



Good Governance for Development (G/D) in Arab Countries Initiative

Steering Group Meeting at Ministerial Level

Hosted by the Arab Republic of Egypt

**REGIONAL CHALLENGES, POLICY PRIORITIES /
PROGRESS MADE**

**IN THE FIELD OF E-GOVERNMENT AND ADMINISTRATIVE SIMPLIFICATION
(WORKING GROUP 2)**

**Sharm El Sheikh, Egypt,
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This document provides a concise overview of:

1. **Key policy challenges and priorities of Arab countries in the field of e-government and administrative simplification.** This brief summary is based on the intensive country stocktaking that took place in the first phase of the Initiative. It aims at facilitating the identification of policy priorities that would benefit from an increased partnership and co-operation between Arab and OECD countries. Its preparation has been supported by country missions from the OECD/UNDP Technical Secretariat involving a range of OECD country policy practitioners, that drafted country-specific stocktaking reports.
2. **The progress made in Working Group 2 on e-government and administrative simplification.** Further in depth information on the Working Groups' achievements is provided in the 2005 progress report, that lays out in detail the outputs delivered as well as in the meeting reports (see www.oecd.org/mena/governance).

1. REGIONAL CHALLENGES AND POLICY PRIORITIES

E-Government

1. Arab countries face a number of common challenges in implementing e-government. This conclusion is the result of stocktaking of e-government experiences in Arab countries and interviews conducted with e-government leaders in the region. Though there is no a single approach to e-government development, this section seeks to illustrate and discuss the areas of common regional challenges for e-government implementation; in particular it looks at: vision and planning, institutional frameworks, infrastructure, legislative and regulatory frameworks, the digital divide, budgetary barriers and pay off of services.

2. **Articulating the vision and increasing buy-in at all levels.** Many Arab countries have developed a vision and strategy for the use of ICT in government; however, the link with government's plan to modernise and reform the public sector is not always apparent or even established. This can be due to several factors, for example, placing the e-government portfolio in a ministry that does not have any formal responsibilities for public sector reform; or civil servants viewing e-government as a technical endeavour rather than a policy tool to improve public sector efficiency and effectiveness. Another factor, is that acceptance of the vision for e-government and its articulation in strategic objectives and goals varies considerably between government organisations. While e-government objectives are clearly set at the central co-ordination level, these objectives may not be sufficiently understood and translated into clear goals by ministry and agency employees. Better communication strategies could improve this situation as well as reduce resistance to change.

3. **Institutionalising e-government.** In moving from project-based e-government implementation to a more comprehensive plan for e-government development, most Arab countries are facing the challenges of creating an institutional framework supporting e-government. This includes setting up a high level steering committee, ensuring e-government investment reviews and establishing clear mandates and responsibilities for implementing e-government. In some Arab countries, lack of proper institutional structures and authority to drive e-government, along with limited financial resources, reduce government capacity to effectively co-ordinate and implement e-government initiatives. While the experience of OECD countries shows that there is no single solution to the question of how to structure and organise e-government, it is important to define a clear mandates and responsibilities to allow for e-government development and ensure proper co-ordination across government.

4. **Creating a proper e-government technical infrastructure.** While most Arab countries have made considerable efforts in building a proper IT infrastructure supporting e-government, achievements differ greatly within the region. Basic IT infrastructures (*e.g.* IT telecommunication networks) providing access to the Internet have been established by most countries; however, the development of key components supporting e-government operations (*e.g.* government communication networks, service gateways) is still ongoing. While procurement of technology in itself is not a major challenge, developing an integrated approach to IT system architecture between ministries and across levels of government poses a serious challenge for most Arab countries. Issuing and adopting standards for system interoperability and data exchange, setting up secured networks based on common standards, developing shared applications (*e.g.* e-procurement), introducing digital signatures, and authentication represent areas of common challenges for most Arab countries.

5. **Building a legislative and regulatory framework for e-government.** The success of e-government initiatives and processes is dependant on how well government can create a proper legal framework for electronic transactions. Making electronic processes legally equivalent to paper-based processes is still underway in many Arab countries (*e.g.* laws on electronic transactions and electronic

signatures, electronic payment, etc.). While the lack of legislative framework for e-government has slowed the development of some electronic services in the region, more supportive legislation and regulations could facilitate change and help guide implementation at the organisational level.

6. **Digital divide.** Low ownership of PCs and limited Internet access are among the most important challenges Arab countries face today in implementing public services online. Most Arab governments have addressed digital divide issues through programmes focused on increasing ownership of PCs and access to the Internet, through public access points (*e.g.* affordable PC and Internet initiatives). However, digital illiteracy is still widespread in the Arab world and poses a serious threat to e-government and to the development of an information society. Increasing accessibility to the Internet and developing the skills to effectively use ICTs – remains a priority target for Arab countries.

