

Low Level Reform in the Lebanese Public Sector

WILL SUCCEED



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Politicians say:

Reform **IS NOT** possible!

- It will be **politicized** and **resisted**
- Only a **complete change** will give results
- Only if we **start from the top** will it work
- It will cost **too much money**
- It will take **too much time**

Apathy is a lot easier

They also say:

Low level reform
is **not worth** bothering about.

There are
more important
things to do.

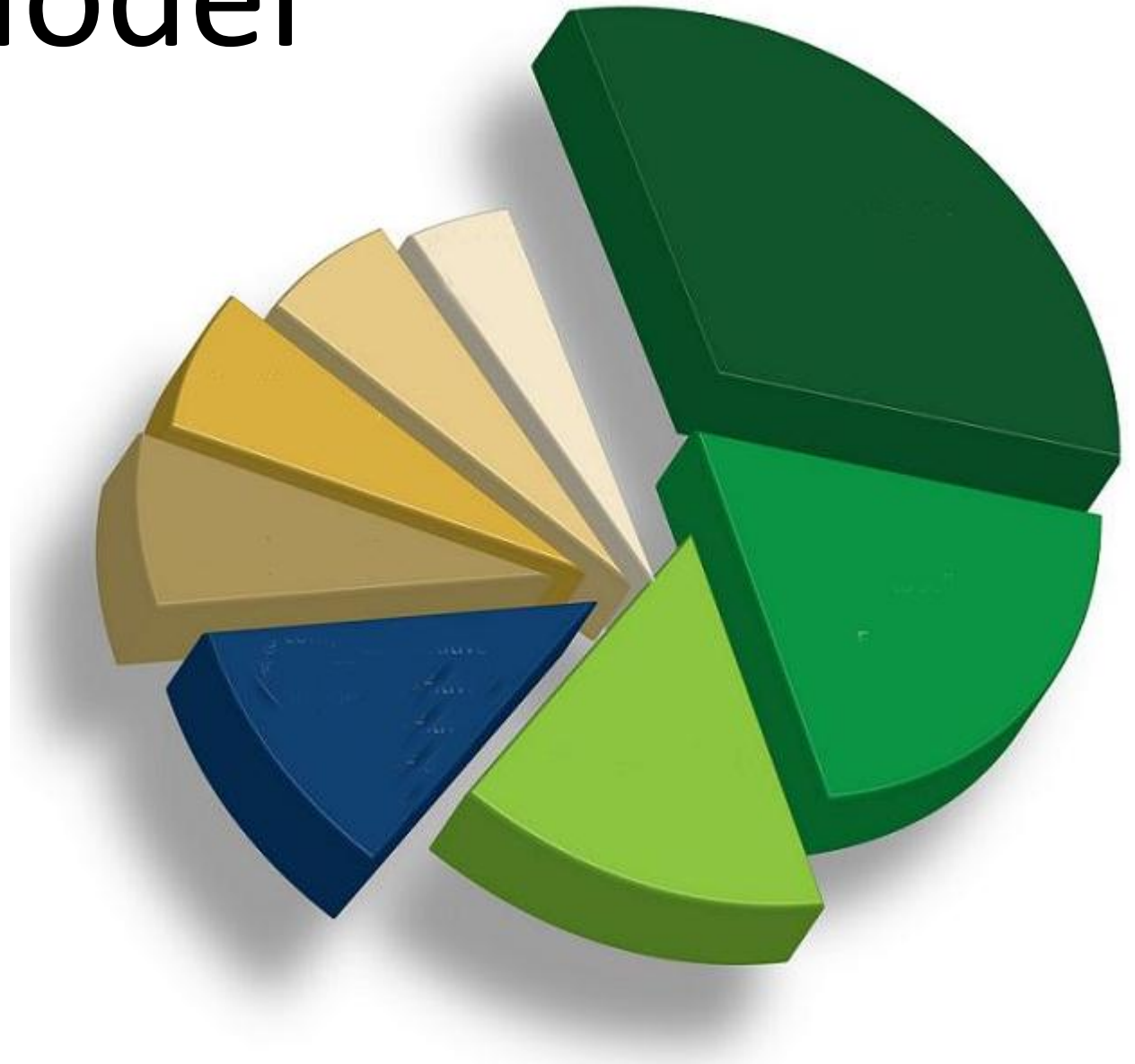
Can we hope for much
when those who
can introduce Reform
will be hurt by the Reform?

