

GOVERNMENTS THAT SERVE

Innovations that Improve Service Delivery to Citizens



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PROLOGUE

This publication is the result of research undertaken over a period of more than two years by the Innovation in Citizen Services Division (ICS) of the Inter-American Development Bank (IDB). The project, led by Pedro Farias, analyzes the factors that contribute to better relations between governments and citizens with respect to public service delivery. The knowledge comes from projects that the Bank has supported in several countries in Latin America and the Caribbean, and from case studies and research carried out with academic institutions, such as the Harvard University Ash Center for Democratic Governance and Innovation and the Institute on Governance of Canada. We are grateful for the contributions of their directors, Stephen Goldsmith and Maryantonett Flumian.

This study is timely and important as the delivery of public services is the main component of public spending of modern governments. At the same time, citizens' demands are closely linked to the demand for better public services and to a far-reaching review of the relationship between the State and the citizens. This transformation of public services is taking place in a much broader context, driven by constant changes in digital technology, optimized production practices, and more flexible delivery models. Although the delivery of public services has a long historical tradition, many of the functions associated with the consolidation of the so-called "welfare state" and "regulatory state" in the last century have required new services and more regulations, and have increased the need for interaction between governments, citizens, and business.

Many public services require transactions between citizens and governments involving the exchange of information and implementation of predefined procedures for access to information, exercise of rights, or compliance with obligations. In recent decades, expanding bureaucracies and the proliferation of transactional services or "procedures" have generated costs for users that affect families' quality of life, labor productivity, and business competitiveness. Moreover, these costs

have helped reinforce an image of the public sector as remote from the needs of its citizens, and have reflected negatively on trust in government. According to Latinobarómetro surveys conducted between 2010 and 2015, a growing number of citizens, better informed and more demanding, say that they do not trust their government.

Unfortunately, governments often give low priority to administrative simplification and regulatory reform. While non-transactional services, such as health, education, and security, contribute to building human capital, citizens do not generally perceive that transactional services add substantive value, since their purpose is to ensure compliance with formal requirements for access to a good, benefit, or authorization provided by the public sector. Moreover, while non-transactional services have been widely studied, this is not the case with management of transactional services in Latin America and the Caribbean, where our knowledge is still based primarily on poorly documented empirical practices.

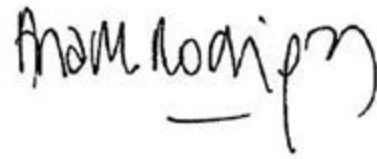
Nevertheless, several governments in Latin America and the Caribbean are working toward winning over public trust through the improvement public services. This requires addressing problems related to the complexity of regulatory frameworks, regulatory inflation, technological obsolescence, institutional fragmentation, and outmoded management practices. This process of modernization and “debureaucratization” is using the enormous potential of new technologies and digital innovations, and introducing regulatory reforms that reduce transaction costs. Various governments are adopting modern participatory management models that place citizens at the center of public action.

In a world that must adapt to the new dynamics of the digital economy and exponential data growth, governments must become more nimble and adopt technological innovations and digital solutions that empower both public officials and citizens. For this, they need to incorporate tools that give them more transparency and feedback, greater understanding of problems, and a better design of solutions to facilitate interaction with citizens. However, it is essential to note that the processes involved in modernizing public services are complex and multidimensional initiatives, requiring strategic vision, political capital, and institutional alignment to achieve their objectives.

In this respect, this publication identifies three innovation drivers that help to understand the dimensions of the reform of transactional services: integration, simplification, and management. Under these three drivers, it is possible to diagnose specific problems, plan interventions, mobilize resources, and project the capacities needed to implement appropriate solutions.

Achieving the right balance between disruptive innovations and strengthening institutions is a critical challenge for many governments in Latin America and the

Caribbean. In this study, the authors present a conceptual framework and analytical tools that will be useful for those responsible for public policy and public service delivery, as well as academics and citizens interested in meeting this challenge.

A handwritten signature in black ink, appearing to read 'Ana María Rodríguez-Ortiz', with a horizontal line underneath.

Ana María Rodríguez-Ortiz
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PREFACE

Innovation must be at the heart of the reinvention of the modern State and the modernization of public administration, especially at a time of fiscal austerity and budget constraints. The economic downturn suffered by Latin America and the Caribbean makes the task of improving the quality of spending and streamlining the State more urgent.

Consider that masterpieces are always unfinished works. In the early sixteenth century in Renaissance Italy, Pope Julius II commissioned Michelangelo to paint the ceiling of the Sistine Chapel. Initially, the artist refused because of the magnitude of the task. But after accepting the project and faced by the repeated requests of Julius II for an end date, the artist always gave the laconic reply “when it’s done.” The task of reforming the State and modernizing the public administration is not a masterpiece like the Sistine Chapel, but it is a never-ending task.

Citizens are demanding more and have higher expectations of the quality of the public services the State must provide, and of integrity in the management of public resources. In part, this is due to the existence of an ever younger and more digitized society, born into democracy, which expects immediate responses. It is not about spending more, but spending better.

The public sector’s capacity to innovate is often questioned. However, globalization of economies and digitization of societies are redefining interactions between citizens, governments, and businesses, which opens more opportunities for innovation to prosper in the public sector. Restoring trust in government requires transforming these relationships and constructing dynamic models for co-creating public value. Innovation cannot be at odds with the public sector; it must be the catalyst for adoption of a new social contract that strengthens citizen participation.

We are witnessing the exhaustion of the public management models constructed under the traditional bureaucratic logic. In the words of John Micklethwait and Adrian Wooldridge, we are in the “fourth revolution” of reinventing the State. In this context, the State’s actions need to focus on the citizen, which represents a real Copernican revolution of the Weberian concept of bureaucracy. This is a change that goes beyond the managerial revolution of “new public management.” Regulatory reform and

administrative simplification are taking on a new dynamic for achieving a nimbler State and “debureaucratizing” public action. The digital transformation of public administration is one of the pillars of the recent modernization of public management. In this transformation, technological innovations are the engine of change for integrating the citizen perspective and for bringing in processes that match their expectations.

This publication contributes to the current debate on reinvention of the State and digitization of services. It brings together some of the innovative initiatives introduced by governments in their efforts to regain public trust through better delivery of public services. It details lessons learned and puts together policy recommendations aimed at reorienting public services toward citizen welfare. The common thread of this initiative is the search for better interaction between governments and citizens in the effort to achieve citizen-centered States.

In the introductory chapter, Pedro Farias and Miguel Porrúa present the current context in which politicians, public officials, citizens, entrepreneurs, and academics work together to create environments where government action is more effective, efficient, and open, with emphasis on delivery of quality public services. They show that citizens are more informed and have higher expectations. Consequently, the challenges facing governments in the region in their efforts to stay ahead and meet these expectations are greater than ever.

In Chapter 2, Stephen Goldsmith and Paula Castillo set out the conceptual framework for analyzing public service delivery. This includes a definition of transactional services, criteria for selection of the cases to be studied, and an analysis of innovative practices. This analytical framework, developed in collaboration with the Ash Center for Democratic Governance and Innovation at Harvard University, proposes an integrated, citizen-centered approach to address the many dimensions of improving service delivery.

In Chapter 3, Pedro Farias, Catalina García, and Gustavo Zanabria present the key findings and lessons learned from selected case studies, based on the analytical framework described in the previous chapter. The authors identify trends and factors that influence the effectiveness of government interventions, including deployment of new technologies, government coordination, regulatory frameworks, and the management model. Based on these analyses, three important drivers for innovation in public services are identified: integration, simplification, and management.

Each driver is examined in depth by three experts in Chapters 4, 5, and 6. In Chapter 4, Jane Wiseman focuses on reform and modernization processes designed to integrate information, which is often fragmented in governments, to achieve “a single view of the citizen.” The author highlights the technological and institutional elements required for data to flow beyond government silos, and highlights the importance of careful planning when implementing reforms.

In Chapter 5, Gustavo Mendoza presents an overview of the design and implementation of administrative simplification strategies. He describes the most important tools that have been used in simplification strategies internationally. The author concludes that any simplification strategy requires political support at the highest level, effective

mechanisms for interagency coordination, and definition of quantification mechanisms for communicating tangible results to the public.

In Chapter 6, Maryantonett Flumian proposes that governments modernize service delivery by replacing the traditional focus on institutions and programs with a citizen-centered approach. This type of model needs permanent alignment and coordination between government agencies to keep the focus of the reforms on citizens. This alignment must be strengthened at political and bureaucratic level with governance models, performance metrics, and shared budgets. And a culture of service excellence must be promoted among public officials. That is, day-to-day management is the key to modernizing public services with a permanent focus on citizens.

Finally, in Chapter 7, Pedro Farias brings together the main conclusions of the study and emphasizes some prospects for integrating innovation into public service delivery and the actions of the State. He specifically notes that the three drivers identified operate interconnectedly and synergistically, since innovation stimulated by one of them usually stimulates innovation in the others. According to Farias, technologies are essential, but not sufficient, for meeting the challenges of the digital economy. Governments must develop their capacities and strengthen the institutions involved in delivering services. The author also argues that innovation in public service delivery needs to be supported by public sector institutions so that innovative solutions can be scaled up and sustainable.

This work, led by Pedro Farias, is part of the knowledge agenda of the IDB Innovation in Citizen Services Division on modernizing public administration with the goal of improving services to citizens. With this publication, the Bank's aim is to enrich the debate on the strategies and tools of the governments of the region on their path of transformation to meet the expectations of their citizens—in short, to restore citizens' trust in the State.

A handwritten signature in dark ink, appearing to read 'Carlos Santiso', is positioned above a horizontal line.

Carlos Santiso
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Rebuilding the Relationship: The New Power of Citizens in Public Management

Pedro Farias and Miguel Porrúa

Innovation as Response and Challenge in the Public Sector

The stereotype of the demotivated public servant resistant to change, working in government agencies distant from social expectations, and responsible for cumbersome and time-consuming processes, is an image present for centuries in our societies. Compounding the popular perception, well-known authors¹ have reinforced this image for decades, noting resistance to innovation as something inherent in the public sector.

However, despite the complexity of the environment where government actors have historically resisted innovation, a brief historical retrospective calls this image into question. In the scientific field, some of the leading innovations of recent decades have come from the public sector, although they are now being exploited and expanded by private initiative. For example, the projects that created the Internet, human genome mapping, and geo-referencing by satellite were conceived and implemented in the U.S. government.² Governments have also designed and carried out major vaccination programs that have dramatically reduced the global incidence of diseases, and have developed techniques for managing large government projects which later gained wide application in the private sector.

These cases are just a few examples that show how it is possible to innovate in the public sector despite the difficulties. In fact, innovation has been strengthened in recent decades as a necessary response in public and private organizations, driven by the rapid pace of change in political, economic, and social environments. Solutions created decades or years ago become obsolete faster than ever before in the history of humanity. Phenomena such as globalization of markets, the digital economy, and social networks are changing the attitudes and dynamics of relationships between citizens, governments, and entrepreneurs, creating new forms of collaboration and uncertainty resulting from permanent change.

¹ For reflections on the conservative nature of state organizations, see: Schumpeter (1942); van Gunsteren (1976); Scott (1998).

² These projects were developed in the following agencies of the U.S. government: The Defense Advanced Research Projects Agency (DARPA) (Internet), the Department of Energy and the National Institutes of Health (human genome), and the Department of Defense (global positioning systems [GPS]).

Ever more dynamic environments compel organizations and individuals to constantly adapt in both the public and the private sectors. In this context, innovation cannot be seen as an end in itself, but rather as an opportunity to do the same things differently or do different things in an effort to achieve the objectives of an organization more efficiently and effectively.

In this effort, the private sector's responses arise in contexts where reasonably convergent incentives have an impact, based on the need to assume risks inherent in the business and to generate income higher than the operating costs as a way to survive in increasingly competitive markets and offer profits to entrepreneurs or dividends to shareholders. Thus, Schumpeter (1942) defined innovation as a "process of creative destruction" essential in any capitalist system.

According to Pollitt (2011), the lack of precision with which innovation has been defined, applied, and measured in the public sector places it in the category of a "vital but vague" concept. Undoubtedly, the complexity and constant tension created by unaligned and often conflicting incentives which affect government action make the processes of adapting to change more problematic.

The public interest is a subjective concept about which it is very often difficult to reach consensus. The resources managed come from third parties and have been compulsorily collected through taxes or fees. Political pressures are permanent and often contradictory and actors with the authority to make strategic decisions have time-limited mandates defined and unrelated to the maturity periods of the outcomes of their decisions. In addition, public goods and services are usually provided in noncompetitive environments, and the operating rules and mechanisms of organizational control are established by laws designed to ensure standardization, safety, and stability of work processes, reducing the space for creativity and discouraging risk-taking. Despite the difficulties created by these conditions, innovation has found spaces in the public sector where it can flourish and prosper, as the following chapters show.

A New Citizen who Demands a New Relationship

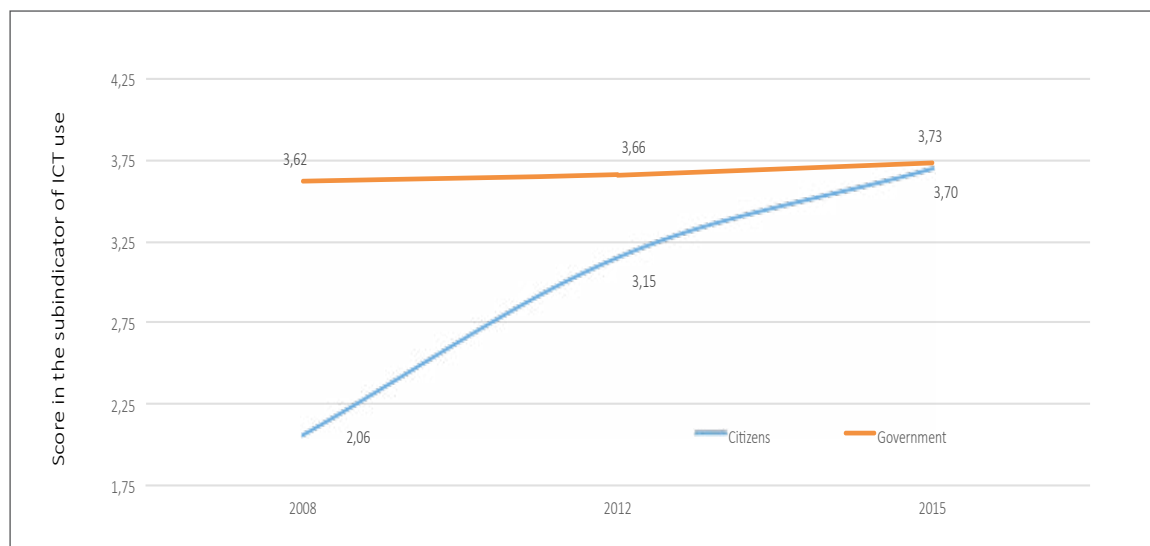
The quest to adapt to the new environment created by social and economic changes is one of the factors that has stimulated adoption of new principles in the reforms undertaken by many governments in the last two decades. It has resulted in a shift from the concepts of New Public Management (NPM) to those of so-called public governance, in which values such as equality, freedom, and participation play a leading role. While NPM prescribed the introduction of management techniques, measurement, competition, and delegation to increase efficiency and effectiveness, the conceptual framework of public governance values negotiation and cooperation among the many public and private stakeholders, stimulating participation and interaction in multicentric systems or networks.

This framework has facilitated the adaptation of government action to an ongoing social transformation which is having a strong impact on the content and perception of that action. Changes in the profile and attitude of citizens in this century have put growing

pressure on governments. Demographic changes, higher education levels,³ expanded access to information, and the unlimited capacity to make connections all combine to produce better informed citizens, more aware of their rights, more participatory, and therefore more demanding.