7. **Capacity building – e-government experts.** Efforts have been made throughout the region to strengthen capacity and knowledge on ICT and e-government within government, but more needs to be done. Many countries have undertaken initiatives to assess ICT staff requirements, set up training programmes for civil servants on ICT applications and solutions and promote participation of civil servants in ICT events. Despite these efforts, resistance to change on the part of government employees is still a challenge for the development of e-government. Increased governmental focus on capacity building through general and ad hoc training could help build confidence and improve understanding of the opportunities offered by ICTs as a tool to change the way public administration operates.

8. **Funding e-government.** As experience in OECD countries shows, e-government requires considerable financial investment: resources must be allocated to developing and managing systems, building up infrastructures, and co-ordinating projects and initiatives. Arab countries, with some exceptions, have limited governmental resources, making e-government development somewhat dependant on external grants and loans. Countries are under pressure to better prioritise e-government objectives and initiatives with stronger focus on enabling efficiencies and internal savings from e-government operations. Many countries have focused on funding high volume/high value applications aimed at cost reduction and revenue generation (*e.g.* bill collection, tourism). However, to date few countries use business cases to evaluate the cost and benefit of e-government investments. Arab countries in the region will need to develop new funding sources, investment review procedures, and improve management of e-government implementation to ensure return on investments.

9. **Ensuring take-up of online services.** There is no uniform regional approach to service development in Arab countries; countries have adopted strategies ranging from a clear focus on putting “as many services as possible” online to a more back-office-oriented approach where ICT is used primarily as a way to reduce costs and increase the overall efficiency of the administration. No matter what approach is taken, countries are facing the challenge of ensuring that their investments in e-government pay off which in turn requires that online services are effectively used. In many Arab countries, citizens and businesses have limited information about services offered online and limited understanding of how to access them. Communication campaigns, along with training on capacity building, will be an integral part of the implementation of the country action plans to increase takeup of e-government services.

Administrative Simplification

10. The simplification of procedures and administrative methods is a priority for most Arab countries. Numerous projects aim to bring citizens closer to government and facilitate the expansion of the private sector. Policy actions must address:

- *Administrative burdens imposed on the private sector.* Administrative and bureaucratic red tape is still an obstacle for entrepreneurship in many Arab countries. Even if some countries have made great advances increasing their international competitiveness, issues such as the coordination of efforts between departments and the access to legal investment-related information still can be improved.
- *Regulations inside government.* Flexibility, initiative, and a service-oriented perspective for citizens and businesses are more difficult to achieve in public administrations which are themselves burdened with restrictive rules and reporting requirements. This condition is even more entrenched at municipal level, affecting the outcome of decentralization.

11. To reduce administrative burdens and cut red tape, both inside government as well as in the government's dealing with citizens and business, Arab countries can accelerate the introduction of tools and policies, such as outsourcing of regulatory services, one-stop-shops promoting investment at the decentralised level or the establishment online registers of laws and regulations. Permits and licenses for business registration, land use and the like add costs and delays, and often do not achieve a public purpose.

2. PROGRESS MADE IN WORKING GROUP 2

Working Group Meetings

1st Meeting: 12-13 September 2005, Dubai, United Arab Emirates

12. Working Group 2 met for the first time in Dubai, at the invitation of Chair Nabil Ali Alyousuf, Deputy Director General, The Executive Office; the meeting was co-chaired by Kuk-Hwan Jeong, Policy Advisor to the Ministry of Government Administration and Home Affairs (MOGAHA), Korea, and Mr. Vincenzo Schioppa, Deputy Permanent Representative of the Permanent Delegation of Italy to the OECD.

13. Nineteen high level delegates from 12 Arab countries presented their national approaches and experiences in implementing e-government and administrative simplification and actively engaged in initial policy discussion with international experts from seven OECD countries. The country presentations showed that Arab countries are facing a number of common challenges related to e-government implementation – including leadership, vision, prioritisation of actions, co-ordination, addressing barriers (e.g. legislation and regulations, budget arrangements, digital divide), capacity building, relations with stakeholders, public-private partnerships, back-office management, evaluation and developing indicators for e-government. Key outcomes of the meeting included:

- Launching of a questionnaire for the preparation of country Action Plans.
- Identification of four action groups to move forward on a results-oriented thematic agenda.
- Scheduling of high level seminars on key components of e-government and administrative simplification (e.g. E-Procurement, 30-31 January 2006, Naples, Italy; E-Voting, 24-25 January 2006, Bahrain; How to Build a Successful Action Plan, 7 March 2006, Dubai)
- Promotion of an online exchange forum organised by the Dubai School of Government.

