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# Iraq Governance Strengthening Project

OSTP Success Stories

April 2012



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# **IRAQ GOVERNANCE STRENGTHENING PROJECT**

## **OSTP Success Stories:**

### **Success Stories**

### **Jordan OSTP Case Study**

### **OSTP One-Pager**

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# SUCCESS STORY

Ministry of Electricity demonstrates how quickly organizations can achieve results with OSTP

Clear leadership support enabled MoE to accelerate OSTP activities to achieve multiple concrete results in less than one year.



## MoE TDD Results:

- Institutionalized succession plan to guard against unexpected vacancies in leadership positions
- Institutionalized staffing forecasting process to align hiring processes with organizational needs
- Official Vision and Mission statements written in cooperation with leadership and communicated to TDD staff

**BACKGROUND** The OSTP team in Iraqi Ministry of Electricity's Training and Development Directorate (TDD) is so far one of the most successful in Iraq. Under progressive directorate leadership, the TDD used the OSTP methodology to impressive and efficient effect. In less than one year, the MoE team conducted an assessment of the TDD's performance, identified opportunities for improvement, and made three distinct and important improvements to their organization. The TDD developed and clearly demonstrated its internal and independent ability to improve its own operations, and steer itself to be on par with international standards.

**SELF ASSESSMENT** Under the forward-thinking, modern and results-focused TDD leadership, the MoE TDD OSTP team completed their first OSTP training in June of 2009. By the end of July, they had completed interview-based data collection, and two months later they published the MoE TDD Self-assessment Benchmark Report. As most TDD OSTP team members, and leadership expected, the scores in the assessment were low. However, rather than try to hide the low scores, the whole TDD organization, from the leadership down to the OSTP team members, resolved to make their organization better.

**TRANSFORMATION** The team identified nearly 50 opportunities to improve the TDD's operations. However, rather than addressing them all at once, the TDD OSTP team prioritized five that would have the greatest impact, but required only moderate resources. By June of 2010, the team had developed and institutionalized a succession plan for filling significant leadership positions in the event of sudden absence. They had forecasted TDD staffing needs through 2013 and reported the results to the Planning Department who will use the analysis for guiding hiring decisions. Finally, they had written a TDD-wide vision and mission statement and communicated it through memos to every employee, posters in every TDD department, an ongoing message on TDD information monitors, and an official communication to the MoE.

**OSTP & MOE TDD TODAY** By implementing these three changes in only one year, the MoE TDD demonstrated its ability to take responsibility for its own development and improvement, and commitment to achieving significant results. Thanks to the TDD leadership, and the hard work of the TDD OSTP team, this ability will enable the TDD can adapt and improve to continue meeting the challenges of the future.

# SUCCESS STORY

Palestinian Authority applies OSTP to great success in five ministries, is continuing process

"The improvement in service delivery and the expansion of the culture of excellence within PA institutions demonstrates the very commitment of our own government to providing the best possible services we can." Prime Minister Salam Fayyad



Prime Minister Salam Fayyad congratulates an OSTP graduate

**BACKGROUND** The Palestinian Authority (PA) began implementing OSTP in 2009 with the goal of developing a more professional, competent public administration and civil service, and to provide more effective, efficient and responsive services and benefits to the Palestinian people. The PA created five internal ministry OSTP teams tasked with realizing these goals. Teams were formed in the Ministry of Finance (MoF), Ministry of Interior (MoI), Ministry of Public Works and Housing (MoPWH), Ministry of Telecommunications and Information Technology (MoTIT), and Ministry of Transportation (MoT). From the earliest stages the OSTP program, termed "Centers of Excellence" in Palestine, received strong support from Prime Minister Salam Fayyad and the leadership of the ministries it engaged.

**SELF-ASSESSMENT** All five participating PA ministries completed Self-assessment Benchmark Reports as the first major step of their engagement with OSTP. Teams produced these detailed reports from extensive data they gathered through surveys, interviews, and document analysis in their respective ministries. The Self-assessment Benchmark Reports reflect institutional performance in finance, processes, people, knowledge and leadership. Teams' analyses of the reports identified top priority areas in which their organizations could improve and led to the identification of specific reform initiatives to support excellence in each ministry.