As shown in Figure 1.1, prepared from the Global Information Technology Report of the World Economic Forum, growth in the use of information and communication technologies (ICT) by the public sector has remained stable. However, citizens are embracing these new technologies at an extraordinary rate, as shown by the trend of the sub-indicator of ICT use by citizens. It is precisely this increased access to ICT which makes citizens more informed, and not only more demanding but also more participatory, as will be seen later.

Figure 1.1. ICT Use in Latin America and the Caribbean



Source: WEF (2009, 2012, 2016).

These new citizens have come to play multiple roles in their relationship with governments. While still playing their roles as voters, taxpayers, and public service users, citizens are increasingly acting as monitors of the efficient, effective, and transparent use of the taxes they have paid. Moreover, these new citizens are usually interested in participating actively in decision making and implementation of public policies that affect their lives or their communities.

An unexploited potential emerges from citizens' willingness to take an active role in their relationship with government. This willingness, enhanced by new technological

³ According to the UNESCO Global Education Monitoring Report (2015), the gross enrollment rate in Latin America and the Caribbean increased from 54 percent in 1999 to 74 percent in 2012.

tools, has led various authors to identify the appearance of new forms of democratic coexistence where social capital interacts with governments to create public value. For example, Beth Noveck, director of the Governance Lab of New York University, describes what she calls “collaborative democracy” (Noveck, 2009) and explains how new ways of formulating and implementing policies based on collaboration between government, citizens, businesses, and social organizations are empowering citizens and redefining government action.

Many governments have begun to use this potential through instruments that support the inclusion of citizens at all stages of the policy cycle and to make resources available so that society itself can create new opportunities for business and social welfare. Instruments that support this approach range from open data platforms, crowdsourcing, and partnerships with the third sector⁴ to face-to-face or virtual public hearings, periodic surveys, and focus groups. The increasing use of methodologies based on experimentation and participation, such as design thinking and human-centric design, using innovation teams, units, or laboratories, is reorienting policies and programs to the real needs of the public by means of co-design, co-production, and co-evaluation of solutions.

Quality Public Services: The Shortest Path to Citizen Trust

Dealing with the demands of more informed and demanding citizens is not an easy task. Unfortunately, surveys show that Latin American governments are failing to meet their citizens’ expectations. According to Latinobarómetro⁵, citizens’ trust in public institutions is below 50 percent and has declined in recent years. As Figure 1.2 shows, the percentage of people who say they trust the government fell from 44 percent in 2008 to 34 percent in 2015.⁶ In addition, several studies point to the importance of public trust for the development of countries (OECD, 2015). The success of many public policies and regulations depends on citizens’ attitudes, and the economic environment is directly affected by investor and consumer trust in government.⁷

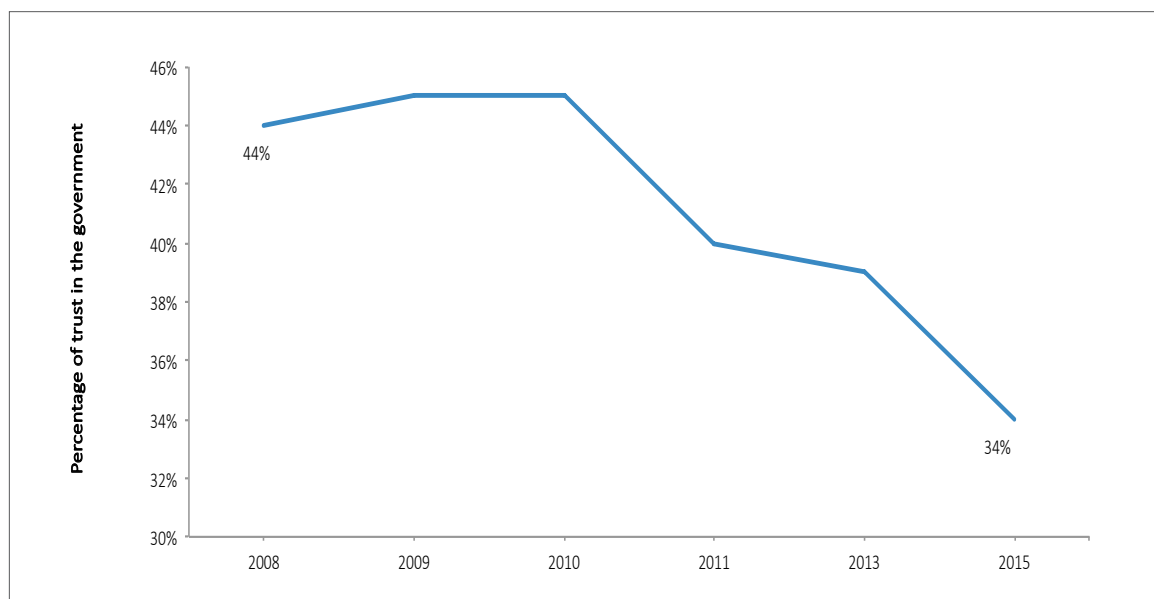
⁴ See the solution used in Cali by the nongovernmental organization (NGO) “Ciudadanos Activos” (www.ciudadanosactivos.com), jointly with the city government, which was recognized by the IDB Gobernarte Award in 2014.

⁵ Latinobarómetro is an instrument for measuring public opinion applied in 18 Latin American countries, whose objective is to investigate the development of democracy, the economy, and society as a whole using public opinion indicators that measure attitudes, values, and behavior (<http://www.latinobarometro.org/lat.jsp>).

⁶ According to Latinobarómetro 2015, the level of trust of Latin American citizens in government is very low. Only 8 percent of respondents said they had “a lot of” trust in their government; 26 percent said they had “some trust”; 37 percent said they have “little” trust; 26 percent that they had “no” trust, and the remaining 3 percent responded “no answer” or “don’t know.”

⁷ According to IDB estimates based on Government at a Glance 2013 and National Accounts at a Glance, OECD 2014, there is a strong positive correlation ($R^2=0.4265$) between trust in national governments (2012) and the gross domestic product (GDP) per capita (2012) of OECD members. Although this relationship does not necessarily imply causation, it is additional evidence that a country’s economic growth is accompanied by a lot of trust by investors and consumers in their governments.

Figure 1.2. Trust in the Governments of Latin America, 2008-15



Source: Latinobarómetro (2015).

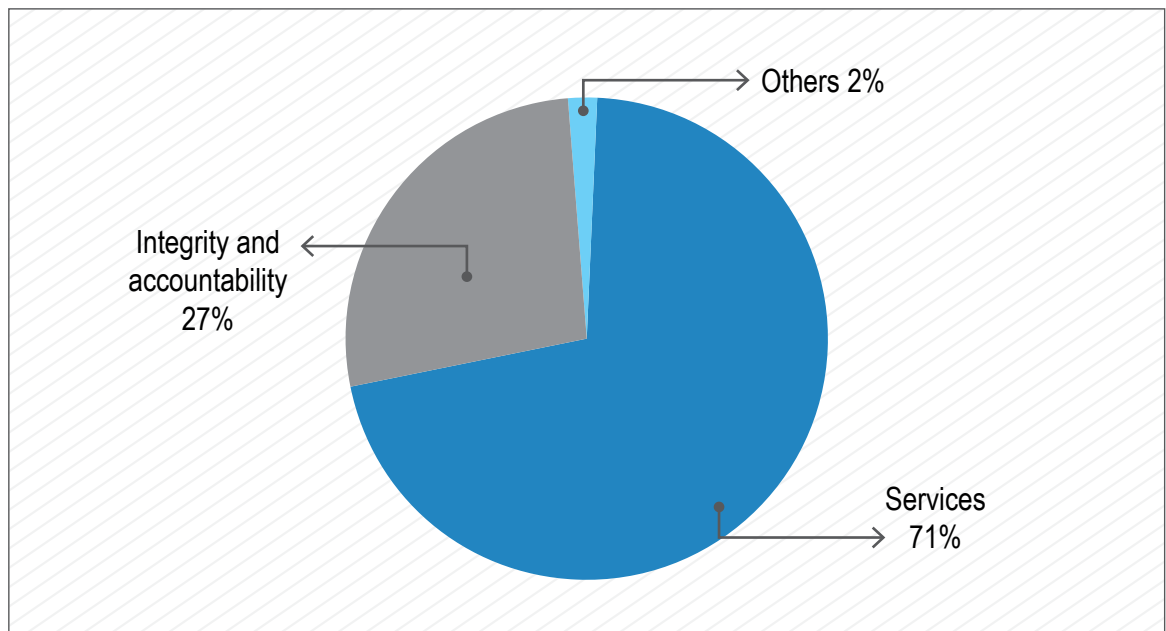
Note: Construction of the indicator is based on whether citizens have “a lot” or “some” trust in government.

The IDB sought a better understanding of the elements that influence people’s trust in the governments of the region. After analyzing the data in the 2008 Latinobarómetro survey, the last one that asked the question on the factors that determine trust in government institutions, it was possible to aggregate the responses and identify two major groups of topics most closely linked to these factors:⁸

1. Factors related to public service delivery accounted for 71 percent of the responses, and covered topics such as equality of treatment, supply of adequate information, quality of service, and responsiveness of the service to citizens’ needs.
2. Factors related to integrity, management capacity, and keeping promises accounted for 27 percent of the responses.

⁸ Other factors mentioned in the survey have to do with the opinion of third parties, including the media.

Figure 1.3. Determining Factors of Trust in Public Services



Source: IDB based on data from Latinobarómetro (2008).

The importance of public services as a determining factor of trust in government has also been supported in research by the OECD. The study, conducted in 31 countries in 2013, suggests a correlation between satisfaction with health, security, education, and judicial services, and trust in government (OECD, 2013).

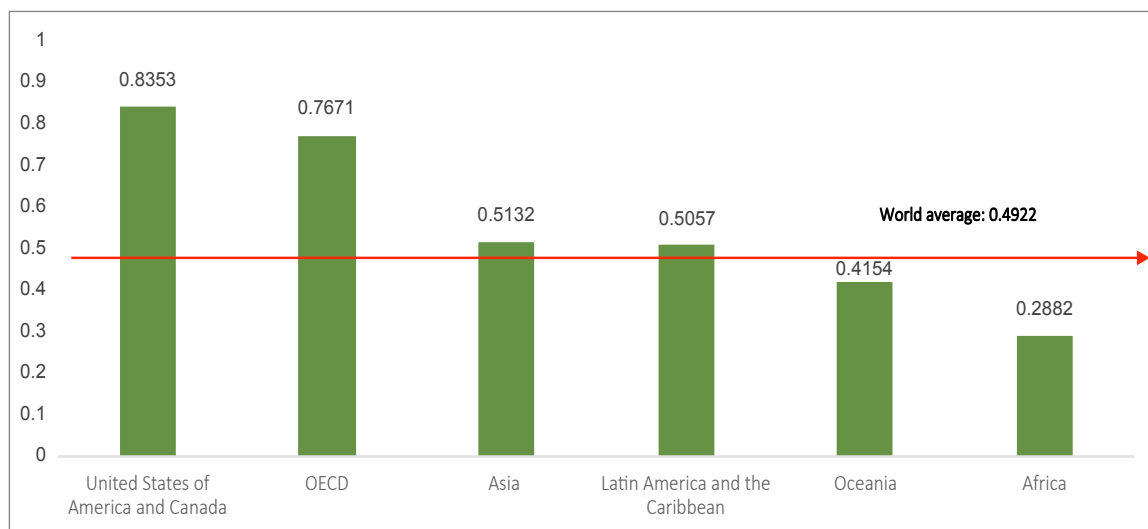
The new power of citizens and the openness of governments to redefining their practices toward new types of relationships that meet these citizens' expectations have resulted in the rise in this decade of the concept of "citizen-centered government." Under this conceptual framework, government action becomes mobilized by demand, service delivery takes on special relevance, and the mass use of ICT opens up new perspectives in terms of effective personalized service, operational efficiency, and greater transparency and social participation.

Capacity Gaps Show the Region has a Long Road Ahead

The data on trust in public institutions in Latin America and the Caribbean are not the only indicators of the difficulties facing governments in the region with respect to opening up new ways of relating to their citizens. Various indicators from international organizations show that the efforts of governments to improve their capacity have been insufficient to meet the challenge of providing good public services to citizens who are growing in number and are making increasing demands about the quantity and quality of these services. For example, the United Nations E-Government Development Index (2016),

which evaluates levels of development of e-government in the 193 member countries of that organization, shows that the Latin America and the Caribbean region, although slightly above the world average, is well below the levels of OECD countries. In fact, the region is only above Oceania and Africa (see Figure 1.4).

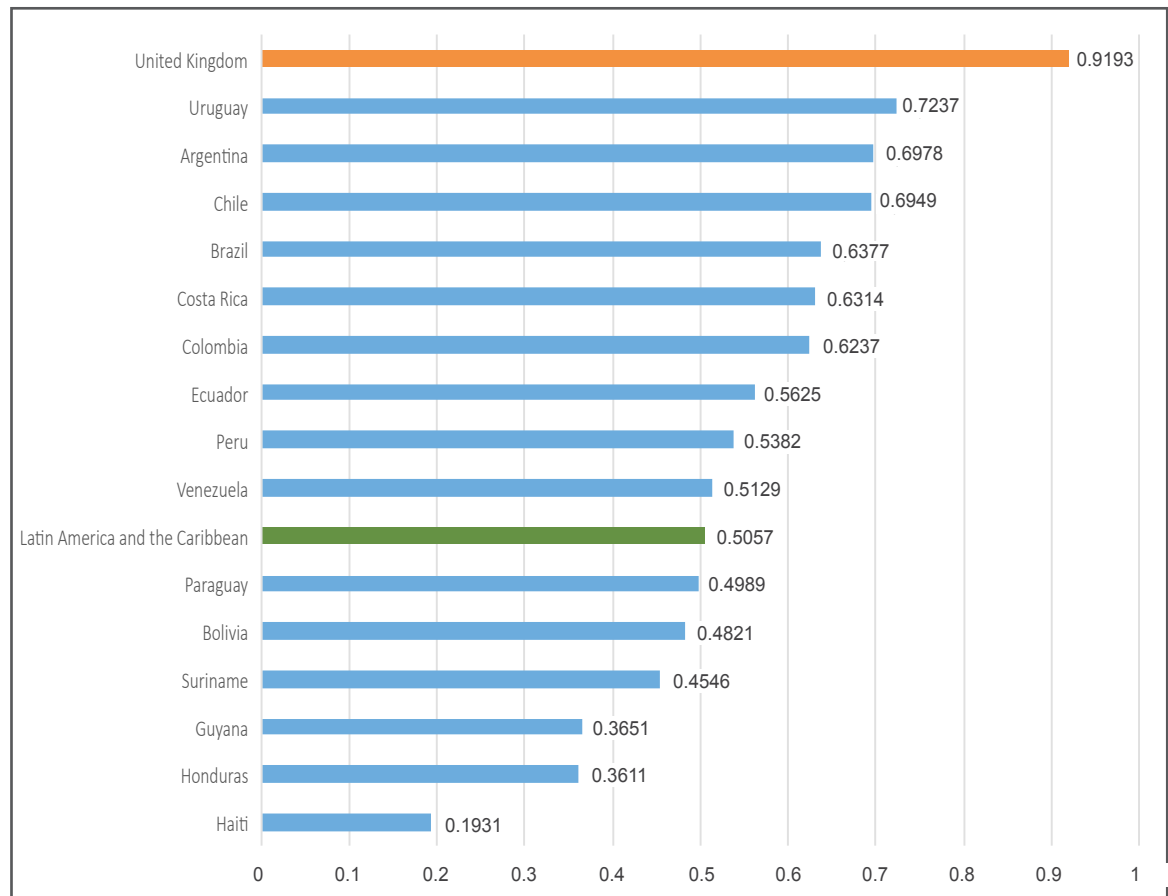
Figure 1.4. E-Government Development Index, by Region



Source: United Nations (2016).