2nd Meeting: 6 March 2006, Dubai, United Arab Emirates

14. The 2nd meeting of Working Group 2 brought together 24 high level delegates from 10 Arab countries and experts from five OECD countries. The meeting was facilitated by Working Group 2 Chair Nabil Ali Alyousuf, Deputy Director General, The Executive Office, and Co-Chairs Vincenzo Schioppa, Minister Plenipotentiary, Italian Ministry of Foreign Affairs, and Chang Kil Lee, former Director General of MOGAHA and Head of the OECD Asia Centre.

15. The main objectives of the meeting were to update participants on the progress of the group workplan, allow selected Arab countries to provide an assessment of their e-government experiences, and present their draft action plans identifying concrete actions to be implemented within the framework of the GfD Initiative. Key outcomes were as follows:

- Discussion of the main challenges in administrative simplification around which an agenda for future high level seminar is defined
- Validation of the Naples e-procurement seminar format as the model for future high level exchange of experience between practitioners.
- Presentation of Action Plans by Lebanon, Egypt and Bahrain, and agreement on a standardised template for action planning (addressing e-government technical, legal and service frameworks, capacity building, and administrative simplification).
- Confirmation of upcoming seminar topics, host countries, and tentative dates

- Presentation of the Dubai School of Government's newly established portal, to serve as an online platform for exchange of knowledge, experiences and practices on e-government and administrative simplification among Arab countries and between Arab and OECD countries.

High Level Seminar on E-Procurement, 30-31 January 2006, Naples, Italy

16. The high-level seminar was hosted by the Department of Public Administration, with the technical support of the Department of Information Technology of Italy and with the sponsorship of the Italian Ministry of Foreign Affairs, at *Formez*, the Institute of the Department of Public Administration for innovation and public management training. The seminar brought together 18 high level experts from 10 Arab countries to exchange practical experiences and technical know-how on implementing e-procurement with experts from OECD countries with relevant experience in this area.

17. OECD and Arab country presentations provided extensive information on country experiences in e-procurement, addressing all enabling factors, including institutional, organisational and regulatory aspects. Discussion topics included frameworks for e-procurement and technical and technological challenges. Participants agreed that e-procurement is a useful instrument to foster transparency and efficiency in the public sector and not an output per se of public reform. All approaches to e-procurement have costs and benefits, and it is important to take into account all costs and needs including process re-engineering and skills requirements. In addition, e-procurement cannot be developed without strong leadership and support across government.

18. A strong foundation was created for further work and discussion on this topic, as well as on other e-government and administrative simplification strategic issues. Key outcomes were as follows:

- Proposal for creation of a network of e-procurement experts to support bilateral exchange of technical know-how and expertise on the implementation of e-procurement systems.
- Agreement to convene for a followup seminar with user groups on how to effectively implement e-procurement.
- Collection and analysis of country papers from Arab countries, to feed into the preparation of country Action Plans.

High Level Seminar on How to Build a Successful Action Plan, 7 March 2007, Dubai, United Arab Emirates

19. The High Level Seminar on How to Build a Successful Action Plan was hosted and organised by the Dubai School of Government. The seminar brought together 24 high level experts from 10 Arab countries with experts from OECD countries and international facilitators.

20. Participants discussed prioritising projects, securing political support and other practical aspects of implementing new and ongoing programmes. Some countries (*e.g.* Ireland and Morocco) presented their experiences in preparing an e-government action plan and the challenges they encountered during the process of translating a strategy into actions, mobilising consensus around e-government objectives, and communicating the plan across government.

Action Plans, Upcoming Seminars and Other Future Directions

Action Plans

21. The definition of National Action Plans for Arab countries is a key step in the implementation of the GfD Initiative. Within the framework of WG 2 activities, the following countries committed to set up and present their Action Plans on e-government and administrative simplification activities at the Steering Group Meeting in Sharm El Sheik: Bahrain, Dubai, Egypt, Jordan, Lebanon, Tunisia and Morocco.

Upcoming Seminars

22. Working Group 2 will continue its successful track record, working with country sponsors to produce informative high level seminars on specific issues related to e-government and administrative simplification. The following topics have been identified:

- High Level Seminar on Administrative Simplification – Egypt, September 2006, “Strategies, Tools and Implementation Capacities for Administrative Simplification”
- High Level Seminar on “E-government: partnerships and synergies”) – Tunisia, date to be defined
- Follow Up Seminar on E-Procurement – Jordan, date to be defined
- High Level Seminars – to be hosted by France and Italy, topics to be confirmed

Future Directions

23. Working Group 2 has also prioritised the following potential future projects:

- Creation of an Arab Fund for the development of e-government.
- Organisation of a biennial regional forum on e-government.
- Establishment of a group of experts on e-government in the Arab world.
- Launching of an online directory of e-government projects to showcase good practices.
- Fostering “twinning” programmes to support inter-Arab co-operation projects.
- Potential peer reviews: Egypt has expressed interest to be the first Arab country to have its e-government initiative peer-reviewed by OECD countries.