**TRANSFORMATION** PA OSTP teams exceeded all expectations for achieving results. They implemented more than 40 change initiatives in less than three years, significantly improving their organizations' performance. They are expected to complete many more in the near future. A small selection of the PA OSTP results are below:

## PA OSTP Facts:

- Number of OSTP teams in the PA: 5
- Number of OSTP team members in the PA: 140
- Completes Self-assessment Benchmark Reports: 5
- Identified solutions: 94
- Completed solutions: 42

- *Creation of a Complaint Unit:* to improve transparency and accountability, the MoI launched a complaint unit that will allow citizens from across the West Bank to provide feedback on ministry services.
- *Surveys of Employee and Citizen Satisfaction:* the MoI OSTP team surveyed 385 citizens, who received services from civil affairs and

**OSTP Success Factors:**

- Actively engaged and supportive leadership
- Committed, capable and committed OSTP (COE) team members
- Careful work planning and focus on achieving visible results

passports departments, as well as 71 ministry employees to measure consumers and employees satisfaction at the ministry. The results showed that ministry performance and responsiveness had improved since engagement with OSTP. The other four ministries found similar results when they conducted employee and citizen satisfaction surveys.

- *Program-based Budgeting:* stemming from the needs for improvement identified in the Self-assessment Benchmark Reports, staff from the MoT, MoI, MoPWH and MoTIT requested and received training on linking annual budget requests to strategic objectives, forecasted needs, and anticipated programs. The MoF provided this training, to ensure that the line ministries were providing the correct information to participate in the new results-based budgeting process.
- *Strategic Planning:* The MoF OSTP (COE) team developed a new vision, mission and strategic plan for the MoF which was officially approved by the ministry's leadership. MoI, MoPWH, MoT and MoTIT also undertook similar exercises, including the presentation and distribution of the new strategy to all employees.

***THE FUTURE OF OSTP IN PALESTINE*** By the end of 2011, 140 dedicated PA civil servants graduated from the OSTP (COE) program, marking completion of the first OSTP cycle. The OSTP (COE) program is being institutionalized in the five pilot ministries, and the Council of Ministers recently issued a decree mandating the creation of a national steering committee to champion excellence at the level of the PA as a whole. All five participating PA ministries have begun the second cycle, which will most likely produce even more results than the first. These results will almost certainly continue to improve the effectiveness of PA institutions, and the satisfaction of the citizens it serves.

# OSTP Case Study from Iraq

Ministry of Oil achieves concrete results with OSTP and implements it across the ministry

MoO uses OSTP to drive performance improvement without the need for external assistance.



Working at a refinery in Kirkuk.

"...we believe the OSTP process will be a significant ongoing benefit as a component of our Strategic Management."

Deputy Prime Minister Dr. Hussain Al Shahrستاني

**BACKGROUND** Technological capacity alone is not sufficient to manage Iraq's vast oil and gas reserves. The Ministry of Oil (MoO) needs to ensure its internal systems, processes and procedures are efficient, effective and can evolve to face ever-changing challenges. Recognizing this need, and displaying forward-looking leadership, Iraq's MoO first applied OSTP in 2008 at the North Oil Company. Since then, MoO leadership and employees have embraced OSTP across the ministry, and used the methodology to independently improve their organization from Kirkuk to Baghdad to Basrah. Recognizing the success of the program, Dr. Hussein Al Shahrستاني, then Minister of Oil, endorsed a new central OSTP unit at the MoO and encouraged every major directorate to adapt the program.

**SELF ASSESSMENT** To date, MoO OSTP teams have published nearly 10 Self-assessment Benchmark Reports. Together, these Self-assessment Benchmark Reports consist of more than 500 pages of detailed analyses on MoO organizational performance in finance, leadership, people, knowledge and processes. They reflect the results of more than 300 interviews with MoO employees ranging from Director Generals to departmental employees. These reports have been read by the highest level leadership of the MoO.

The Self-assessment Benchmark Reports, however, are not valuable simply because of the extensive and detailed information they contain. They are valuable because they have given the MoO visibility into its own organizational performance, and the ability to improve its own operations without the need for outside help. Specifically, MoO OSTP teams have used the Self-assessment Benchmark Reports to identify the need for directorate-level strategic plans, job descriptions, leadership succession and training plans, IT infrastructure improvements, and many other needs. These needs were identified *internally* at the MoO, not by outside organizations.

Identifying opportunities, however, is not the same as taking advantage of them. How did the MoO convert the ideas into solid results.

**TRANSFORMATION RESULTS** The MoO OSTP teams' primary objective always is to achieve concrete and lasting results. To convert the opportunities identified in the Self-assessment benchmark reports into real results, the MoO OSTP teams identified the activities, timelines, resources and capacities needed for



## Selected MoO OSTP results:

- Strategic plan produced for North Oil Company
- Strategic plan produced for North Refineries Company
- Departmental redesign and job descriptions at OPDC
- Multiple business processes mapped at North Oil Company
- Multiple business processes mapped at North Refineries Company
- OSTP unit created at MoO headquarters

successful implementation. Then they implemented their plans with great success. To date, MoO OSTP teams have written and formalized directorate-wide strategic plans. They have redesigned departments and instituted job descriptions. They have created detailed process maps in the areas of procurement, hiring and technical functions where no documented processes previously existed. The results the MoO OSTP teams have achieved were so impressive that the MoO created a central unit tasked with supporting their activities across the entire ministry.