According to the ranking, Uruguay, Argentina, and Chile have the best performance in the region. However, compared with levels of development of e-government, they are far behind the leading country, the United Kingdom, or even the OECD average. On average, countries in Latin America and the Caribbean barely reach half of the maximum score of the index (Figure 1.5).

Figure 1.5. E-Government Development Index in Latin America and the Caribbean

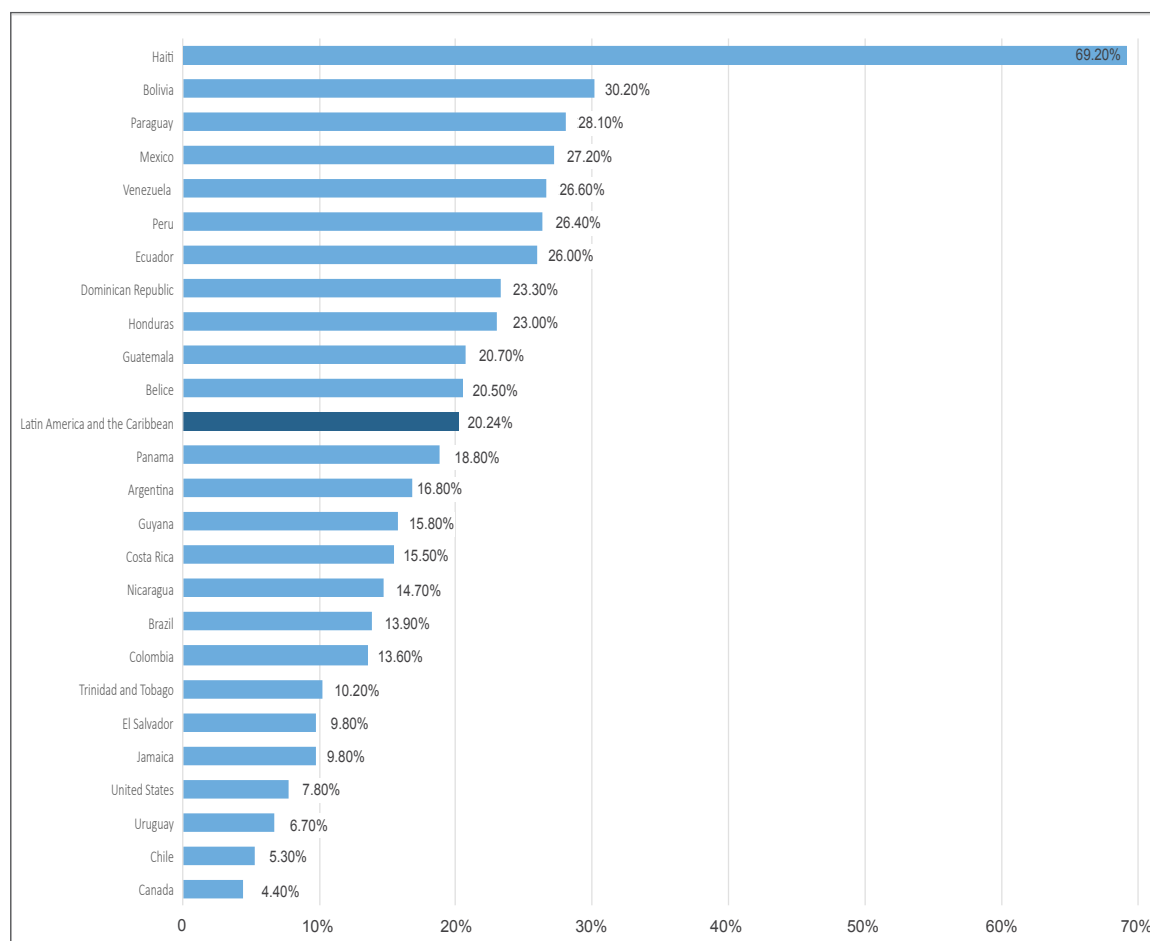


Source: United Nations (2016).

One of the factors that discourages trust in institutions is the level of corruption that citizens must contend with every day. According to AmericasBarometer (LAPOP, 2014), which measures levels of corruption victimization by means of questions related to bribery, Haiti is the country with the highest degree of victimization in the region.⁹ According to the 2014 report, 69.20 percent of respondents in Haiti reported having paid a bribe in the 12 months before being surveyed. By contrast, countries like Chile and Uruguay report very low levels of corruption victimization, even below the United States and very close to Canada. Since ICT has proven to be a valuable tool in the service of transparency, the good position of Chile and Uruguay in AmericasBarometer is certainly related to their position in the United Nations E-Government Development Index.

⁹ The AmericasBarometer focuses mainly on questions related to bribery since it is the most common form of corruption faced by citizens in Latin America and the Caribbean. Figure 1.6 shows the responses to the question whether citizens had been asked to pay a bribe involving the government in the last 12 months.

Figure 1.6. Levels of Corruption Victimization in Latin America and the Caribbean



Source: LAPOP (2014).

Citizen vulnerability to corrupt practices reveals the institutional weaknesses that still exist in the region and the long road ahead for building the capacity needed for good service delivery. Along the way, many governments have taken important steps and have learned many lessons.

Lessons from Stories of Governments that Serve Citizens

This publication describes several important innovation initiatives introduced by governments for public service delivery in different continents. It also presents expert analysis of lessons learned internationally and recommendations that can be implemented by government decision makers interested in reorienting their services toward citizens' expectations. The objective is not to present formulas for success, but rather to point out elements to be considered in the design and implementation of strategies for improving service delivery, considering the political, economic, social, and cultural characteristics of each institutional environment.

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Websites

www.ciudadanosactivos.com

Know More:

A Conceptual and Analytical Framework for Improving Service Delivery

Stephen Goldsmith and Paula Castillo Paez

This chapter describes the work done by the Inter-American Development Bank (IDB) in collaboration with the Ash Center for Democratic Governance and Innovation at Harvard University to identify and analyze innovative practices in public service delivery in Latin America and the Caribbean and in the OECD countries. The chapter incorporates the definition of transactional services as the subject of study, the criteria and selection of case studies, and the description of a conceptual framework for guiding their analysis, the latter was developed under the coordination of Professor Stephen Goldsmith. Next, the analytical instrument that consolidates the conceptual framework is presented, and an integrated citizen-centered approach is proposed to address the multiple dimensions of improving service delivery, innovation, and the institutional framework required for the provision of these services.

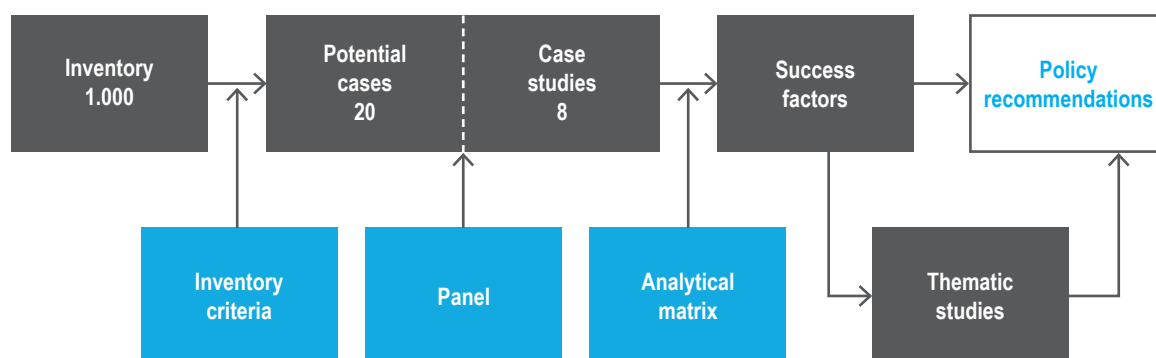
The objectives of the chapter are to:

- Help readers identify innovative government practices—especially those involving citizen participation and government responsiveness—and provide the background and methodological rigor used to select the profiled cases. The background details the case selection process, including: (i) the sources of cases, (ii) definition of the types of services explored (transactional services), (iii) the criteria for case selection, and (iv) the characteristics of the selection committee, highlighting the experience of one committee member (Stephen Goldsmith) in the public sector and with innovations in the U.S. government (*Innovations in American Government Award*), as well as the IDB's experience on modernization of the State.
- Describe the methodological tool used, in a way that it can be useful for readers interested in its application by helping them to identify the best practices and/or manage or study public services.

Management of Activities

To provide the governments of Latin America and the Caribbean with the specific knowledge and management tools needed to achieve an innovative delivery of citizen-centric services,¹⁰ the IDB, in collaboration with the Ash Center, set out to identify cases that exemplify innovative models in service delivery and develop a tool to analyze the different aspects of management and innovation in each case. The process included organizing an inventory of government innovations, selecting cases to study, and creating a reference matrix which synthesizes and guides the analytical process (Figure 2.1). The effort was leveraged on other initiatives in progress, such as the Government Program of the Harvard Kennedy School, which has reviewed thousands of projects to determine the characteristics of innovation.¹¹

Figure 2.1. Description of Selection Process



Inventory of Innovation Cases

The first step in the selection process was to develop an inventory of cases of innovation in service delivery management. To make the selection, innovation in the public sector was defined in terms of “significant improvements in the way the public sector works and/or in the way it provides products/services.”¹² Transactional services are defined as public services that implement a complete transaction (exchange) between citizens or businesses and the government, instituted, for example, as intermediary in accessing a right or complying with an obligation. Transactional services have great potential for automation.

¹⁰ Services designed and delivered based on citizens' needs.

¹¹ Professor Goldsmith has over 30 years of experience in government in areas related to innovation, as mayor of Indianapolis and deputy mayor of New York City. He was special adviser to the White House on participation of nongovernmental organizations (NGOs) and innovation. His participation in the Government Program at the Harvard Kennedy School involved reviewing thousands of programs to determine the characteristics of innovation.

¹² Definition of the OECD Observatory of Public Sector Innovation (OPSI).

The inventory framework was based on a review of the literature. Using this framework, a summary was compiled of initiatives that won awards or competed in world competitions on innovation in service delivery management, including awards for public innovation from Harvard, the United Nations, the Organization of American States (OAS), the Awards of the E-Government Network of Latin America and the Caribbean (GEALC Network), and the IDB Gobernarte awards, among others.¹³ In total, this inventory included more than 1,000 cases worldwide representing all levels of government. The cases, documented between 2011 and 2013, have gained international recognition as representative of innovative service delivery in the public sector.

Box 2.1. Transactional Services

Transactional Services are public services that implement a complete transaction between citizens or businesses and the government, generally involving an exchange of information. These services are characterized by the presence of structured processes which have stable stages, procedures, products, timeframes, and costs and are previously defined.

Case Selection

The next step in the process was to select the cases to be studied, through two stages:

1. A preliminary selection of cases with potential for study in greater depth. Of the initial 1,000 cases, the number was reduced to an inventory of 20 using criteria based on the literature on innovation in the public sector.
2. Selection of eight cases by a selection committee (from the 20 cases previously identified) based on four dimensions adapted from the Harvard University Innovation Awards.

These two stages are described in more detail below.

1. First Stage: Preliminary Selection of Potential Cases

In this first stage, a preliminary selection of cases was made based on certain characteristics of the initiatives. The selection was applied in three rounds. First, a set

¹³ Other sources of inventory include: IDB Regional Public Goods Program, IDB Gobernarte “Eduardo Campos” Award, Concurso Inovação na Gestão Pública Federal (Escola Nacional de Administração Pública, ENAP), Innovations for Successful Societies (Princeton University), the European Prize for Innovation in Public Administration (European Commission), European Public Sector Award [EPSA], European Institute of Public Administration, Innovations of the United Kingdom Central Government (NAO UK), cases of public sector innovation in Western Australia (Government of Western Australia), and Award for Innovative Management (Institute of Public Administration of Canada (IPAC)).

of criteria was developed based on an extensive review of the literature on innovation in the public sector. Only the cases that met all the criteria listed below were selected:

- Evidence of results.
- Ease of replication in Latin America and the Caribbean.
- Approach to citizen as a “client.”
- Social participation in the design or production of the service. This is taken into consideration but is not a condition for selection.
- The service is available to a broad segment of the population (it can be applied to a large sub-segment of citizens, such as business owners, but is not strictly targeted at any segment in particular, such as a minority).
- The innovation is mainly derived from government action.
- Incorporation of technological advances to facilitate delivery (for example, a large part of the innovation can be automated or was automated).

In the second round, only cases that offered transactional services were selected, according to the previously established definition. Lastly, in the third round, cases that had been captured since 2011 were selected. Thus, 20 initiatives were identified from this first stage of pre-selection, out of the 1,000 cases in the inventory, with the potential of becoming case studies for analysis in greater detail.

2. Second Stage: Selection of Eight Case Studies

To evaluate the projects from a practical, and at the same time nuanced, perspective, in this second stage, the 20 initiatives were presented to a group of people working in a range of fields who had extensive knowledge of innovation and services in the public sector. The selection committee was made up of Stephen Goldsmith and his team, and staff from different divisions of the IDB, including the Innovation in Citizen Services (IFD/ICS), Competitiveness, Technology, and Innovation Technology (IFD/CTI), and Integration and Trade (INT/INT).

Members of the selection committee evaluated the 20 initiatives based on four dimensions adapted from the Harvard University Innovation Awards: degree of novelty, effectiveness, significance, and transferability. Each case was assessed on a scale of 1 to 5 as follows:

- **Novelty:** How well does the project approach the problem in a good and **innovative** way? *Not very good/not very innovative (1) — Very good/very innovative (5)*
- **Effectiveness:** How relevant is the impact of this project? *Not relevant (1) — Highly relevant (5)*
- **Sustainability:** How probable is it that this project is **sustainable** in the long term? *Highly improbable (1) — Highly probable (5)*
- **Transferability:** What is the potential for the **transfer/adaptation** of this project to (other) countries in the region? *Low potential (1) — High potential (5)*

Based on a composite score, eight cases were selected for a more in-depth study.¹⁴ These cases were:

1. *24-hour E-services for the Public, Minwon 24*, Republic of Korea. A system of electronic services available 24 hours a day to improve access and convenience of public services and substantially reduce social and economic costs.
2. *ChileAtiende*, Chile. A government web portal and face-to-face offices which bring together in one place information on more than 2,100 services, procedures, and benefits provided by various public institutions in a user-friendly language, accessible to people with disabilities, to help citizens manage the processes.
3. *Integrated Innovation Model of Services and Benefits of Citizens and Businesses*, State of Colima, Mexico. This case is representative of how appropriate regulatory frameworks lead to more rational public services. The model reduces the regulatory burden by 75 percent, dramatically cuts waiting time in hospitals, and puts all services related to opening a business online.
4. *Minas Fácil*, State of Minas Gerais, Brazil. Using the Minas Fácil portal, the product of coordination between various levels of government, entrepreneurs can start a business in six days with only four steps.
5. *Nacidos Vivos*, Uruguay. A program that issues an e-certificate of live birth at the time of birth, guaranteeing immediate access to social benefits for all children, especially the most vulnerable.
6. *NYC311*, New York City, United States. “311” is the universal toll-free number which offers citizens a single point of entry to a wide array of information and services in major U.S. cities. In New York City, 311 was modernized and became the benchmark for a service management model in the city.
7. *Law on Electronic Access by Citizens to Public Services*, Spain. Law 11/2007 set a deadline for having electronic access to all public services by all citizens; the law led to a significant increase in the number of online services in a short period of time.
8. *Ttconnect Express*, Trinidad and Tobago. A mobile service center (bus) dedicated to providing rural communities in Trinidad and Tobago with access to government information and services.

Analytical Matrix

As an important part of this work, the project team developed an analysis matrix (see Table 2.1) to guide, systematize, and standardize the process of studying the selected innovation cases. The matrix was used to systematically analyze the cases from different angles. Among other aspects, the matrix includes: (i) technology (technological

¹⁴ Chapter 3 presents additional details on each case selected.

platform, infrastructure requirements); (ii) organization (organizational structure, back-office organization, employment arrangements); (iii) quality management of services (for example, citizen charters, commitments to quality standards for citizens); (iv) operating costs, business model, and sustainability; (v) innovative partnerships with other stakeholders (such as municipal governments or NGOs); and (vi) changes in the institutional and/or legal framework.