Let us not despair:

Low Level Reform is possible

- Our proposal does not require lengthy approvals by Parliament and Cabinet
- It will be **cheap** < \$ 1 Million
- It will **not take time** < 1 Year
- It will be **easy to implement**
- It will not be **resisted**
- It will even **improve our GDP**
- And will even **reduce traffic and pollution**

The Model



Citizens Face 100s of **Trouble Spots**

- We will only consider trouble spots that affect **citizens**
- Such spots are **inefficient, ineffective** and **inflexible**
- There is **no accountability** in such spots
- Citizens currently waste **many hours** in these spots but they should really spend minutes
- Often, these require **additional expenditure**
- In some cases, the spots can be totally **removed**
- Spots come **in patterns**: they can be found everywhere
- They are **not specific to an agency**

An important characteristic of such trouble spots is: they are **localized**.

If you change them, you do not have to change their **mother workflows, processes or departments**.

This is what we mean by **low level**.

Proposal

- 1) Classify spots into **standard types**
- 2) Assign non-governmental teams to **identify all trouble spots**
- 3) Ignore all **unrealizable solutions**
- 4) Reengineer the rest **on their own** without changing mother processes, workflows and departments.

Any similar work being done?

- There are currently good efforts **in the same direction**
- Ministry of Administrative Development (**OMSAR**)
- Various projects by the World Bank, UN, Arab Fund, EU and other donors.

By the end of this presentation, I hope you will agree that this proposal . . .

- Will provide **high benefits:**
financial + social + administrative
- Will create a **powerful and more visible impact** on citizens
- Will be **fast** and **simple** to implement
- But it will require **low funding** and **time**

We claim there are
**10 standard types
of Trouble Spots.**

There are more.
But let us be conservative.

We also claim:

Because these trouble spots are localized, **they are easy to reengineer or improve.**

Here are samples of
the **10 standard types**
of trouble spots.

Type 1:

Offload a Ministry's Work on the Citizen

- **Example 1:** Registration of an NGO or a society
- **Example 2:** The Purchasing Committee in the Social Security (DAMAN) – my favorite example
- **Example 3:** Getting an equivalence at the Ministry of Education
- **Solution:** Departments do their own work

Type 2:

Unclear Requirements for Applications

- **Example 1:** Renewal of house servants (Ministry of Labor)
- **Other Examples:** Any application in any agency
- **Solution 1:** OMSAR's www.informs.gov.lb which standardizes more than 400 procedures
- **Solution 2:** OMSAR's project to standardize forms (50 available online, 160 being finalized)

Type 3: Issue Controls in one place to Trap Delinquencies in another Place

- **Example 1:** To modify a company's Commercial Register, you need a clearance (براءة ذمة) from Social Security and Ministry of Finance
- **Example 2:** To get paid by some agencies (CDR), you need a clearance from the Ministry of Finance.
- **Solution:** Remove controls and let departments catch their own defaulters.

Type 4: A single function that stretches across several departments

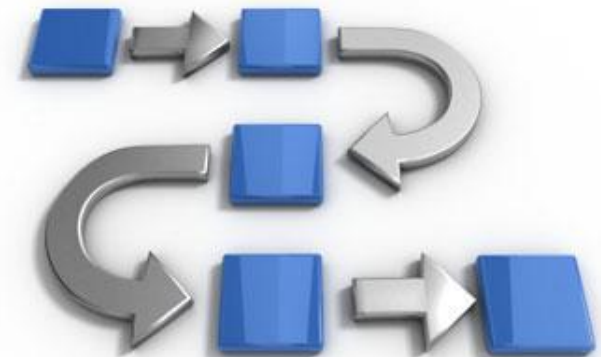
- **Example 1:** Renewal of House Help – 7 visits/year
 - 1 to Mukhtar, 1 to get Ikhraj Qaid, 1 Visit to Kateb Al-Adel (Public Notary), 2 visits to the Ministry of Labor, 2 visits to the General Security
 - Recently, LibanPost has saved us two visits
- **Example 2:** Renewal of car licenses:
 - Three visits: insurance, inspection (المعاينة) and Bank
- The citizen only sees these as **single functions**
- **Solution:** assign 1 unit to handle whole function

Type 5: Undefined data ownership

- **Example:** The case for multiple Records: Citizens, Companies, Vehicles, etc.
- **Result 1:** errors / discrepancies
- **Result 2:** waste (in private/public sectors)
- **Result 3:** repeated entry of the same data
- **Solution:** Government Interoperability Framework (GIF) – a bit more difficult . . .

