make innovation a success.

- An **honest, visionary, determined, strong yet flexible** leadership is pivotal in framing and implementing an innovative policy. A leader should be strong enough to withstand resistance from factions that lose out from innovation and flexible enough to accommodate the demands of competing factions.

- Tapping the **civil society and making Non Governmental Organizations** partners eased the burden. Moreover the NGOs increased the legitimacy of the projects by incorporating citizens' participation.

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[40] Is Reinventing Government Enough?, Louis Winnick, IPA Report, Winter 1995

- Many organizations taking up innovations went through a transformational process by internal introspection, identifying and rectifying their inefficiencies and inculcating new innovations to overcome these deficiencies and assuming the **role of a learning organization.**

- Empowering the citizenry included **financial deconcentration**, incorporating citizens' needs to define the budgets in addressing social and urban problems.

- Another method used to **promote equitable development** was the utilization of mobile units to ensure that people living in far flung areas had access to the services provided by the government.

- In departments utilizing technology, ICTs were used to bridge the gap between the citizens and the government. Interactive programs geared to offer **one stop shop window** operations not only reduced government red tape but also empowered the citizens by enabling them to make informed decisions on-line and increasing accountabilty by wider dissemination of knowledge.

5.2 POLICY RECOMMENDATIONS

- Innovations by definition involve a certain element of risk. To ensure that the innovations carried out bear the desired results, a coherent policy formulation is essential. A holistic approach towards designing policy needs to be taken incorporating coordination with other government agencies as innovative organizations cannot work in isolation. This not only ensures the smooth running of the government machinery but also creates spill over effects encouraging other departments to stream line their operating mechanisms and devise new strategies of improving their service deliveries.

- Cross- sectoral partnerships should be forged. These partnerships with the private sector and with the NGOs are a viable option for governments strapped with financial burdens. They aid the bureaucracies in mitigating the pressure of "to do more with less." Public-private partnerships also encourage a transfer of technology and information.

- Financial decentralization entailing commercialization also helps in reducing the pressure on the central governments to provide resources to different departments. Great care has to be taken by the public administration departments in managing these transitions. The proper sequencing of reforms is of the utmost importance here.

- In this context, institutions have to be strengthened before wide ranging reforms can be put in place as they are regarded as essential for successful transition. In the move to modernization, changes have to be accrued from moving from particularistic to universalistic values[41]. In transformation to a more modernized method, innovations will fail if the institutions are not strong enough to withstand the pressure exerted by new innovations.

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[41] Joesph Stiglitz

- Equally important is the ownership of the staff involved in the innovation process. Organizational ownership is the key as only ideas, technology and resources can be imported from outside the organization. It is the people running the organizations that need to feel a sense of responsibility and ownership for the prescribed changes. Incentives and structures have to be put in place to enhance public sector efficiency. In this scenario the presence of dynamic leadership takes centre stage as a dedicated and visionary leadership is essential to motivate the staff to embrace the innovations. Without effective leadership and proper human resource management the outcome of any project cannot be guaranteed to be a success.

- Governments have to be flexible and responsive, adapting the policy formulation according to the need of the changing government in order withstand the pressures of this millennia.

APPENDIX:

UN PUBLIC SERVICE AWARDS

Purpose:
- To recognize institutional contribution made to enhance the role, profession, image and visibility of the public service.
- To enhance professionalism
- Reward service to citizen
- To encourage and foster Innovation in public service
- To collect and disseminate best practices

Focus:
- Improve public service delivery (more   citizen-oriented)
- Innovation in Public Service
- Use of ICT
- Increase transparency, accountability, and responsiveness.
- All public sector functions and activities?
- Improvement in relation with citizens?
- Enhance the image of the Public Service?
- A thematic focus for mid-term (3-4 years) and a new theme?

The process of selection of the winners of the UN Public Service Awards takes in the following manner:

Process for Nomination:
- Call for nominations
- Nominees: Public Institutions, private/public partnerships, NGOs
- Nominations by an organization other than nominee
- Letters of reference (1 to 5)
- Supporting documents (Evaluation reports, documentaries, articles etc)
- Role of publicity

Criteria for Selection:
- Uniqueness, sustainability, and transferability
- Equity, transparency, and accountability
- Professionalism
- Contribution to enhance service
- Citizen-oriented services.
- Relevance of measurable results
- Efficiency of submitted program/institution

Criterion for the three categories:

(a) Improving Transparency, Accountability & Responsiveness in the Public Service: Innovative Case Studies/ Best Practices
Criterion for this award is innovative public services, which:

- **Promotes equity:** extends government services delivery to vulnerable groups and/or enabling service delivery to a wider population;
- **Promotes transparency and accountability**: increases the public's ability to observe, monitor and analyze government decision-making and processes;
- **Promotes professionalism:** adequately addresses human resources management issues, such as recruitment, training and development based on merit and the promotion of ethical conduct;
- **Represents a "radical departure" in design:** Transformative changes within a large framework, rather than incremental improvements, in the context of a given country and region;
- **Has introduced a substantially new concept:** represents, in the context of a given country and/or region, the introduction of a unique idea or distinctively new approach to problem solving.

(b) Improving the Delivery of Services: Innovative Case Studies/ Best Practices
Criterion for this award is an innovative public services, which:

- Demonstrates effectiveness in meeting the stated goals and provides tangible evidence of its success
- Provides high quality service delivery: This criterion emphasizes timeliness, courtesy, access and client-orientation in public service delivery, speedy processing of applications or claims, reduction in the amount of paper work.
- Achieves efficiency in public service delivery by using strategies like stream lining of procedures, reduction of red tape, etc
- Represents a "radical departure" in design
- Has introduced a substantially new concept
- Has produced qualitative and/or quantitative improvements

(c) Application of Information and Communication Technology (ICT) in Government: E-Government: Innovative Case Studies /Best Practices
Criterion for this award is an innovative in public services, which:

- Enhances Service Delivery:

Upgraded service delivery may be measured in terms of wider access to services, enhanced efficiency and timeliness, a more "citizen-centered" approach to services, and greater effectiveness, relevance and quality of services

- Re-engineered government operations:

Includes decision support systems, government networking, and geographic information systems (GIS) that lead to more effective policy-making and implementation and multi-disciplinary, holistic and "horizontal" approaches to public service delivery and management.

- Promotes e-participation

Modalities for Selection:
- Set up of evaluation form (for each category)
- Initial review including completeness of nomination and supporting materials
- Pre-screening of nominations (each by two or three staff of the Division)
- Establish a short list of nominations
- Assessment of additional supporting doc.
- Establish a selection sub-committee (UN committee of Experts)
- Submission of the short-listed nominations to the selection sub-committee
- The UN Committee of Experts endorse the conclusions of the selection sub-committee
- Submission of recommendations to the Secretary General

Awards and Ceremony:
- Following Secretary General Approval, winners invited to New York to receive the awards on UN Public Service Day (23 June)
- The Awards are symbolic (not monetary)
- Publication of a report detailing the winning initiatives/projects per country
- Compendium of success stories (to be published on UNPAN)

OTHER EXISTING AWARDS IN AREA OF PUBLIC SERVICE

- 2003 PRSA Silver Anvil Award of Excellence, Public Affairs – Business
- The European Institute of Public Administration (EIPA), created in 1981
- Innovations Awards– Ash Institute
- ASPA Award Program: Public Integrity Award
- Award for Innovative Management: IPAC-Canada
- Premier's Award for Excellence – Australia
- CAPAM International Innovation Awards