The cases were subsequently analyzed by international experts based on the analytical matrix, and on interviews with key stakeholders in each country, along with supplementary information available.

The objective of the initiative was to help understand and draw attention to cases that reflect the high-quality work of innovators in the public sector and serve as inspiration for others. Of course, as the 1,000 cases identified initially show, many countries have made impressive progress. However, a group of inspiring cases was taken which are useful for building trust in government and whose lessons can serve as a model for other officials.

Aside from the cases studied later, this work created a reference framework for guiding and systematizing the analysis and assessment of institutional environments where service delivery takes place, and for supporting the design and implementation of innovation processes to improve them.

Table 2.1. Analytical Matrix

	CRITERIA	KEY QUESTIONS ABOUT THE PROGRAM			
		Primary	Secondary	Tertiary	Technology
CRUCIAL	Effectiveness	How does the program perform: does it meet basic thresholds, exceed existing performance, or obtain the highest possible level of service?	Is success being measured in terms of inputs, outputs, outcomes? Are these quantitative or qualitative measurements?	Does this program provide an existing service in a better way, or deliver a completely new service?	What productivity gains are made using new technologies? How do they compare to their imposed costs?
	Significance	Is it «serial» innovation (structural or cultural change that yields small continuous innovations) or «one off» (a large operational change that yields a major innovation)?	Did the change take place through legislation or as a single program?	Is the program part of a larger movement for improvement? If so, what is it?	Can the new technology be applied to produce a system-wide change, or is it only applied to one program?
	Transferability	What are the best practices of this program and how can they be packaged for diffusion, transfer, propagation, and/or replication?	Can the best practices be shared horizontally or vertically within government?	Does the responsible organization have the capacity to teach and share achievements and lessons learned?	Is the knowledge that can be shared explicit or tacit? Has it resulted in a new technology, such as programs or platforms that can be shared?

LEADERSHIP	Sustainability	Does the program have a self-contained business model or is it dependent on annual budgetary allocations which can change?	Is the cooperation of the recalcitrant and unwilling required in addition to the willing?	Does the innovation add rules and/or structure to improve service delivery, or eliminate hurdles by reducing rules and/or structures?	Does any technology require regular maintenance or upgrades, or is it self-sustaining?
	Organization	Is the change technical, administrative, organizational, or linkage-based?	Is the program manager-led, employee-led, or law-led?	Does the program shift power and discretion up or down through layers of government?	Did new technology affect or require changes to organizational hierarchies or relationships?
	Originality	Is this program the first of its type or is it the first application in a new type of environment?	Is the innovation an evolution of the processes of existing service delivery, or does it break with them?	Was the Program created inside the agency, was it adopted from a nearby or similar country, or was it adopted from a donor country?	Was any new technology produced for this program? Was it adapted, or was it deployed "off-the-shelf"?
MANAGEMENT	Institutional framework	What regulations, procedures, or conventions have been created, changed or utilized by the program?	What laws were passed or applied to facilitate implementation of the program?	Does the program formalize or "informalize" its empowering institutional framework?	Did new technology require new laws or departmental policies to accommodate its introduction?
	Partnerships	Does the program use partnerships with businesses, nonprofit organizations, other departments or other governments?	What does government gain from the partnership? Funding, skills, knowledge, access, etc.?	What is the situation of these partnerships: are they thriving, coping, lurching, or dying?	Were new technologies obtained or developed through partnership?
	Quality management	During the development of the program: were citizen service charters enacted or fulfilled?	Does the program make or fulfill other commitments of quality standards to citizens?	Does the program focus on maximizing good government (concentrating on goals and results) or minimizing mismanagement (concentrating on limitations and constraints)?	Did the new technology introduced allow for new or different types of quality management?
SOCIETY	Participation	Does the program engage the citizen as a voter, a customer, and/or co-producer?	Does the program restore confidence in collective action or lower levels of government?	Does the program restore confidence in government and/or increase law abiding by citizens?	Does the technology allow greater participation by citizens (crowdsourcing, online platforms)?
	Culture	Does the program deliberately emphasize service delivery to underserved populations?	Does the program intentionally consider issues of gender, age, race, minority/tribal status, socioeconomic level, religion, sexual orientation, and/or gender identity?	How does the program relate the goals of efficiency and equity?	Does the program depend on citizens having certain technology or technological literacy?

Material Consulted

OECD Observatory of Public Sector Innovation:

<https://www.oecd.org/governance/observatory-public-sector-innovation/>.

Databases of Sources for the Case Selection

- Award for Innovative Management (Institute of Public Administration of Canada (IPAC). <http://www.ipac.ca/IM-Winners> Concurso Inovação na Gestão Pública Federal (Escola Nacional de Administração Pública [ENAP]). <https://inovacao.enap.gov.br/>
- Concurso del Centro Latinoamericano de Administración para el Desarrollo (CLAD) sobre Reforma del Estado y Modernización del a Administración Pública. <http://www.clad.org/ensayos-ganadores-xxvii-concurso-del-clad-2014>
- European Prize for Innovation in Public Administration (European Commission). http://ec.europa.eu/research/innovation-union/index_en.cfm?section=admin-innovators
- European Public Sector Award, EPSA European Institute of Public Administration). <http://www.eipa.nl/en/topic/show/&tid=282>
- IDB Regional Public Goods Program. <http://www.iadb.org/en/topics/regional-integration/call-for-proposals-from-regional-public-goods/the-initiative,20748.html?>
- IDB Gobernarte – Eduardo Campos – Award. <http://www.iadb.org/en/topics/government/gobernartesys/award-gobernarte-the-art-of-good-government,9734.html>
- Innovations in American Government Awards. <http://ash.harvard.edu/innovations-american-government-awards>
- Innovations of the United Kingdom central government (UK National Audit Office). <https://www.nao.org.uk/report/innovation-across-central-government/>
- Innovations for Successful Societies (Princeton University) <http://successfulsocieties.princeton.edu/>
- RedGEALC –excelGOB Awards. <http://www.redgealc.net/premios/seccion/1093/es/>
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CHAPTER 3

Understanding What Has Worked:

Trends and Lessons in Service Delivery

Pedro Farias, Ana Catalina García, and Gustavo Zanabria

An Overview of Recent International Experience

The application of the analytical framework, described in the previous chapter, to the set of selected cases resulted in the classification of a number of elements usually present in successful initiatives aimed at increasing efficiency, transparency and effectiveness in the delivery of transactional services, with a focus on citizens' needs and expectations.

It is important to clarify that there are no previously established formulas for success in this type of venture, since the distinctive features of each economic, social, political, and institutional context strongly influence the application of solutions and their results. However, it is possible to identify some inductor elements of progress in these processes of change and put together lessons to be used in constructing solutions suitable for every environment and specific conditions.

Citizen-centered Innovation Drivers

Innovation requires the right institutional conditions for meeting the challenge of some of the main problems which characterize government bureaucracies and which often stand in the way of progress in relations with public service users. The case studies allowed for the identification of some action drivers capable of having a direct impact on the causes of these problems, making a decisive contribution to creating the institutional conditions required for the promotion and sustainability of the change to a citizen-centered government.

Integrate to Combat Fragmentation

A classic obstacle is usually **institutional fragmentation**, a common dysfunction resulting from the unintelligent application of basic principles of bureaucratic organization. Although the proliferation of vertical structures with dissimilar administrative cultures and logic is not exclusive to the public sector, the size of government bureaucracies and incentives for capture by segments of the political, social, or market structure have reinforced the historical tendency toward institutional isolation, with significant cultural and managerial consequences. Unfortunately, during the second half of the twentieth century, adoption of the new resources of information and communication management, which in many cases

could have minimized this fragmentation, reinforced it by promoting the proliferation of corporate systems and databases with no concern for communication or data exchange with other government structures.

In addition, initiatives to increase autonomy and delegation, based on the principles of New Public Management (NPM) especially in the last decades of the last century, deepened this trend. As noted by authors such as Pollitt and Bouckaert (2011), reforms of NPM to decentralize authority from the center to the periphery (hierarchical or geographical) and reduce the size of large public organizations through division or downsizing have favored not only specialization but also fragmentation in the public sector.

The consequences for relations with public service users have been perverse. The same citizen is registered under different criteria across government entities, which means that access to rights or compliance with obligations requires seemingly never-ending and costly paperwork. At the same time, in the same government, the citizens' path to a public service does not necessarily lead to the government office that is most convenient for users who see the fragmented State structure as if it were related to several governments.

Unfortunately, the one-stop-shop centers¹⁵ created since the end of the last century have not resolved this situation, since they reproduce in a single physical space the fragmented structures that support the various services offered there. Likewise, simple digitization of procedures does not solve the problem when implemented with a narrow view of operational efficiency, without breaking down the traditional government silos or working to eliminate unnecessary procedures.

However, many public-sector entrepreneurs have encouraged **integration** in services as a way to address fragmentation, redesigning these services around a citizen-centered approach. These initiatives aim to build a unique relationship between State and the citizen, based on an integrated view of the background and needs of each individual.

Box 3.1. Minwon24, South Korea

Minwon24 is an online public service portal of the Government of South Korea that offers its citizens certificates and other documents «whenever and wherever.» In many cases, citizens can apply for the certificates and documents in both public and private service entities for car loans, mortgage loans, drivers' licenses, bank transactions, tax payments, payment for educational services, staffing processes, etc. Minwon24 is a service that operates 24/7 and has significantly reduced time and effort for citizens by integrating information and simplifying processes into a single service platform.

¹⁵ These services centers designed to organize public service providers into a single physical space have proliferated in Latin America in recent decades, especially in subnational governments. The most prominent examples include the Citizen Services (SAC) in Bahia, Brazil, and Specialized District Service Centers (CADE) in Bogotá, Colombia.

Currently, the public can apply online for about 3,000 types of services, and the 43 types of documents and certificates most in demand can be printed at home or at work immediately after receiving digital approval. Minwon24 also offers more sophisticated customer-centered services, such as information services in several languages, mobile services, and packaging services for special cases.

Since its launch in 2002, the number of requests and documents issued has been steadily increasing and the rate of user satisfaction has substantially improved. By 2015, the number of users of the platform totaled 14.3 million people and the value of the transactions exceeded US\$134 million. Also, due to reduced demand for paper and transportation, carbon dioxide emission reductions are estimated at about 22,000 tons.

In its development stage, the most difficult aspect of the launch of Minwon24 was to integrate the information dispersed across all governmental entities, which resisted the change involved in constructing the platform. However, the essential characteristic that made the integration of information and coordination of the entities possible was strong presidential commitment and leadership. The president himself was in charge of the progress of the program, and no one in government could escape this close oversight, which was ultimately the determining factor for implementation and startup of the service.

Note: The description of this case is based on studies conducted by Soo-Young Lee and Woong-Joe Ko.

Operation of services through multiple channels poses an additional challenge for integration due to the need to guarantee homogeneous information, uniform criteria, and quality of service in any channel that users choose.

Box 3.2. ChileAtiende

In January 2012, the Chilean government launched the ChileAtiende program, inspired by the Canadian experience of Service Canada, as a platform for accessing information on procedures, services, and benefits provided by the State, under the multichannel multiservice networks model known as one-stop shop.

In the development of the platform, two stages can be clearly identified. In the first stage, the program provided services mainly related to social welfare under the management of the Social Security Institute (IPS). In the second stage, with the increase of procedures and services included in the program catalog, the platform had to be relaunched with the backing of the President's Office, while remaining under IPS management, which provided the infrastructure and human resources to support the program.

Initially, ChileAtiende offered 70 services in nine different institutions. In 2014, the number of services increased to 199 through three channels: a network of branches, a call center, and digital procedures. In the face-to-face mode, in January 2012, the wait time was 17 minutes and 25 seconds; by December 2014, it had been cut to 8 minutes and 9 seconds. Additionally, the number of visits increased from 12,333,578 in 2012 to 27,399,087 in 2014, mainly to the online service.

One of the program's success factors is that the ChileAtiende Service System (SACH) provides a single access point and fluid communication with the portals and systems of other government agencies. Its main function is to redirect users or citizens to the specific portal where they can complete all their procedures. This creates a sizeable opportunity for growth for the system, since SACH has the capacity to share and exchange data with other government information systems and platforms. SACH not only offers users a single entry point to the many services provided by the State, but this point can be accessed in many cases through the ClaveÚnica (single password) platform, which authenticates users and validates them with information from the Civil Registry as if it were a virtual identity card. As a result, it avoids the problem of citizens registering with different criteria in each platform they visit, saving them time and transaction costs.

Note: The description of this case was based on studies by Carlos Patiño.

At the same time, information and communications technology (ICT) is creating a much less fragmented relationship with citizens. For example, the connection between registration and citizen identification processes opens up new possibilities for simpler and more secure transactions, facilitating access to social rights and benefits.

Box 3.3. Electronic Born Alive Certificate, Uruguay

In 2008, the Office of Planning and Budget (OPP) of Uruguay launched the “Electronic Live Birth Certificate” program, or simply “Born Alive.” Its initial objective was to improve the timeliness and quality of newborn registration, so that all inhabitants receive an identification card number at birth.

The program came about because of the perception that newborn registration was a cumbersome process that transferred many of the transaction costs to citizens. Moreover, data exchange between the institutions participating in the process was limited because of their different levels of technological maturity and organizational structure, making it necessary to modernize the processes of registration and civil identification.

Thus far, the program has yielded significant benefits. The main one is that nearly 100 percent of newborns in Uruguay are now registered at birth and receive an identity card recognizing their fundamental rights under the law. This strengthens social inclusion and early citizen empowerment, especially among the most disadvantaged sectors of society.

The factors of the program’s success include interoperability mechanisms, which have connected the databases of the institutions involved in the registration and identification process of individuals (Directorate General of Civil Registry, Ministry of Public Health, and National Civil Identification Office), with the resulting benefit of reducing the margin of error in the data, timely capture at the source, and correct traceability.

The integration of platforms and systems, by means of coordinated inter-institutional work, has placed the citizen at the center of public service delivery, substantially improving the quality of services. Presently, the shared responsibility between different government areas and jurisdictions has resulted in the integration and automation of birth registration and identification processes, with robust exchanges of information among participating institutions.

Note: The description of this case is based on studies by Alejandro Barros.