Type 6: Excessive hand offs

- **Example 1:** Renewals of Foreign Labor (Ministry of Labor)
- **Example 2:** Preparation of IDs (before elections)
- **Solution:** assign 1 person to handle a multi-step procedure
- Banks consolidate cashier procedure into of one person: the **single stop shop**



Type 7: The problem of queuing facilities

- There are no physical borders to queues
- You never know if you are in the right queue
- Queues are also **un-segmented**
 - “Someone” jumps the queue with 15 documents
- **Solution 1**: generate **numbered tickets**
- **Solution 2**: provide clearly **marked** functions
- LIBANPOST and some banks have this scheme



Type 8: Processes that are easy to launch but difficult to reverse, cancel or modify

- **Example 1:** The International Line for telephone subscribers (OGERO)
- **Example 2:** Change Baccalaureat type (MOE)
- **Example 3:** Any refund (if you can prove it)

Type 9:

Repeated and needless authentications

- **Example 1:** Ministry of Agriculture: the Director General approves an engineer's educational equivalence. Then the Minister has to approve it after the DG (2 weeks later)
- **Example 2:** Declaration of a lost ID card, passport or driving licenses
 - Five visits
 - Each visit requiring 3 or more signatures

Type 10: A General Basket of Spots

- **Example 1:** Lack of consolidation
 - 3 types of traffic violations
 - 5-6 types of medical insurance (not including private)
- **Example 2:** Procedures that take too long
 - Two months to get a No Objection for a new society
- **Example 3:** Solving one problem by creating another (Trademarks, etc.)
- **Example 4:** Wrong/Unfair computations
 - Passport renewal
 - Electricity computational breaks

And we did not mention
traffic problems once!



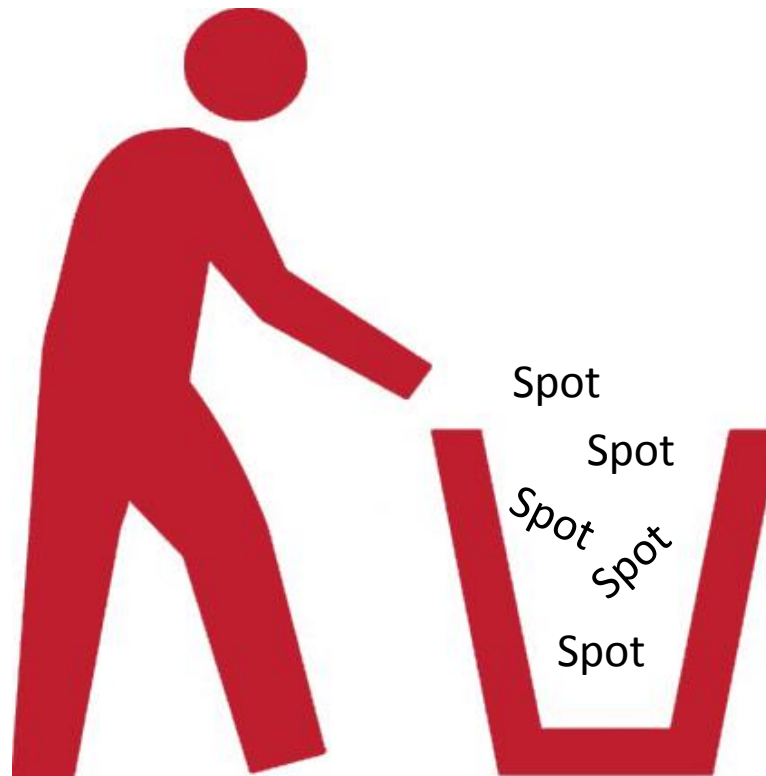
Let us say we can identify 300 Spots.
(We are being **conservative**)

Offload onto Citizen	30
Unclear Applications	50
Unfair Controls	10
Multi-Agency Functions	20
Data Ownership	10
Excessive Hand-Off's	30
Queuing Facilities	40
Irreversible Procedures	20
Needless Authentications	40
Basket	50

Remove: **المستعصين**

- Some spots may not be feasible to reengineer:
 - Solution is **very costly**
 - Might take **too much time**
 - Might require **long approval cycles**
 - There might be **resistance** (employees from delaying results)
- Others may be under the jurisdiction of an **uncooperative Minister** or **General Director**

Ignore those Spots
whose Solutions
are **Unfeasible**



How to Recognize **Unfeasible Solutions**

- 1) Define **6-7 criteria** to score each solution
- 2) Assign **weight** to each criterion:
 - Visibility to citizen = 40%, Time = 20%, etc.
- 3) Assign several analysts to **Score** each solution for each criterion
- 4) Compute the **average score** per solution
- 5) Find the **total score** for each solution
 - Multiply each score by weight % and total

Proposed 6 Scoring Criteria

Visible to Citizen?	(1 = yes, 5 = no)
Time needed?	(1 = long, 5 = short)
Budget?	(1 = high, 5 = low)
Easy to implement?	(1 = no, 5 = yes)
Will be resisted?	(1 = yes, 5 = no)
Improvement of GDP?	(1 = low, 5 = high)

One of the benefits of
our proposal is that it
can be justified in
\$ value

Evaluating the Financial Benefits . . .

