E-Government as a Tool to Promote Public Sector Efficiency, Effectiveness and Transparency

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Purpose of the Presentation

- Establish the rationale for e-government, identify some critical success factors for implementing e-government, as well as some barriers

- Discuss some donor funded projects

- Summarize the E-government implications of the USAID Anticorruption Strategy, the USAID Democracy and Governance Strategy (presently in draft form) and the Paris Declaration

- Outline future USAID activities to promote greater use of Information and Communication Technology (ICT), including e-government

What is E-Government?

- E-Government is "the transformation of public sector internal and external relationships, through net enabled operations and information and communications technology, to optimize government service delivery, constituency participation and internal government operations" (de Maio and Kost)

- Not only Internet channels but also other telecommunications technologies, such as cellular telephones, use of PDAs, etc.

Benefits of E-Government

- Systemic effect: e-government can encourage greater use of ICT in the economy; government can be a model user; e-government as a "killer application"

- Increase the efficiency and effectiveness of the public sector; and reduce transactions costs faced by private sector (businesses and citizens) in their interaction with government, thus improving the business climate

- Reduce corruption by making processes more transparent; greatest effect would be on administrative corruption

- Not a "silver bullet", and not easy to implement

Why is it Important to Promote Greater Use of ICT?

- "The unusual combination of more rapid growth and lower inflation in the United States from 1995 to 2000 touched off a strenuous debate among economists…"

- "This debate is now over. The consensus is thatinformation technology has been the key to American growth resurgence."

    -Jorgenson, Ho and Stiroh, Lessons from the US Growth Resurgence, January 17, 2003

Productivity Growth in the US: 1995-2000

- "For the United States, there is widespread agreement that production of ICT goods has strongly contributed to acceleration in productivity growth during the 1990s"

- "Although there are a few dissenters, a consensus is emerging on the proposition that the diffusion of ICT is also a prime contributor to productivity growth elsewhere in the economy."

    -"*Changing Gear*": *Productivity, ICT and Services Industries: Europe and the United States*", van Ark, Inklaar and McGuckin, December 2002

E-Government Stages and "Customers"

- Modalities:
  - Publish
  - Interact
  - Transact
  - Inter-operate and share data: seamless government
  - In all stages, reengineering of "back office" may take place

- Customers/users:
  - Citizens: G2C
  - Businesses: G2B
  - Other government entities: G2G

Publish

- Broadening access to government information

- Examples:
  - Government portals
  - On-Line: laws, regulations and judicial opinions
  - Websites for environmental data and health information
  - Information on contract awards

Interact

- Increasing public participation in Government decision-making

- Examples:
  - E-Mail addresses for public officials
  - Citizen complaints
  - On-line comments on proposed laws
  - On-Line information and discussion forums

Transact

- Making Government services more readily available to the public, thus reducing transaction costs and reducing administrative corruption

- Examples:
  - E-Procurement
  - E-Filing of government documents
  - On-line permits and electronic tax payments, including customs
  - Business registries and land titling
  - Birth certificates and passports online

Seamless Government

- Processes of different government agencies linked to permit citizens and businesses to interact with processes rather than agencies

- Examples:
  - Singapore (http://www.egov.gov.sg/)
  - Colombia company registry
  - Jamaica one stop virtual window for foreign trade transactions (being developed)

Effects on Administrative and Grand Corruption

- Administrative Corruption: most solutions described in this presentation would have their greatest impact on administrative corruption

- Grand Corruption: *ad hoc* independent monitoring of large procurement or concession awards could be facilitated if many countries adopt e-procurement and the systems establish uniform classification schemes to permit inter-country comparisons (http://www.mdb-egp.org/data/default.asp)

External Conditions for Implementing E-Government

- Adequate telecommunications infrastructure (competition in the sector)

- For transactions and "seamless government", an adequate framework for e-transactions is required:
  - Safeguard privacy of end-users
  - Security
  - Electronic contract enforceability
  - System for authentication of individuals and documents; electronic signatures

Critical Success Factors

- **Organizational**
  - Stakeholder involvement in the design; development Enterprise Architecture

- **Managerial**
  - Strong leadership; integrated data; management strategy; training in ICT, CIO, PM; risk response planning

- **Technical**
  - Reengineering of back offices; interoperability; increased number of access points for customers

Main Barriers to Implementation

- Lack of leadership

- Absence of a Strategic Plan

- Political or bureaucratic resistance: fear of job losses, lack of training of government employees, potential loss of "irregular" payments