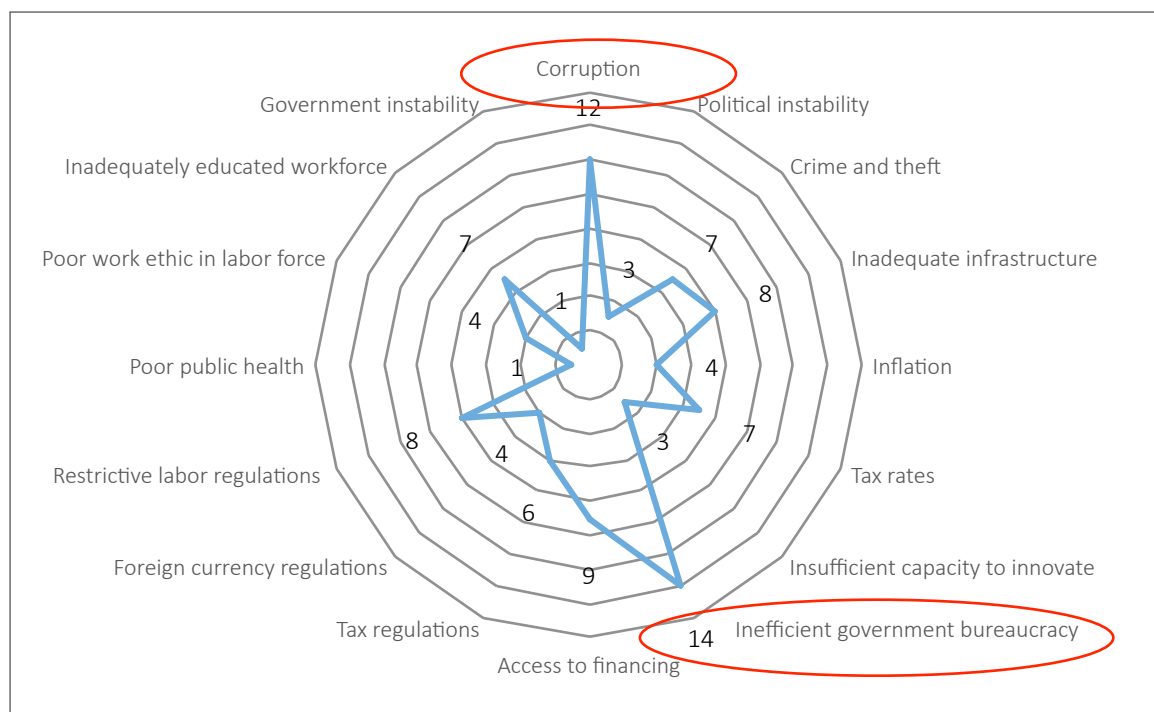
Simplify to Facilitate Transactions

Fragmentation makes understanding the State more difficult for citizens. However, there are other factors that contribute to the **complexity** of the rules and procedures that characterize the relationship between users of public services and the institutions responsible for providing them. Formalistic administrative cultures coexist comfortably with regulatory frameworks that establish an excessive number of steps¹⁶ and unnecessary requirements, obsolete technologies that delay service, and organizational models that do not consider the costs to users that they generate. These contexts

¹⁶ For example, according to data from the World Bank Doing Business survey (2016), the average number of procedures for starting a business in Latin America and the Caribbean is 8.25 compared with 4.69 for OECD countries. Similarly, the average number of procedures for registering a property in Latin America is 7.01, while in OECD countries, the figure is 4.66. The same trend is repeated in other indicators, such as tax payments, where the number of payments per year for an average business in Latin America and the Caribbean is 30.05 compared to only 11.05 in OECD countries.

are decisive in contributing to the widely held perception of confusing and insensitive state bureaucracies. A World Economic Forum (WEF) report shows that the most problematic factors identified by entrepreneurs around the world for doing business are inefficient government bureaucracy and corruption (see Figure 3.1). The bureaucratic burden raises national production costs and compromises economic competitiveness in markets that are increasingly integrated and more demanding.¹⁷

**Figure 3.1. Most Problematic Factors for Doing Business in the World, 2014–15
(percentage)**



Source: Global Competitiveness Report of the World Economic Forum 2014-15.

Note: The methodology used was as follows: from the list of factors, respondents were asked to select the five most problematic factors for doing business in their countries. Responses were weighted based on these values.

The poor quality of regulation and the lack of policies to promote regulatory reform in Latin America and the Caribbean are identified by World Bank,¹⁸ IDB, and OECD indicators.¹⁹

¹⁷ According to the 2016 Doing Business ranking, published by the World Bank, which measures ease of doing business in 189 economies, Latin American countries on average are ranked in 104th place, compared to the average score of the OECD countries that places them in 25th place.

¹⁸ The World Bank Report of Worldwide Governance Indicators evaluates indicators for 200 countries. The indicators comprise: political stability and absence of violence, rule of law, and government effectiveness. The Bank's indicator of regulatory quality for 2015 shows that Latin America and the Caribbean (ranked 54th) is slightly above the world average (53rd place), well behind other regions such as North America (ranked 88th) or the OECD group (ranked 87th) and just ahead of regions such as Sub-Saharan Africa (ranked 30th) and South Asia (27th).

These shortcomings range from decision-making processes that ignore the effects caused by regulations that affect public services, to the absence of clear and objective language, as well as lack of transparency and scant social participation in their formulation.

Despite the general perception that high transaction costs fall on entrepreneurs and citizens who depend on government procedures to access their rights and meet their obligations, the real magnitude of these costs is practically unknown in the region, which makes it difficult even to monitor the effects of possible actions to improve the situation. The IDB has financed exercises to estimate the economic costs that affect users of government procedures. The significant results²⁰ support the conclusions of previous studies in countries of the European Union and Mexico. In these countries, the wide-ranging simplification programs based on regular application of measurements using the Standard Costing Model methodology show potential economic savings of about 1 percent of gross domestic product (GDP).²¹

The most perverse characteristic of these costs is that they penalize the most socially vulnerable citizens, who depend more on public services, make less use of virtual service channels, and have no access to the bureaucratic shortcuts that professional intermediaries can offer or, in the worst case, come from corruption itself. Similarly, these costs particularly affect microenterprises and small businesses.²²

Limited access to services is responsible for a significant part of the transaction costs to users. In several countries in Latin America and the Caribbean, the severe limitations of broadband infrastructure inhibit the expansion and quality of coverage of online services. Moreover, the difficulties of physical access due to the spatial concentration of face-to-face services create a serious obstacle for populations located far from the main urban centers.²³ However, even in regions where services are supplied through different channels, difficulties of access persist. It is very common for phone services not to accommodate the existence of indigenous languages and for communications to be limited. In virtual services, non-user-friendly Internet sites and

¹⁹ Recent studies by the IDB and the OECD in eight Latin American countries based on the methodology of the OECD Regulatory Review reveal the lag in the region with respect to adoption of best practices to promote quality regulation.

²⁰ A study on measuring administrative burdens in Bolivia (2015) estimated the administrative burden and economic opportunity costs associated with two procedures: affiliation in the National Health Fund and registration of a new property. The study showed that the average economic cost per procedure for membership in the National Health Fund (12 steps in total) is equivalent to one basic monthly wage in Bolivia (Bs.1,623), while the average cost per procedure for registration of a new property (14 steps in total) equals seven basic monthly wages (Bs.11,701). A similar study in Ecuador for 2013 found that the indirect costs of tax compliance for an individual total about US\$87.47 a year. For an individual subject to the Ecuadorian Simplified Tax Regime (RISE), the indirect cost is US\$25.16 a year. For small- and medium-sized enterprises (SMEs), this cost is US\$1,336.72 per year, and for large companies, US\$4,609.07 per year.

²¹ Programme for Reducing Administrative Burdens, implemented by the European Union between 2007 and 2011 estimated that the cost savings achieved by its 27 member countries in 13 areas totaled almost €30.800 billion per year.

²² For example, according to a study by the Inter-American Center of Tax Administrations (CIAT, 2015), the annual administrative cost of compliance with tax obligations in Brazil for small firms and microenterprises, measured as a percentage of their income, is 3 to 15 times higher than for large companies.

²³ For example, the "Worst Procedure of my Life" competition, launched in 2011 by the Government of Bolivia, recorded the case of citizen Domitila Murillo, who at age 70 was forced to travel for 11 months at least 900 km between Oruro and Potosi Tupiza to renew her identity card. On each visit to the identification office, she was asked for new and unexpected requirements, in addition to the very long lines and hours of waiting to be served.

varying levels of digital education and user profiles reduce trust and, consequently, also demand,²⁴ by citizens to use online transactions. For example, in 2015 in Uruguay, one of the countries with the highest Internet penetration in the region,²⁵ only 26 percent of citizens used online public procedures (see Agesic, undated).

In this context, there are a growing number of **simplification** initiatives aimed at reducing transaction costs for citizens with their governments, taking advantage of the potential offered by implementing regulatory improvement mechanisms combined with modernization of technological platforms and easier access.

Box 3.4. The Colima Case, Mexico

Mexico is one of the most advanced countries in the region in terms of regulatory reform. At the subnational level, Colima is one of the states that has made the most effort to identify administrative costs and implement simplification processes. Although in the 1990s and 2000s there were some administrative simplification initiatives, it was not until 2011 that a program of regulatory simplification was implemented, which identified and streamlined those procedures and processes that have the greatest impact on competitiveness at the state and municipal levels.

Colima also promoted the adoption of ICT to transform public administration through automation and digitization of administrative processes and procedures. Processes were adapted or reengineered with the primary aim of allowing online processing of procedures and services authenticated with an electronic signature, as well as exchanging data and facilitating inter-institutional coordination with the federal and municipal governments.

The program has been very successful in reforming those regulatory aspects that have most impact on citizens' quality of life and on ease of doing business for investors and entrepreneurs. According to figures from Colima state, in 2014, the average perception of user satisfaction with 35 public agencies involved in the regulatory reform was 92.10 percent.

One of the success factors of the reform implemented by Colima state was the vision and commitment of its authorities to convert the state government and its municipalities into administrations focused on providing quality municipal services, and streamlining procedures with government agencies for users. For example, thanks to the Colima model, in 2014, citizens saved an estimated Mex\$78 million (US\$5.8 million) on state procedures.

Note: The description of this case is based on studies by Alejandro Barros.

The simplification encompasses review of regulatory frameworks and redesign of procedures under participatory methodologies based on life events or user profiles, along with simple initiatives to improve access to services by geographically dispersed populations.

²⁴ According to Galperin (2016), in Latin America there is a large unmet demand for low-cost Internet services, especially in households with school-age children. In addition, gender gaps in access to Internet are still significant; there is a 5 to 9 percent probability (by country) that men are more likely to be online than women. Additionally, language skills are an important obstacle for using the Internet. People whose first language is not Spanish are 8 to 31 percent less likely to be online. Lastly, the presence of school-age children in the home has a strong indirect effect on Internet use by adults.

²⁵ According to the National Statistics Institute (INE), in 2014, 57.4 percent of households in Uruguay had an Internet connection.

Box 3.5. *Ttconnect express*, Trinidad and Tobago

Ttconnect express is a special service provided by the government of Trinidad and Tobago, consisting of buses specially equipped with computers, Internet connection, and authorized personnel, that provide access to public services for citizens in remote areas or who need some type of special attention, such as the elderly, pregnant women, disabled, etc. The project, launched in response to the digital divide in the country, is part of a larger project of the same name (ttconnect) designed to become the gateway for communication between citizens and government.

Under the ttconnect initiative, several actions were promoted. For example, ttconnect online was the first ttconnect tool launched in 2007 as an online portal for obtaining information and government services. Later, the following services were started: ttconnect service centers (face-to-face service), ttconnect self-serve (self service centers), ttconnect mobile (service via mobile), and ttconnect hotline (service via telephone).

To provide information and government services via ttconnect express, three different entities were mobilized (Public Transportation Service Corporation; Telecommunication Services of Trinidad and Tobago and the National Information and Communications Technology Company) to convert three buses into mobile service units. These buses visit remote communities to serve the needs of the population on scheduled dates; alternatively, citizens can request a visit. The technology platform built into the buses can issue receipts, which citizens can use to track their applications. As a result, ttconnect express has cut travel time and costs for accessing information and government services.

The success factors of the initiative have common elements with other initiatives mentioned previously, such as the political leadership needed to drive the project forward and cooperation between the agencies involved. In the case of ttconnect express, it was important to isolate implementation of the project from uncertainty and political volatility to focus on the delivery of public services with a new technology platform and unify various public services in a single access point.



Source: *Ttconnect*.

Note: The description of this case is based on a study by Atiba Phillips.

Day-to-day Management to Guarantee the Sustainability of Reforms

Over the past decade, several scholars of management theory have highlighted the importance of a specific theory for analyzing service management, which must take into account the intangible nature of the benefits, and how the experience of consumers in their interaction with providers determines the final outcome (Gronroos, 2000; Normann, 2002). Along the same lines, Osborne points out a mistaken concept in the theoretical frameworks for reform of public administration adopted in recent decades, due to their origin in the experience of private manufacturing and not in theories of service management (Osborne, 2009). The author advocates a new approach to public service management which goes beyond the concept of “administrative processes or intra-organizational management” to focus on “governance of inter-organizational relationships and the efficacy of public service delivery systems.”

Irrespective of the analytical framework used, **management deficiencies** in the public sector in Latin America and the Caribbean have long been studied and diagnosed. Although these weaknesses are perceived in almost every government action, their impact is heterogeneous, and the areas responsible for direct interaction with citizens suffer their effects most acutely. The degree of professionalism and managerial skills are often higher in the government areas responsible for functions considered essential and critical to the operation of the State, such as fiscal and monetary policy, tax collection, control, and diplomacy. Elsewhere, public services tend to be provided in bureaucratic environments characterized by a low level of specialization of human resources, deficits of leadership, organization, and strategic vision, and lack of clear public policies and modern management tools.

In an attempt to meet this challenge, advanced countries like Australia and Canada have invested in strengthening the institutionality involved in delivering public services. They have made a clear institutional separation between sectoral policymaking processes and service delivery management based on these policies, which has allowed them to establish and prioritize citizen service policies. This solution has favored specialization of the human, technological, logistical, and managerial resources that support service delivery processes across government. In fact, the Australian experience with *Centrelink* inspired the creation in 2007 of *Service Canada*, an institution specialized in providing a broad set of services across a range of delivery channels.

The availability of human, financial, and technological resources does not ensure the success of projects for change. However, international experience shows how initiatives committed to integration and simplification of services have a greater chance of success when their design and implementation are coordinated within the framework of a broader government management model.

Box 3.6. The Minas Fácil Case, Brazil

The Minas Fácil program was established in 2005 as an initiative of the government of the state of Minas Gerais, Brazil, to facilitate the process of opening businesses by simplifying procedures and reducing times to create an environment conducive to investment and business. The main motivation for launching this project was the existence of a cumbersome and complicated system for opening businesses, which made business owners pay the higher costs of the inefficiency of the system.

The Minas Gerais approach has inspired similar initiatives in other states, thanks to the innovative character of relations between the public administration and citizens and the business sector. The innovation initially came from the opening of a channel of dialogue with potential business owners through a website, to identify the main demands for improving the business environment. Later, the initiative led to a one-stop shop which integrated all government entities involved in the process of opening a business. Under the leadership of the state's Ministry of Planning and Management, the program was part of a broad results-based strategic management model.

Another innovative element was development of a synergy-based strategy between public and private actors. Based on effective inter-institutional coordination, intensive use of ICT, and collaboration of the three levels of government and business, the project cut the process of starting a business from an average of 45 days to only eight days. By 2014, more than 34,557 companies had opened under the Minas Fácil program, representing 68.14 percent of the total of companies started at that date in the state.

Notes: The description of this case is based on studies by Caio Marini. The full case study is available in the third edition of the IDB Innovations in Public Service Delivery (<https://publications.iadb.org/handle/11319/7357>).

Planning, leadership, inter-institutional coordination, strategic alignment of incentives and resources, and use of monitoring instruments and performance evaluation are important components in consolidated public management models. Thus, the presence of these elements is of great benefit for making sustainable progress in management of transactional services.

Box 3.7. Service 311, New York City

The 311 call center system of New York City is an innovative and successful customer service model with a single communication channel between citizens and local government to deal with all public services in the city. For example, when call center operators register a request or complaint in the system, a work order to the responsible body is automatically generated. As a result, when there is a need for a public service or an improvement, the citizens of New York do not have to think about which agency or division is responsible, since they only have to call 311 and the system will refer the request. This is a good example of simplification in service delivery, since the request can be made not only by phone, but also by text message, email, or social media. Citizens can also track the progress of their request online.

The current 311 call center was created by Mayor Michael Bloomberg by integrating 45 call centers operated by different bodies and government agencies. The mayor himself oversaw progress in implementing the system and gave it high priority in his administration's objectives. Bloomberg also gave the backing needed to organize cooperation between the agencies involved and guaranteed the financial and human resources for the effective implementation of the system.

The linking of 311 to service-level agreements on quality with various service provider agencies strengthened and associated the 311 brand to a general framework for management of city services. In addition, inter-institutional collaboration meant that the exchange of information was well organized, which was important for timely and appropriate service delivery. In addition, the 311 support databases are being increasingly used for planning preventive interventions, which saves costs and avoids public and private monetary loss.