***OSTP & MoO TODAY*** OSTP is still active in the MoO, nearly two years after the completion of USAID support. Supported by the ministry's central OSTP office, teams are still working to continue achieving implementation results across the ministry. One team visited Jordan's King Abdullah Center for Excellence. Another is preparing to conduct a ministry-wide conference on excellence and organizational development. As MoO OSTP teams continue to operate, the MoO continuously improves as an organization. This not only benefits the organization through improved operations, it benefits all Iraqis through more effective and efficient management of their most valuable natural resources.

# Sector Transformation Case Study

## The Jordan Centers of Excellence Program

### Client

USAID/Jordan

### Project Name

Centers of Excellence (COE)

(Subcomponent of the Chemonics International Achievement of Market Friendly Initiatives and Results (AMIR) Program)

### COE Cost

\$1,500,000

### COE Duration

August 2002 – September 2004

### COE Partner-Beneficiaries

§ Ministry of Industry and Trade  
§ Ministry of Planning  
§ Ministry of Information and Communications Technology  
§ Institute of Standards  
§ Investment Board  
§ Export Development and Commercial Centers Corporation  
§ Telecommunications Regulatory Commission  
§ Customs Department

### Relationship and Background

The Kaizen Company's Sector Transformation Program (STP) evolved from the highly successful Jordan Centers of Excellence (COE) Program.<sup>1</sup> From 2002 to 2004, the USAID funded COE Program played a fundamental role in strengthening Jordanian government and quasi-government institutions and in increasing Jordan's competitiveness. During its two years of operation, diverse ministries, line agencies, and quasi-governmental agencies worked with the COE Program, actively implementing the COE methodology.

### Program Findings

Through the COE Program, Jordan's government began transforming itself into a powerful facilitator of private-sector led economic growth and development. Civil servants eagerly embraced COE as it enabled them to better understand government best-practices and to address long-standing institutional shortcomings. Government leaders responded by providing these managers with a top-level mandate for reforms. COE Partners received numerous accolades at the King Abdullah Awards for Government Performance, testifying to the success of the COE Program.

### Accolades

- ✓ A COE partner institution won the King Abdullah Award. Another placed third.
- ✓ A civil servant leading COE efforts was recognized as Jordan's top civil servant.
- ✓ The Director of a COE 'star' agency was promoted to Minister.
- ✓ A COE Manager was asked to create Jordan's macro-level reform strategy
- ✓ A COE Manager received a certificate of gratitude from the Finance Minister.

### Conclusions

COE heightened both understanding and awareness of government best practices in Jordan. It inspired civil servants in numerous government agencies to develop and implement wide-ranging institutional reforms. Perhaps most importantly, COE expanded government demand for high-quality government reform services. The Jordanian private sector is actively meeting this demand.

### COE Market Survey

A survey of COE-partners demonstrated market demand for COE services:

- 90%** felt the benefit greater than or equal to the cost of participation in the COE program.
- 96%** expressed interest in receiving additional institutional transformation assistance.
- 76%** expressed willingness to pay for external assistance with their own funds.

*The following page provides an illustrative list of internally-driven reforms inspired by the COE Program at participating Jordanian government institutions.*

<sup>1</sup> COE was managed by KC's Managing Director while employed by Chemonics International. STP contains innovations that heighten overall development outcomes. It has an increased focus on creating and/or improving the market for institutional transformation services, and on ensuring that qualified local private sector entities service this market.

# COE Inspired Reforms at Jordanian Government Organizations<sup>1</sup>

## COE at JIS

Through participation in the COE Program, the Jordan Institute for Standards (JIS) launched numerous independent reforms. Reforms transformed JIS operations and greatly improved the support it provided to the private sector. In a manner befitting international best practices but as yet unseen in Jordan, JIS began an ongoing dialogue with relevant institutions on how to better collaborate in achieving national goals. All JIS staff took part in internally developed knowledge management training sessions and began regularly discussing opportunities for better knowledge utilization amongst themselves. JIS institutionalized creative programs to motivate employees, identify potential leaders, and to retain high-achieving staff. JIS contracted a private firm to further e-government initiatives and to assist with electronic documentation. JIS is lending support to other government organizations. At the request of the Telecommunication Regulatory Commission (TRC), JIS presented its experiences to assist TRC with its reform efforts.