- Stovepipes in government while ICT should be approached in a horizontal manner
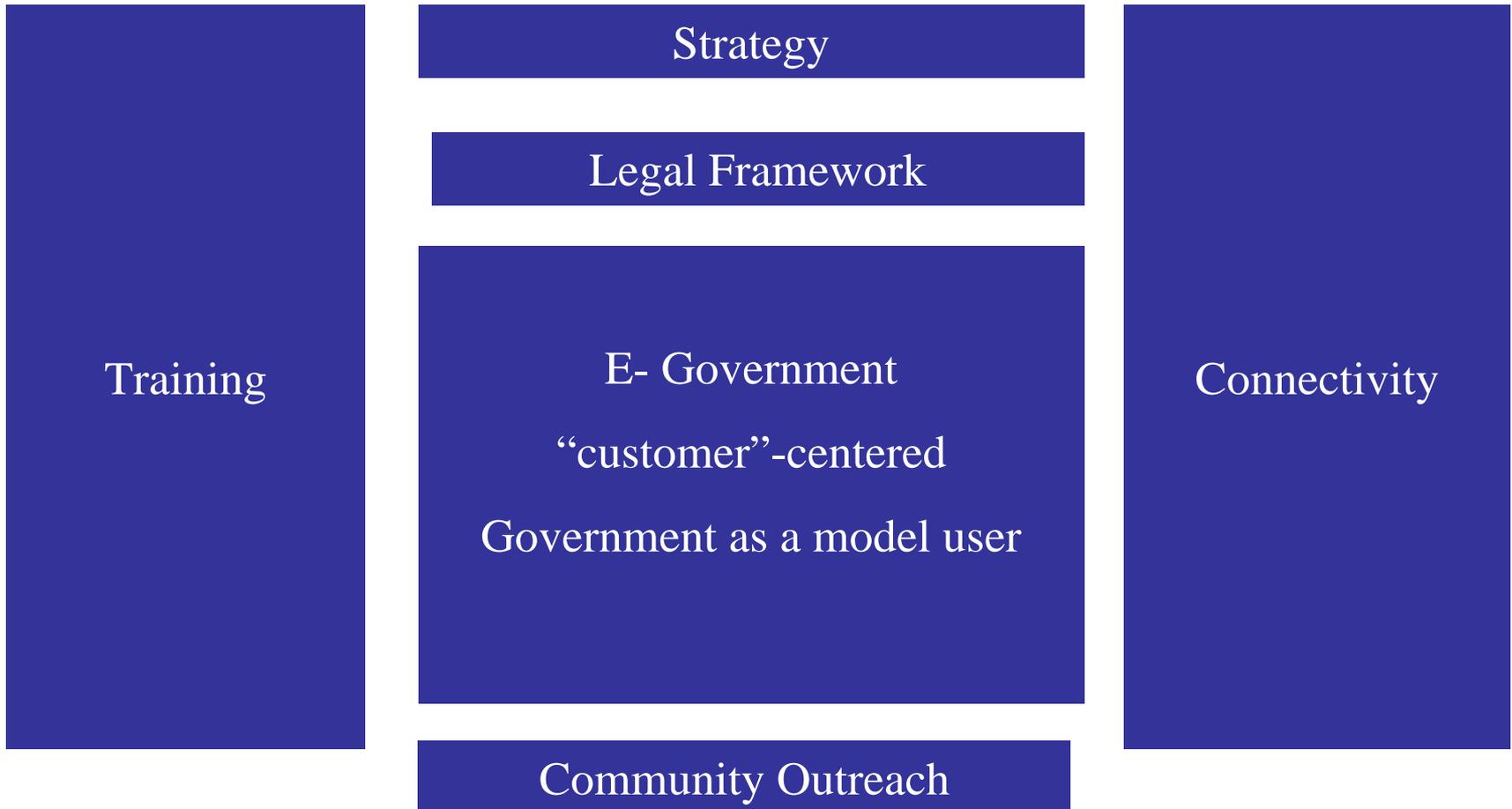
- No methodology for evaluating outcomes

Main Barriers continued

- Lack of human capacity, particularly CIOs and PMs, but also in the strictly ICT disciplines

- Too much reliance on foreign consultants, jeopardizing sustainability

- Over ambitious scope, lack of long-term funding plan; no results oriented evaluation