Finally, continuous efforts have been made to improve the system through customer satisfaction evaluations, which include checks on calls and regular meetings with active users. Currently, the 311 call center is operated 24 hours a day in 180 languages, which makes the system accessible to all New York residents.

Note: The description of this case is based on studies by Jane Wiseman. The full case study is available in the first edition of the IDB Public Service Delivery Innovation Series (<https://publications.iadb.org/handle/11319/6765>).

Legal frameworks that set clear time limits, define basic requirements, and allocate the necessary resources can mobilize political capital and popular support to promote change. An example of this is the Administrative Procedures Law enacted in 2003 in Chile, which redefined the State's relationship with citizens with important effects on reducing the associated transaction costs. Another example is Law 11/2007 on Electronic Access by Citizens to Public Services, whose approval marked the final stimulus for e-government in Spain.

Box 3.8. Online Services as a Citizen Right, Spain

The Spanish Law on Electronic Access to Public Services of November 2007 set up a new framework for relations between the Spanish government and citizens and businesses in the digital area. The purpose of the law was to implant cross-cutting e-administration and ensure equal access to these services.

The most important feature of the law was to recognize as a citizen right the possibility of interacting electronically with the public administration, which meant, as a counterpart, the obligation of these institutions to guarantee these services. Another feature was to set a time limit or strict deadlines for compliance, which led the government to create a series of tools to monitor and control economic, technical, and human resources for their effective implementation.

In relation to the availability of electronic services, the Law has had mixed results in the General State Administration (AGE) and Spain's autonomous regions, but in terms of citizen use and satisfaction, the results have been positive. For example, the volume of electronic processing of AGE services has constantly increased since enactment of the Law. In 2015, 99 percent of processing of procedures was covered where the electronic option was available. Similarly, the percentage of citizens satisfied or very satisfied with electronic services reached 75 percent in May 2015. Finally, political support and availability of skilled human resources were crucial factors for making a significant change in the public administration and in the way of interacting with citizens and the business sector.

Note: The description of this case is based on studies conducted by Rafael Rivera, Elisa de la Nuez and Carlota Tarín. The full case study is available in the second edition of the IDB Public Service Delivery Innovation Series (<https://publications.iadb.org/handle/11319/6912>).

Constructing an Intervention Model for Citizen-centered Transformation

Analysis of the selected cases helped identify the three drivers that induced the change to be considered in the reform of transactional public services: **integration, simplification, and management**. The analyses have also made it possible to recognize and understand the dynamics and the necessary balance between promoting innovation as a key element of change, and strengthening institutions in the process of modernizing the State.

It is important not to underestimate the difficulties involved in achieving good coordination of integration and simplification initiatives under a management framework that ensures adequate management of change, sustainability, and permanent review of the reforms. However, there are examples of successful international cases which suggest the validity of the effort to find an intervention model that includes these characteristics fully or partially. For this, it is necessary to have leadership and alignment with a common strategic vision which makes citizens' needs and expectations a focal point of government action. Only on the basis of institutional decisions that cover the various areas of government in demand, it is possible to align the actions of ICT management, adaptation of regulatory frameworks, personnel training, and adoption of the management instruments and practices necessary for carrying out coherent and complementary interventions driven by these three drivers.

One example that corroborates the validity of this approach is the experience of Service Canada, probably one of the most complete expressions of the application of a service delivery management model constructed with a citizen-centered view, in its various dimensions.

Box 3.9. Service Canada

Inspired by the Australian experience of Centrelink (a one-stop shop center for provision of social and human services), Service Canada was officially launched in February 2005 as a program to transform the way government serves its citizens by providing citizen-centered government services and implementation of eGovernment in all spheres.

Specifically, Service Canada developed the one-stop shop concept in three dimensions. In a first dimension, the program created a single multi-purpose window based on citizens' needs which included implementation of customer service centers, telephone services and websites. In a second dimension, the service moved from a model integrated by individualized programs and watertight compartments to a fully integrated model. In a third dimension, the program implemented a platform to promote partnership and collaborative work between the three levels of government (central, provincial, and municipal) and the private sector.

One of the success factors of implementation of the program was the development of a hierarchical and centralized management model where a government institution with strong political support—in this case Service Canada—guaranteed the integrity of the system and sustainability of the reforms. Thus, the management model allowed for good inter-institutional coordination and effective implementation of the integration and simplification initiatives.

Also with the idea of putting the citizen at the center of service provision, Service Canada made sure to have appropriately trained human resources in customer service centers, especially for Canadians, such as retirees, who still preferred the services in person. In fact, Service Canada, while offering more digital services, expanded customer service centers to ensure the satisfaction of all citizens.

Two years after its creation, Service Canada was already offering some 50 programs and services used by more than 32 million Canadians. About 80 percent of all calls to the Canadian government are answered through the program and 93 percent of Canadians have access to government services within a 50-km range of their place of residence.

In the cases studied, such as Service Canada, the approach to innovation is closely linked to the strength of the responsible institutions, which facilitates large-scale adoption of solutions and sustainability of the transformation process. Innovation covers broad sectors of the institutions involved and is part of each institution's processes. In these cases, innovation has not been driven from the outside, such as an external unit or laboratory, but rather is a result of endogenous processes within the institutions themselves. In other words, innovation has been incorporated into the decision-making and production processes, which has contributed to its sustainability.

This finding in no way diminishes the validity or relevance of the contributions made in recent years by laboratories or other specialized units on innovation, which act as external advisors to governments in various countries. These units have played a key role in supporting innovation processes in the public sector, especially in the cognitive and methodological field of participatory experimentalism, and in raising the awareness of authorities, officials, and citizens on the issue.

The lesson to be drawn is that the characteristics that determine the functioning of public institutions require a constant effort to find a balance between preserving and strengthening institutions and promoting innovation in the public sector. The documented cases have achieved this balance through a citizen-centered approach applied to public

services. In international experience, another example of achieving this balance and its potential for reform is the case of the Government Digital Service (GDS) in the United Kingdom and the transformation agenda driven by it.

Box 3.10. Government Digital Service

The Government Digital Service (GDS) is a project launched in 2011 to transform delivery of digital public services in the United Kingdom. Specifically, the GDS focuses on directing and implementing digital service delivery in government and providing technical advice and support to all public entities in the State apparatus.

The GDS emerged from the recent expansion of ICT use by citizens (over 82% of the UK population has access to an Internet connection) and government delay in delivering quality transactional services at efficient cost. Thus, in 2016 under the "digital by default" strategy, through the Gov.uk site, the GDS was offering more than 800 public services operated under 87 government agencies used by more than 62 million UK citizens, contributing to extensive digital inclusion.

One of the most outstanding features of GDS implementation is the way it exercised its role under an approach of innovation developed within each government institution responsible for the services. In fact, based on a plan to reform the civil service aimed at improving the efficiency and effectiveness of government operations, some agencies associated with GDS have designed, built, and operated decentralized citizen-centered actions and implemented a culture of service with intensive use of digital solutions. For this purpose, all government entities were guaranteed adequate levels of digital infrastructure and human resources specialized in ICT in their organizations.

This transformation process not only helped break the traditional way of delivering services, but also helped institutional strengthening and implementation of reforms, opening the way for capacity building in the government agencies responsible for these services.

Source: <https://www.gov.uk/transformation>

In almost all of these cases, those responsible for the initiatives have taken risks inherent in the processes of change, demonstrating that it is still possible to create institutional environments where risk is not only not avoided, but assumed and managed, and where both disruptive innovation and incremental improvement are recognized and valued.

In the following chapters, three international experts examine separately and develop in depth each of the drivers inductors of change described here. The analyses are not limited to the cases mentioned in this chapter, since the authors use their professional background to systematize lessons from international experience in these fields. Recommendations are also presented to policymakers and managers of transactional services on the design and management of projects to modernize citizen-centered services.

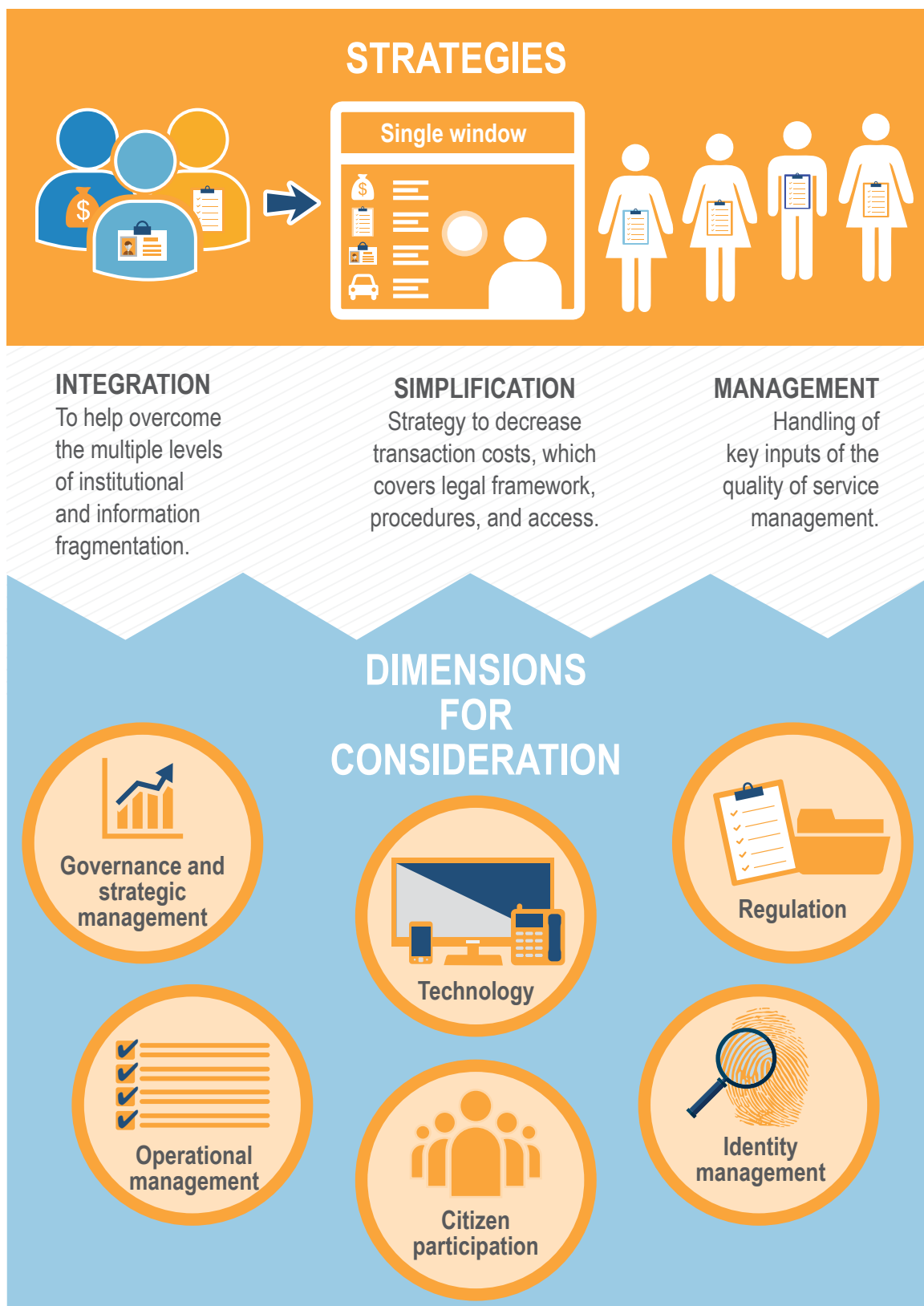
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Annex 3.1. Strategies for Improving the Delivery of Services



Integration of Information

For the Improvement of Public Service Delivery

Jane Wiseman

Introduction

This chapter provides recommendations for policymakers and public officials to consider when embarking on an initiative to organize systems around citizen needs, with the goal of achieving “a single view of the citizen.” What is a single view of the citizen project? Simply put, it means gathering and storing all data about a citizen such that it can be accessed for insight and analysis. The most significant characteristic of a single view of the citizen project is the *sharing of data* across government agency boundaries. For example, a city’s citizen contact center will amass and share information on citizen services from nearly every agency in its city. For most government agencies, the citizen they serve is an individual who receives some direct service or benefit. For some government agencies, the citizen they serve is a business in need of service, permission, or registration of some sort. Regardless of the type, a single view of the citizen project has the same goal: integration of information for the improvement of service delivery.

There are notable successes in achieving a single view of the citizen within specific domains. Successes have typically been for a defined purpose or customer segment, often with either a single agency or a handful of government agencies. Some commonly known examples of success include centralized citizen contact centers (311 centers); coordination of services across a variety of human services agencies (welfare, child care, health care, and workforce) for the same citizen; and business registration portals that create a single view of the business. These cases demonstrate that a single view of the citizen can be achieved for at least a part of government, or for a particular type of citizen transaction or service. A single view of the citizen across all of government would not only be highly complicated; it would also represent a degree of information integration and access by government that the public could find troubling. The focus of this chapter is on a single view within a service area, such as human services, information registration, business licensing, inspections, or a citizen contact center.

There are many benefits of achieving a single view of the citizen, from improving transaction efficiency and lowering processing costs to improving customer satisfaction and reducing fraud in benefits programs. Single view of the citizen projects in government help improve both operational and customer service standards and allow government to take advantage of common private sector technology tools and service innovations, such as mobile commerce, advanced data analytics, and personalization.

The insights shared here reflect the study of government information technology (IT) projects of a variety of types, with particular emphasis on those relating to the complexity of integrating data across organizational boundaries. Table 4.1 shows illustrative examples of single view of the citizen projects from around the globe.

Table 4.1. Single View of the Citizen Projects

Phase	Access	Share	Transact	Manage
Activity	Constituent-centric point of access	Constituent-defined single point of notification	Constituent-defined single place for processing	Constituent-defined handoff, “follow the customer”
Example	<p>Singapore single sign-on across eGovernment.</p> <p>Singapore created a single sign-on for users of all online government services. With the single sign-on, constituents can use the same username and password to access a wide range of government services, ranging from income tax filing to vehicle registration to passport renewal. The single sign-on simplifies the constituent experience of remembering unique username and password for every government service requiring secure connection. The shared platform across 57 government agencies required significant collaboration.</p>	<p>UK Government, Tell Us Once. Using Tell Us Once, a constituent in the UK can report a birth or death just once to the central government. That one notification will kick off all appropriate and necessary notifications, for example, to pension and driver’s license agencies. The UK central government created the service and allowed localities to opt in, and 96 have done so. The program streamlines the constituent’s interaction with the government. Before Tell Us Once, a constituent might have as many as 44 government entities to contact about a death. Now there is just one.</p>	<p>State of Utah, One Stop Business Registration.</p> <p>This user-friendly portal creates a single point of entry to register a business with the state. Transparent to the constituent, the transaction spans the Utah State Tax Commission, the Utah Department of Commerce, and the Utah Department of Workforce Services. All registrations are handled in the background, with the appropriate information going to each agency. The user gets transparency to each step in the registration process and a confirmation when completed. For businesses with local registration requirements, there are links to cities to provide downloadable forms and follow-up contact information for the cities.</p>	<p>New York City Electronic Patient Care Reporting (ePCR). When a patient gets into an ambulance in New York City, they are beginning a seamless, integrated path to recovery at the hospital because their medical data is managed all along the path. Data captured at the scene (heart monitor and vital signs) is shared with hospitals over the city wireless network. Telemetry doctors can monitor data and provide advice to the EMTs even before the patient arrives at the hospital. ERs get critical and potentially lifesaving information before ambulances arrive with patients. Sources of data integrated across this system include computer dispatch, automated external defibrillators, ALS cardiac monitors and computerized telemetry.</p>
Key benefits	<ul style="list-style-type: none"> • Simplifies sign-on for users of government services • Streamlines identity management for government 	<ul style="list-style-type: none"> • Simplifies event notification for citizen • Reduces errors through standardization 	<ul style="list-style-type: none"> • Improves transaction processing speed, reduces errors • Improves customer satisfaction and compliance 	<ul style="list-style-type: none"> • Pushes notification of critical data speeds transaction handoffs and reduce errors • More informed transactions produce better results, in this case improved health

Phase	Access	Share	Transact	Manage
Requirements	<ul style="list-style-type: none"> • Single sign-on platform, built into portal for citizen interface • Services to connect to transaction systems • Leadership and willingness to standardize access 	<ul style="list-style-type: none"> • Platform for electronic notification • Portal for citizen transaction <p>Services to connect back-end operational systems to consume notification data</p> <ul style="list-style-type: none"> • Leadership to standardize input across agencies 	<ul style="list-style-type: none"> • CRM or other platform for case management and processing • Portal for citizen transaction <p>Services to connect back end operational systems</p>	<ul style="list-style-type: none"> • Citywide Wi-Fi infrastructure • Cooperation across government and into nonprofit sector • Strong leadership to span boundaries

There are two general approaches to consolidating data on a single citizen. One approach is to create a case management system to centralize data for a specific workflow, such as a benefit program, an inspections process, or a citizen information center. Government can create a case management tool from scratch, or can buy an off-the-shelf product such as customer relationship management (CRM) software. The CRM marketplace has evolved considerably in the past decade. While the early adopters of CRM in government (such as Chicago 311) had to build their systems from scratch owing to the lack of options in the marketplace, today government CRM options proliferate. There are large, internationally known companies offering robust (and sometimes expensive) products, mid-sized companies, and smaller, often regional or niche market companies offering a variety of CRM products for government. Regardless of the size of company and type of product, the recent move toward mobile commerce has pushed companies to innovate and to develop nimble products available on the cloud and accessible through many channels. For additional detail on how governments can apply CRM see IDB (2017) (<https://publications.iadb.org/handle/11319/8224>).