## COE and Customs

The Jordanian Customs Department leveraged COE assistance to create more private sector friendly operations. A charter member of the Jordanian border management task force, Customs is working with relevant government agencies to create an integrated approach to border management and to champion business-friendly borders. An internal brochure, distributed monthly, seeks to inform, involve, and educate all customs staff on various issues including procedures, values, and ongoing reform efforts. The Customs personnel department prepared results-based position descriptions for all staff and integrated them into a comprehensive performance management and evaluation system. For a period of time, a minimum of 60 employees were being brought to Amman and trained internally on the fundamentals of knowledge management. Excepting the task force, these reforms were all designed and driven from within Customs, which also institutionalized a rotating change management team and made participation on this team an important customs-career stepping stone.

## Customs Department

- § Developed an internal newsletter to proliferate reform initiatives and training opportunities among staff at all branches of the organization.
- § Created performance-based position descriptions and had reviews for all staff.
- § Underwent comprehensive strategic planning sessions.
- § Developed internal transformation team to implement ongoing improvement, established participation on the team as a valued internal career-advancement step.

## Jordan Institute for Standards

- § Began a structured dialogue with numerous institutional partners to define overlapping objectives and to discuss institutional roles and opportunities for greater collaboration.
- § Developed and carried out knowledge management training for all staff.
- § Hired a local private firm to support electronic documentation of files to reduce paperwork and take steps towards becoming a paperless organization.
- § Contracted a private sector firm to support e-government efforts and a more customer-centered on-line presence.

## Jordan Investment Board

- § Held a series of presentations and workshops to raise awareness of effective knowledge management and encourage knowledge sharing among staff.
- § Developed and implemented a performance-based budgeting program.

## Ministry of Planning

- § Dedicated one million U.S. dollars to fund COE initiatives.
- § A COE staff member was promoted to senior manager, and, at 60, began university studies in human resources management.

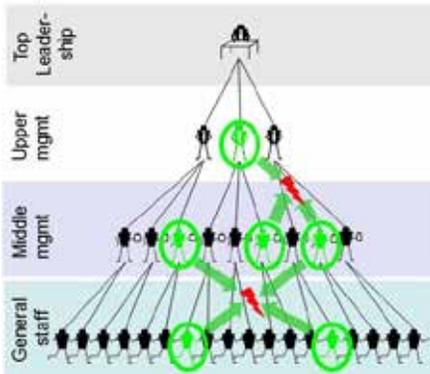
## Telecommunications Regulatory Commission

- § Drafted and implemented internal ground rules and procedures to ensure the ongoing identification of organizational improvement objectives and improvement actions.
- § Developed a strategic plan with comprehensive qualitative and quantitative goals.
- § Linked financial and operational plans to ensure alignment of resources and priorities.

<sup>1</sup> Reforms and successes listed are illustrative. All were designed and driven by the institutions themselves.

# OSTP: Concepts and Mechanics

OSTP is an internally led, bottom-up government excellence program with five phases



Generic organizational structure with employees (●), organizational problems (⚡), and OSTP team members (●).

**Internally Initiated and Implemented Change:** OSTP builds the capacity *inside* organizations to identify and address opportunities for improvement. The program trains and supports a team of organization employees which assesses an organization’s performance, identifies opportunities for improvement, and implements the changes that the organization needs. OSTP is different from the traditional development approach which relies on external consultants to solve an organization’s problems, and then leave. Internal OSTP teams have deep knowledge of their organization which is critically important for leading improvement. In addition, after the completion of the project’s support, the OSTP team members continue to improve the organization into the future. OSTP has had high profile successes in Iraq, Palestine and Jordan.



OSTP model for government excellence.

**A Culture of Excellence:** The fundamental goal of OSTP is to develop a Culture of Excellence in the organizations in which it works. An organization that has a Culture of Excellence is centered on serving the needs of citizens, focused on achieving tangible and meaningful results, and transparent about its activities. OSTP helps organizations develop a Culture of Excellence by increasing citizen-centeredness, results focus and transparency in five functional areas: People, Knowledge, Leadership, Processes and Finance. The OSTP team is the organization’s tool to make these improvements. The path to Excellence never ends as there is always room for improvement. As a result, OSTP is a continuous cycle of ongoing improvements



The five phases of the OSTP cycle.

**The five-phase OSTP Cycle:** In order to build a Culture of Excellence, organization OSTP teams follow five-phase OSTP cycle. The phases of this cycle are as follows:

- 1.) Organizational commitment and team orientation – building the OSTP team and organizational support
- 2.) Benchmark Self-assessment – assessing organizational performance
- 3.) Development of transformation roadmap – planning for improvements
- 4.) Implementing change – implementing the plans
- 5.) Collaboration and learning – collecting lessons and making future plans

OSTP requires ongoing improvement at all levels at all times. Once one cycle is completed, the OSTP begins going through the phases again.