- Lack of consultation with stakeholders

- No methodology for evaluating outcomes

IDB Projects in Jamaica, Guyana and Trinidad and Tobago

Strategy

Legal Framework

Training

E- Government

"customer"-centered

Government as a model user

Connectivity

Community Outreach

Some Examples USAID Support for E-Government

- Essential component of integrated ICT Projects:
  - Egypt
  - Jordan

- Stand-alone e-government:
  - Latin America and Caribbean Region: USAID was a pioneer in the 1980s and early 1990s in using ICT for integrated financial management and tax and customs administration
  - Later, e-government in Armenia, Eritrea and Haiti, among other countries
  - Support to customs in Jamaica under the New Economy Project
  - Colombia: introducing e-government as part of Last Mile Initiative: agricultural information; business development services; information on norms and standards

Jamaica Foreign Trade: A Success

- Leadership in ICT: Prime Minister, Minister of Communications and Technology and Minister of Finance

- Donor cooperation:
  - World Bank: back office operations
  - USAID: e-payment and e-manifest, and support to IDB with project design
  - IDB: additional resources required for running the system as well as for putting all agencies dealing with trade online (seamless government)

- Donors supporting strong local institution: Fiscal Services Limited. Consultants supporting a local institution rather than taking the lead role

- Stakeholder involvement: focus groups to determine needs and to establish baseline for future evaluation of outcomes

Greater Attention to E-Government

- USAID Anticorruption Strategy (January 2005)
  - Distinguishes between "grand" and "administrative" corruption
  - E-government applications--e-procurement and tax and fee payments online
  - Computerization of land records, legal case files and integrated management systems
  - E-government may be more effective in reducing administrative corruption

- USAID Democracy and Governance Strategy (in draft)
  - Strengthen Democratic and Accountable Governance through "effective and transparent government"

- Paris Declaration on Aid Effectiveness (March 2005)
  - Integrated financial management (IFM)
  - Procurement reforms

- ICT should be an essential element for implementing all

USAID Future Activities #1

- USAID Administrator Andrew Natsios said in a "town hall" meeting that "…I am going to place a much higher emphasis in the second term (2005-2009) to get IT integrated in our development programming in all areas".

- The Administrator also said the first priority for the next four years "is to extend our democracy and governance program to operationalize the president's second inaugural address"

- ICT can be an important tool to make governments more efficient, effective and transparent

- Office merger between ICT4 Development group and key staff from IRM (internal USAID IT solutions) will permit enhanced support to USAID missions for program design in e-government, an important tool to strengthen democracy and reduce corruption

- Program design will give particular emphasis to issues of transparency in government

USAID Future Activities #2

- E-government in general increases information, reduces the number of intermediaries in the public sector and improves the ability to monitor performance

- USAID E-government solutions will attempt to target increased transparency explicitly by giving greater attention to:
  - Increasing access to information
  - Presenting the information in a manner that leads to transparency of rules and permits comparisons
  - Building the ability to monitor in a transparent manner the decisions/actions to individual civil servants

    -E-government: From Vision to Implementation, Subhash Bhatnagar

USAID Future Activities #3

- Training
  - Course at US Telecommunications Training Institute (USTTI)
    Http://ustti.org/courses/display.php3?CourseID=41
  - Partnership between USAID, World Bank, academia and the ICT industry for the E-leadership program

USAID Future Activities #4

- Last Mile Initiative enhanced in Colombia (proposed) and in other countries
  - Improvements in the legal/regulatory framework and strategy development
  - Training
  - E-government in agriculture, norms and standards, business development services
  - Support for the use of ICT in "clusters" to reduce transaction costs within the cluster as well as with suppliers and customers
  - Connectivity using broadband wireless technologies
  - Thorough evaluation of results

USAID Future Activities #5

- Support for e-government in areas such as:
    - Integrated financial management
    - E-procurement: discussing ways to work in coordination with the Inter-American development Bank (IDB)
    - Filing and payment of customs duties and other taxes
    - Putting all trade agencies on line (virtual one stop window)
    - Property registration: real estate and movables

USAID Future Activities #6

- Clearinghouse for best practices

- Promotion of lessons learned from the US and from leading countries such as Chile

- Use of cell phones for Health MIS

- Continue efforts to promote telecommunications reform to enhance competition, as modern telecommunications is the *sine qua non* for e-government

THANK YOU VERY MUCH

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