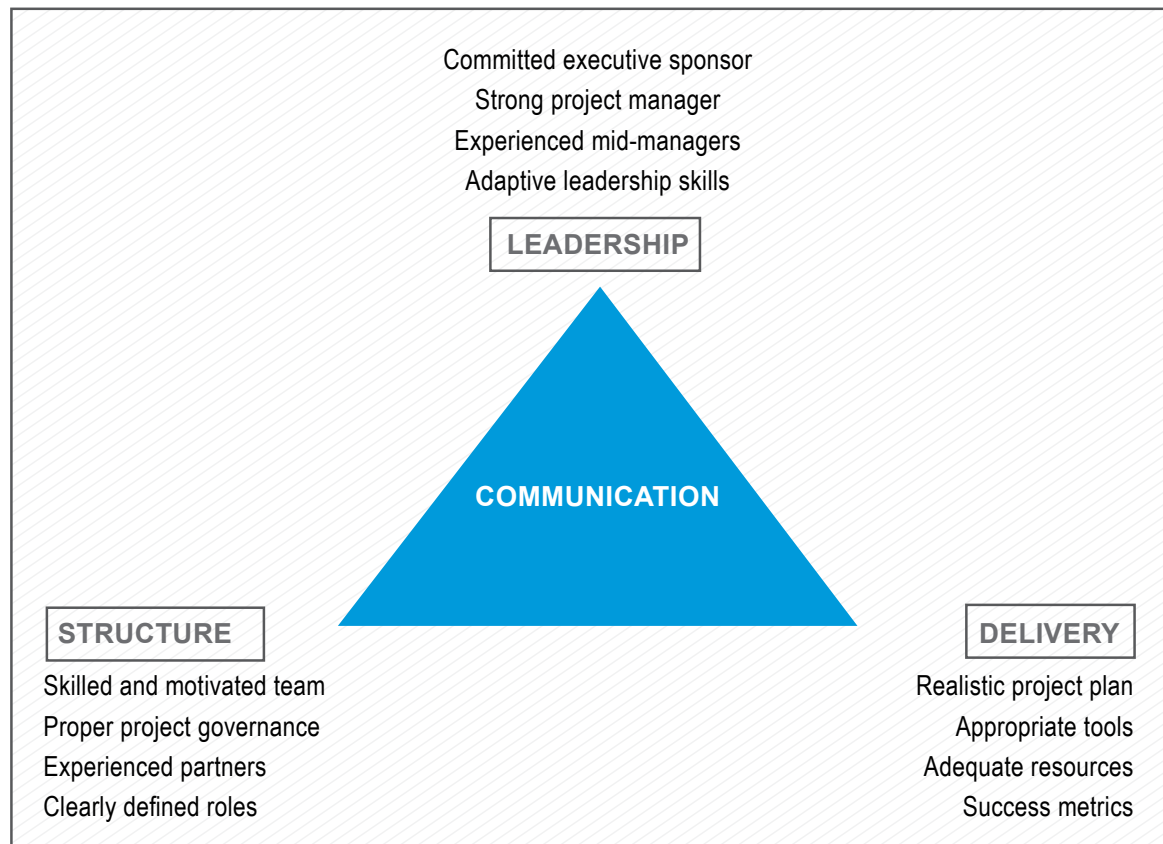
The second approach to creating a single view of the citizen is to develop a web of connection among the various disparate data sets that contain operational and transactional information on a single citizen. Typically, this involves establishing a data warehouse and deploying tools for analytics across the various operational data stores. This method often requires more up-front design thinking than the purchase of a CRM product, but it can also offer more long-term flexibility as needs and policy priorities change. For additional discussion of how government can successfully create a web of connection among disparate systems, see the discussion of Allegheny County and Alameda County in IDB (2017).

Each approach has its benefits and challenges, which are well documented in other sources. The remainder of this chapter describes recommendations for policymakers and public officials in designing and implementing projects to gain a single view of the citizen.

General Recommendations

There are three core success principles that apply to all projects, specifically to technology projects in government, as shown in Figure 4.1.

Figure 4.1. Keys to Successful Program Implementation



Success begins with leadership, which is at the top of the triangle framework diagram. Without the leadership of an engaged and capable executive sponsor a project often either does not get off the ground, or can go awry midstream. Experienced project managers and team leaders must be in place, and must be able to engage with an adaptive leadership style as problems arise, to flexibly respond to emerging situations and keep forward momentum.

At the foundation of the triangle are structure and delivery. A structure in support of project success includes the right people and skills, from a government and contractor standpoint. Having the right structure means having skilled and motivated team members and having clearly defined roles for each. Success in delivery is about executing according to the plan and being able to measure that success. A solid project implementation plan is critical, as are the appropriate tools and resources to get the project done. Finally, success metrics enable continuous assessment of project progress. At the core of the

framework is communication, as it is the means by which each of the three elements are connected and are made mutually supportive of one another. The remainder of this chapter provides a chronological overview of recommendations in support of achieving this success framework, from the conceptual stage of the project to its launch.

Before you Begin

Before even hiring a project manager or obtaining funding for a new single view of the citizen project, there are several things to consider that can make a difference in the level of success of the project.

- **Dedicated senior executive leadership matters.** Implementing any new citizen-oriented information system is a complex effort involving both technology and people from a variety of agencies across government. An experienced project manager must lead the project. He or she must be able to make tough decisions and be able to hold others accountable. That person must have the backing of the key executive, a project sponsor. The strong and vocal public and private support voiced by Mayor Michael Bloomberg in New York City made a critical difference at key points in the implementation of the NYC311 project. His insistence on the project being done right helped gain buy-in from reluctant agencies.
- **Set clear goals.** Without clear goals, a project can fail. Yet clear goals are far from common in technology projects. According to Gartner Research, more than 60 percent of companies that implemented a CRM system did not have mutually agreed goals in place before starting the project. To increase chances of project success, establish clear project goals then document and share the goals. Make sure that all project stakeholders clearly understand the goals. This includes every agency participating in the project.
- **Convene an executive steering committee.** Invite senior leaders whose advice you respect, and those who can represent key stakeholder agencies, to serve on your project's executive steering committee. Convene this group periodically (quarterly or semi-annually depending on the complexity and duration of the project) to serve in the role that a board of directors plays in a corporation. Report your progress to them using the same progress report format each time for consistency. Each progress report will force you to take stock of what you've achieved so that you can celebrate it, and to look at where your progress falls short of expectations. Do not treat the meetings as a rubber stamp session for accomplishments, as this is a waste of time. Instead, give your steering committee problems to solve and ask for their help. Because they are not part of the day-to-day operations of the project, they

offer a fresh perspective. Draw on their expertise and ask them to help you find solutions to problems you face.

- **Expect challenges for cross-agency projects, and plan the time to build buy-in.** Any project that involves multiple agencies will be complicated. The challenge of getting disparate agencies to collaborate on a project that is not their own initiative and for which they may not see concrete results in the short term cannot be underestimated. Conflicting agendas can sometimes impede data sharing across government. Sharing data is often not just a technology challenge, but also an organizational challenge, particularly when needing to standardize back-end processes to develop a common citizen-facing workflow. In developing its single portal for all business registrations, the Business Hub, the City of Boston found that this step was time-consuming but valuable. Duplicative steps were eliminated by mapping all processes across the agencies involved in the business registration process. This involved several cross-agency process mapping meetings. Organizational change can be threatening for some, and building in extra time to work with hesitant staff is important.
- **Decide the right balance between government and contractor resources.** Implementation resources include both agency staff and outside contractors. A key cost driver for the project is the degree to which internal staff at the government agency can do the work of project management, system integration, and change management. The few information integration implementations that have been done at low cost have been done with little to no reliance on outside vendors. The value of using outside contractors is that they are not permanent employees so their cost is gone when the project is done, and their expertise may be deep in the area needed. The drawback is generally that they cost more than agency staff. Deciding the right balance in the tradeoff between cost and expertise is an important one. In this decision, it is important to be realistic about the resources available in government and how well their skills and expertise map to project requirements.
- **Include key stakeholders in the planning and goal-setting process.** Outside stakeholders can easily derail a project if they have sufficient influence and are not aligned to your goals. Dealing with opposition after the fact often takes more effort than is required to bring stakeholders on board at the start of the project. Before beginning, assemble a team that includes representation from key stakeholder groups and then together determine specific, measurable goals for the initiative. Include participation from different levels of the organization, making sure that front-line workers are empowered to provide frank advice.

Project Planning Recommendations

The planning phase may be the most important part of the project. It sets the foundation on which the project will grow. Do not rush this work. Take the following recommendations into consideration.

- **Invest in experienced resources.** Your project manager could make or break the project. Given the many components of an integration project, a strong project manager capable of handling multiple simultaneous work streams is critical. Do not shortchange the project by hiring a project leader without sufficient experience. Look for someone who has successfully led a similar project before. Leaders of project work streams should be strong as well. When hiring a technology firm to assist with the implementation, insist on experienced staff, and insist on being able to replace any key staff who fail to meet performance standards.
- **Prioritize and make the priorities clear.** It can be tempting to make the project too ambitious, seeking to provide something for everyone so that every agency will be more likely to be invested in your success. For example, in a 311 implementation, taking on the creation of a work order system for a participating agency will greatly benefit that agency but will slow down the overall 311 implementation. This can be a costly mistake. Rather, it is more effective to set clear priorities for the project. What will provide the most value? Is the first priority to automate the back-end processes, or to make the customer interface more appealing and unified? Is there a particular pain point for employees or customers that needs to be addressed? It is also important to decide whether to launch as a multi-channel service or to roll out in phases by type of channel (phone, web, text, etc.). Once the priorities are clear, articulate them and share the document with all key stakeholders and with project staff. Post it on the wall in the break room and share with all involved staff so that there will be no doubt at any point during the project. Make sure the priorities align with the agency's core mission and values and with the whole of your government's future vision for technology and service delivery.
- **Document your business case.** After deciding on project goals, create a business case. The business case does not need to demonstrate a financial return on investment (ROI) but must clearly state the benefits to the citizen who receives the service, or to the taxpayer if greater efficiency of processing or improved error detection will result from the project. Make sure the business case is solid and can stand as a clear description of why you are undertaking the project. Ideally, the business case will convince the skeptics that your project is worthwhile. The business case will also be valuable as you seek funding for the project.
- **Create a realistic implementation plan.** When creating an implementation plan, create incremental phases of work that build on each other. The initial

phases should improve service delivery in whatever way is most visible and valuable to citizens. This will help build support among your external stakeholders. Use a project management software tool so that the plan can be shared electronically and individual task owners can easily share updates. This improves transparency. Think realistically about the staff time involved, and the procurement process. Early successes can build momentum and excitement about the project. Conversely, with an overly ambitious plan, missing early milestones means building disappointment instead of pride and excitement. Once the plan is drafted, add 10 to 20 percent more time to allow for unanticipated delays. Make sure the plan reflects your organization's strengths and weaknesses and provides additional support where needed.

- **Clearly define roles.** Whether they be roles of the project leadership and team members or the roles and responsibilities of the participating stakeholder groups, clearly defined roles and expectations are essential. Document the roles so that if there are issues the document can help clarify and re-set expectations. Clearly spell out both what stakeholders must contribute and what they can expect to receive in return.
- **Seek citizen input.** If your goal is to make your systems and processes more responsive to citizen needs, why not ask them what matters most? Consider inviting citizens to participate in a focus group and ask them about how they want to interact with government. You may find that you *think* you know what the citizens want, but they want something else instead. Citizens who help you shape the project at the start may also be valuable when you are in the testing phase of the project, as they can show you how a user actually navigates your system.
- **Research best practices.** Regardless of the nature and scope of the project, there are lessons to be learned from other organizations in the public and private sectors. Once the goals of the project are clear, find out what has worked well and what has been challenging to others taking on a similar project. Abu Dhabi did this when they sought to learn from NYC 311 before creating their citizen service center. Research in two phases. First, conduct desk research by reading about other similar projects. Then pick up the phone and ask peers in other cities about their projects. You'll learn things when you call that you'll never see in a write-up. Many of the published project write-ups were written by the vendor who implemented the system. They have a vested interest in promoting the project's success and won't necessarily include all the challenges and workarounds when they summarize a project. Also, don't be afraid to reach outside of your domain for lessons. Automobile entrepreneur Henry Ford invented the assembly line not by looking within the auto industry: he conceived the idea based on a visit to a meat packing plant.

Project Design Recommendations

Key decisions and actions early in the project design phase can affect long-term project success, including the following:

- **When using an off-the-shelf product, minimize custom design.** When buying packaged software solutions, it can be tempting to customize the package to suit the unique process needs of your organization. Each customization adds to the complexity, time, and cost of the project. Changing your process to meet the standard process built into the software package only has to happen once. Changing the software to meet your process has to be done again and again, every time there is an upgrade or patch.
- **Decide whether to leverage cloud computing.** One significant early decision is whether to choose cloud-based or on-premises deployment. In recent years, the private sector has migrated large amounts of computing to the cloud for cost and efficiency reasons. Cloud computing saves cost as IT managers need not constantly monitor server capacity and plan far ahead for future acquisitions to assure adequate additional computing capacity. Another source of cost reduction is both the time and effort avoided for each software upgrade. With cloud-based services, the update is made only once, while with on-premises options, the update must be made for each individual instance of the software installation. IT infrastructure and application maintenance costs are reduced with cloud computing. The drawback of a cloud-based offering is that typically far less customization is allowed, and sometimes no customization is allowed. For agencies requiring very specific functionality, this may not be desirable or even feasible. For agencies seeking some customization, the tradeoffs must be considered.
- **Review outdated or inefficient business processes.** Proceeding on a technology project without pausing to improve current business practices or conform them to the new technology is a much-overlooked challenge and project risk. Business process change is difficult because it requires staff to change patterns that are comfortable for them. Executive leadership is critical to achieving business process change. For example, a city mayor may make integration of systems and processes for registering a new business a high priority. This would mean that all related agencies (office of economic development, business permitting, business registration, procurement, minority and women-owned business development, minority and women owned business certification, revenue, and so on) must work in a collaborative fashion, which alone can be a major success. Without significant attention to business process change, an information integration project is unlikely to be successful.