- 1) Find the **number of times** citizens who use a procedure
- 2) Find the number of **hours saved** after improvement
- 3) Compute **total hours** = number of times x hours saved
- 4) Compute the **\$ value** of 1 citizen-hour
- 5) Compute **savings** = \$ value per hour x total hours

But what is the **\$ value** of each hour?

Example:

Vehicle Renewal (Mecanique)

- Currently, we check our car in one place معاينة
- We pay the charges in a Bank at another place
- If we force banks to create cashiers at the center of معاينة we will **save 1.5 hours per renewal**
 - 1.5 hours = travel to and from the bank
- We have **1.6 million vehicles**
 - Reduced by around 400,000 new cars (exempted)
 - Add by 400,000 for motorcycles
- We will **save 2.4 million hours** per year

What is the Total \$ Saving?

- GDP/capita for 2013 = \$10,920*
- Hours of work per year = 1840 hours
- GDP/capita / hour = $\$10,920/1840 = \5.93
- Contribution to GDP = 2.4 M hours x \$5.93
- Contribution to GDP = **\$14.23 Million**
- And each year . . .
- It will also reduce pollution and petrol usage
- And this is only for **one improvement**

*GDP per Capita at Current Prices as projected by the IMF

Let us be conservative again:

- Let us consider **200** not **300 spots**
- Average contribution = **\$5 Million**
- Total = **\$1 Billion** per year
- Per person/year = \$1 Billion / 4 Million
= **\$250**
- Contribution to GDP = $\$250 / \$10,920 = \mathbf{2.3\%}$

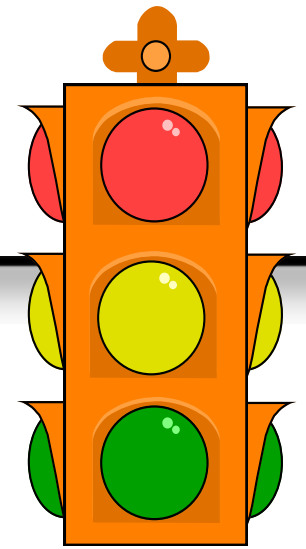
Waste (الهدر)



= Loss due to corruption

+ Loss due to **ignoring savings**

Other Benefits . . .



1) Citizens will feel this change.

They will respond

Example: new traffic lights

2) Corruption is stopped at the low levels

3) Other procedures will improve by

contagion

4) Larger processes will improve when their smaller components improve

The Required Team (Over 1 year):

1 **Project manager**

5 **Public sector analysts**

To analyze results and develop solutions

25 **University students**

Insist they get credit for this summer work

10 **Implementation analysts**

To plan and monitor implementation

1 **Technical writer:** to write down all findings

Action Plan for the Proposed Project

- 1) **Identify Government Units** (around 40)
- 2) **Recruit / Train Students** (on a later slide)
- 3) **Visit the Units** with/without appointment
- 4) **Analyze / Reengineer** the most feasible spots
- 5) **Implement** the solutions
- 6) **Conduct survey**: post implementation
- 7) **Inform** the Politicians so they can take credit

Proposed Schedule

Task Name	Duratic	Start	Finish	H2 '13						H1 '14						
				Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Ma	
Recruit Team	2 wks	03 Jun '13	14 Jun '13													
Train Team	1 wk	17 Jun '13	21 Jun '13													
Conduct Fieldwork	14 wks	24 Jun '13	27 Sep '13													
Prioritize Solutions	2 wks	30 Sep '13	11 Oct '13													
Developed Solutions	6 wks	14 Oct '13	22 Nov '13													
Plan Implementation	2 wks	25 Nov '13	06 Dec '13													
Implement Solutions	24 wks	09 Dec '13	23 May '14													

Estimated Budget (USD)

Item	Qty	Monthly Rate	Months	Total
Project Management Team	1	9,000	12	108,000
Public Sector Analysts	3	5,000	6	90,000
University Students (Fieldwork)	25	1,000	6	150,000
Implementation Analysts	8	5,000	9	360,000
Post implementation Survey	2	5,000	3	30,000
Technical Writer	1	3,000	6	18,000
Material/Printing				15,000
Transportation Costs				15,000
Data Entry	1	1,000	6	6,000
Software / Website				8,000
Workshops/Conferences				10,000
Total				\$810,000

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