Project Management Recommendations

A strong project manager will improve the degree to which the project stays on track. The following suggestions reflect solid project management principles:

- **Periodically communicate progress.** Your team and your stakeholders should get periodic updates. Each will have a view into their part of the project but not the overall progress. Sharing news across the project helps keep every participant aligned to the common vision. This creates a sense of common purpose that helps keep the team motivated toward the goal. This is particularly important in projects that have a long development time before public launch.
- **Don't be afraid to amend your project implementation plan.** As the project progresses, you will learn from early mistakes. You will learn where your assumptions have been too aggressive. Don't be afraid to update your project plan to reflect the evolving reality. When you do make updates, be sure to report them to the executive steering committee and share out to key stakeholders. It is better to let everyone know rather than to hold back when you realize you will have a delay.
- **Plan for data quality issues (dirty data).** An often-overlooked challenge is dirty data, such as inaccurate, out-of-date, or simply spurious data in your database. Dirty data can slow down a process if you are not ready for it. Data are the lifeblood of an integration project, and incorrect numbers, spelling mistakes, and outdated contact information can infect the system if left unchecked. Plan for time to clean up the data before inputting it to your new system. This will make for a smoother rollout. Simply standardizing name and address format across multiple agencies could be a major undertaking. For example, the voter registration record for an individual may say Jane Smith, and the census may list Jane M. Smith, but the tax records are for JM Smith, and a business ownership certification may use another variant. In this example, each agency would have to devote time and money to standardizing name and address, and possibly other related data fields as well. Yet there may be no direct benefit to the agency of doing so. Devote time to persuading owners of the operational data of the benefit of standardizing, and then build in time to work to standardize and perfect data.
- **Spend time on the back-end workflows.** Projects sometimes spend too much time focused on the user interface to the detriment of focus on the back-end transaction processing work. While the "how does it look" effort results in a good user experience, the back-end data flows are what make the project work. Consider for example, the Massachusetts health care connector, an online marketplace for citizens to select and buy health insurance. At the

time of launch, the user experience was high quality. From registration to search to purchase of a health insurance policy, the user experience was an integrated and seamless process. However, the back-end systems to transfer policyholder data to the insurance providers was inconsistent, leaving some who had paid for insurance via the connector unknown to their provider and unable to receive services. Further, the system for collection of premiums was out of synch with the rest of the system, resulting in policy holders who had paid in full being sent notices of cancellation for non-payment.

- **Soft launch first.** Before going public with your new system, test it. Then test again and again. If possible, involve citizens in the testing phase to get their feedback on usability and make improvements to the user experience. When ready to launch, pilot a few capabilities before launching the entire new system. Learning from the pilot will improve the final full launch. Proceed incrementally, releasing additional features and functions as ready. Piloting prevents large, public failures such as occurred with the U.S. government's Healthcare.gov launch in 2013.

Organizational Change Recommendations

One of the most difficult challenges to overcome is resistance to change, and the related resistance to collaborate. Any cross-agency project will need to address the challenge of inertia—it is human nature to resist change. Some agencies value their autonomy and may not see value in sharing data or engaging in discussion of standardization. They may attempt to protect their independence by stalling or withholding data or input, particularly if they perceive a threat to their autonomy in the project. Key strategies to mitigate this risk are described below.

- **Create a strong change management plan.** Believing that a new system is solely a technology project is a recipe for failure. Writing code to customize a system is far easier than getting employees to change how they do their work. Changing habits takes time. A recent hospital implementation of a consolidated patient record caused a 40 percent drop in productivity immediately after launch. Routines that doctors and nurses had developed over years had to change in one day. For example, one doctor reports having had to call tech support again and again to refill a patient's prescription in the new system—what had taken 30 seconds in the old system now took 25 minutes. This type of end-user frustration can be minimized with a solid change management plan. Change management addresses the user needs and builds in the right amount of training and support to minimize disruption to routines when the systems are changed. When technology projects are seen as a panacea and not viewed as part of a larger change in human behavior, it is unlikely that

the results will be successful. When building a change management plan, be sure to document and share the benefits to users as that will increase their confidence in the new system and help them be more patient with the inevitable bumps in the road of system transition. Create champions or super users who not only receive training but also are given the resources to help others with the transition to the new platform. They can be a great feedback source on how the rollout is going and what needs to be tweaked.

- **Build trust slowly for cross-agency work.** Collaboration across agency boundaries requires a great deal of time to develop buy-in. At the start, be sure to understand the key pain points of partner agencies, building your project to give them some benefit will help to gain their buy-in. Checking in with key external stakeholders along the way will help them not only be heard, but feel heard, which matters nearly as much. To trust others takes time. A justice official in the state of New Mexico wanted to forge a partnership with the justice system leaders of the Navajo nation. It took three meetings before she was able to figure out the right person to talk to and then another two meetings before she was able to present her idea. Finally, she was successful in forging a mutually beneficial partnership. Each meeting took her nearly nine hours of driving round-trip. This is an extreme example of the amount of time it can take to build credibility and gain buy-in across agency cultures. When planning a project that crosses agency lines, allow sufficient time to gain trust.
- **Celebrate success along the way.** With long projects, the team can lose sight of the end goal when they are busy with their day-to-day work. Long-term programs with multi-year roadmaps tend to go through peaks and troughs of excitement. The challenge is to prevent these troughs from dragging down the morale of project team members, resulting in slowed progress. Celebrating significant project milestones builds excitement among the project team. It can also keep key stakeholders and project sponsors motivated and involved.

Conclusions

Increasingly, leaders in government strive to achieve excellence in citizen service, leveraging the technology tools that citizens have come to expect based on their experience with the private sector. Creating citizen-facing systems and organizing the back-end transaction processing systems of government is a key step toward achieving this goal. For a leader considering a new initiative to improve citizen satisfaction with government service, aligning systems to the tasks citizens want to do (register a business, apply for benefits, report a concern, etc.) is more important than working within existing agency boundaries and silos of government. Lessons learned from prior implementations point to the importance of careful planning for both the technology and the internal

organizational changes necessary. Prior efforts demonstrate that significant benefits can be achieved both in citizen satisfaction and ease of use as well as in financial savings due to efficiencies and avoided duplication or fraud. In summary, creating a single view of a citizen is a challenging yet worthwhile venture.

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Administrative Simplification Strategies

As Tools for Improving Public Service Delivery

Gustavo Mendoza

Introduction

One of the most important challenges currently facing all governments is improving their capacity to deliver quality public goods and services to their citizens in a timely way. The challenge is not insignificant because, although in international experience there are several tools for strengthening government capacity, budgetary constraints on governments impose the need to adopt creative strategies to generate greater value for money.

In the last 10 years, more than 30 developed economies have designed and implemented new administrative simplification strategies for their services with a different perspective from the one that underlay the strategies implemented over 30 years ago. These new strategies focus on placing the citizen at the center of government activity.

This chapter seeks to establish a “state of the art” of this type of strategy and to visualize its benefits and challenges to applying it in Latin America and the Caribbean. The chapter is divided into four sections. The first describes the historical context which gave rise to the emergence of the regulatory improvement policy and its toolkit. The second analyzes the nature and scope of the simplification strategies, by type of regulation. The third details the most important tools that have been used internationally as part of the simplification strategies, particularly improving government public service delivery. To conclude, the last section presents a general framework for designing and implementing administrative simplification strategies derived from experience and international best practices.

From Deregulation to Regulatory Governance

The economic crisis of the 1970s brought about a profound transformation of the way governments provided public goods and services to citizens. For example, the United States, which for more than 30 years had opted for a regulatory State model, was forced at the end of that decade to rethink government action to confront an economic situation marked by unemployment and the deteriorating living conditions of its citizens.

In 1978, under the leadership of President Carter, the first systematic use of impact analysis of regulations affecting the private sector was implemented in an innovative way. Strong acceptance of the program by the business sector enabled the measure to evolve and continue beyond the Carter Administration to become one of the four pillars of

President Reagan's program to promote economic growth, known as *Regulatory Relief*. Since then, the use of regulatory impact assessment has been institutionalized with the aim of improving regulations and their impact on the economy.

In the case of the European economies, which had opted for a State welfare model, the UK government, also in the late 1970s, implemented a comprehensive process of privatizing State enterprises to overcome a serious fiscal deficit problem. This required the creation of regulatory bodies and implementation of a process of review and impact assessment of the regulations for new participants in the economy.

In Latin America, economic problems were not absent and resulted in the region's economies incurring heavy public debt. As a result, in the 1980s most governments followed the transformation process of the European economies, leading to less State intervention, a greater opening in the region, and the use of regulation as a mechanism for controlling new private actors. However, unlike the United States and European countries, the nations of Latin America and the Caribbean did not accompany the change of model with the use of impact assessment tools for the new regulations.

The use of regulation as a mechanism to solve problems of a public nature led to its indiscriminate use by the government apparatus, which soon created a problem known as "regulatory inflation." This led to the emergence of the first regulatory reform programs focused on deregulation, conducted under the premise that the large volume of regulations was strangling innovation and entrepreneurship.

The first programs had a "guillotine"-type orientation, that is, entire bodies of regulations were eliminated or cut out, with no clear criteria or objectives. These exercises were only partially successful because, while entire regulations were being eliminated, new ones were coming into force to replace them, and governments lost the capacity of immediate reaction to carry out their actions.

After identifying the disadvantages of the deregulation processes that were implemented, they evolved into "regulatory reform" programs. Thus, there was no more consideration of which regulations to eliminate, and governments proceeded to see how to improve regulatory structures in terms of design and operation (OECD, 2002).

Over time and with the experience of the reformers, the first principles were constructed and shaped. These were formulated by the OECD Council in 1995 in the document *Recommendations of the OECD Council to Improve the Quality of Regulations*. Also, the first references to the term "regulatory policy" began to appear in the literature, associated with the objectives mentioned in Box 5.1.

There was also an increase in use of the concept of "regulatory reform," understood as the set of changes which improve the quality of regulation, that is, which improve the performance, cost-effectiveness, and legal quality of regulations and their procedures. In the past decade, the progress made led to the transformation of this concept to incorporate the principle of "regulatory quality." Governments initiated actions to close the circle of public policies by institutionalizing ex post evaluation of regulations and deepening aspects such as policy coherence and multilevel coordination across government jurisdictions, to include analysis of competition policy in the ex-ante

Box 5.1. Regulatory Policy Objectives (1995)

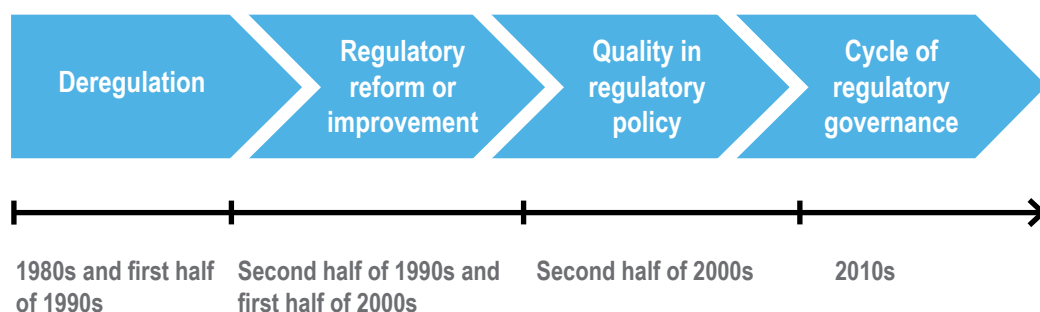
- Increase social benefits by means of a better balance and delivery of economic and social policies over time.
- Stimulate economic development and consumer welfare by promoting the opening of markets, innovation, competition, and competitiveness.
- Control regulatory costs, particularly for small and medium-sized enterprises (SMEs), to improve productive efficiency.
- Improve the efficiency, response capacity, and effectiveness of the public sector by improving public management.
- Rationalize and update laws.
- Improve the process of creating regulations and democracy to give citizens access to regulations; reduce discretion of regulators and executors.

Source: OECD (2002).

evaluation of regulations related to network industries, and to strengthen the principles of open markets and risk considerations in the design of regulations.

In 2010, at the international level, the concept evolved again, and the term “regulatory governance” was coined. This was mainly because developed economies understood that the design and implementation of regulations went beyond the state level and that, to obtain achievements and meet objectives, many stakeholders had to be involved at all stages of the design and application of the regulations. The result has been the institutionalization of a regulatory reform policy with an integrated approach, which uses regulatory tools and institutions to improve regulatory performance and achieve the public policy objectives of governments.

Figure 5.1. Conceptual Evolution of Regulatory Reform into Regulatory Governance



Source: COFEMER (2012).

Regulation and Administrative Simplification

As described in the previous section, the process of transformation of the State apparatus and adoption of regulation as a tool for solving public policy problems yielded positive results, although it also created new challenges that led to the emergence and development

of regulatory improvement policy with all its tools. At the same time, from the theoretical perspective of regulation, a consensus was built around the typology of regulations, which allowed the policy tools of regulatory improvement to evolve consistently and leave behind actions to adapt the regulatory framework which lacked any clear criteria or objectives. In this context, at least three types of regulations can be defined:

- *Economic regulations*: Governments use these to intervene directly in markets to strengthen and promote the processes of competition and openness.
- *Social regulations*: These protect the public interest, such as health, public safety, the environment, and social cohesion.
- *Administrative regulations*: These procedures, often known as formalities, are imposed by governments to enable citizens to comply with economic and social regulations or to obtain goods and services from the State.

As part of regulatory improvement policy, a specific toolkit was developed for each of these regulations to assist in the process of evaluation, analysis, and improvement. However, it is first necessary to understand that there is a temporal perspective for analysis of regulations and for the specific use of instruments to improve the regulatory framework: ex ante review and ex post review.

The ex-ante review focuses on the process of reviewing regulations prior to its issuance. The review is systematic and must provide the necessary justification for the issuance of a new regulation using tools such as impact studies, cost-benefit analysis, analysis of alternatives, and presentation of the implementation process, among others. The use of this type of ex ante analysis is widespread in developed economies and is applied in the process of developing regulations of an economic and social nature.

The ex post review focuses on exploring the stock of regulations in force and the effects it produces and has generated on economic activity. This type of analysis could be considered the starting point for the tools of regulatory improvement policy, since all deregulation actions implemented in the late 1970s and 1980s were general reviews of the regulatory stock.

The development of the policy and the evaluation of the success of these measures resulted in a greater understanding of the regulatory phenomenon and the need to link application of regulatory improvement tools to the nature of the regulation. Thus, simplification strategies, which were initially part of the general reviews applied to all types of regulation, were disaggregated by type of regulation.

In the last 15 years, simplification actions focused on “administrative” regulation (government-imposed procedures) were begun, since it was found that, while all regulations generated compliance costs for businesses and citizens, this type of regulation was imposing compliance costs without society receiving in exchange any added value in terms of public policy. An example is the Standard Costing Model (2005), used by the Ministry of Finance of the Netherlands to accurately identify the regulatory costs faced by companies in the process of complying with a regulation:

- *Direct financial costs*: linked to payments or outflows of business cash as consideration for compliance with a procedure or process with government, such as payment of taxes and the costs associated with permits or licenses.
- *Long-term structural costs*: investments or expenditures that companies must make to comply with long-term obligations imposed by regulations, such as the requirement to modify production processes to meet certain technical standards in a specified period.
- *Compliance costs are desegregated into two*: indirect financial costs, related to expenditure linked to substantive compliance with regulations; and administrative costs associated with information on compliance with obligations by companies and citizens.

The Standard Costing Model (SCM) is used to identify the administrative costs resulting from compliance with regulations, specifically, costs related to the paperwork, time, and resources that citizens have to employ to deliver information to government, known as the administrative burden. In addition, the SCM provides information on the stages of the procedure where these costs are concentrated. Given the success of the methodology, in the last 15 years more than 30 countries have implemented exhaustive programs to simplify administrative burdens, using the SCM or some variant which identifies burdens of this type imposed by regulations on businesses and citizens.

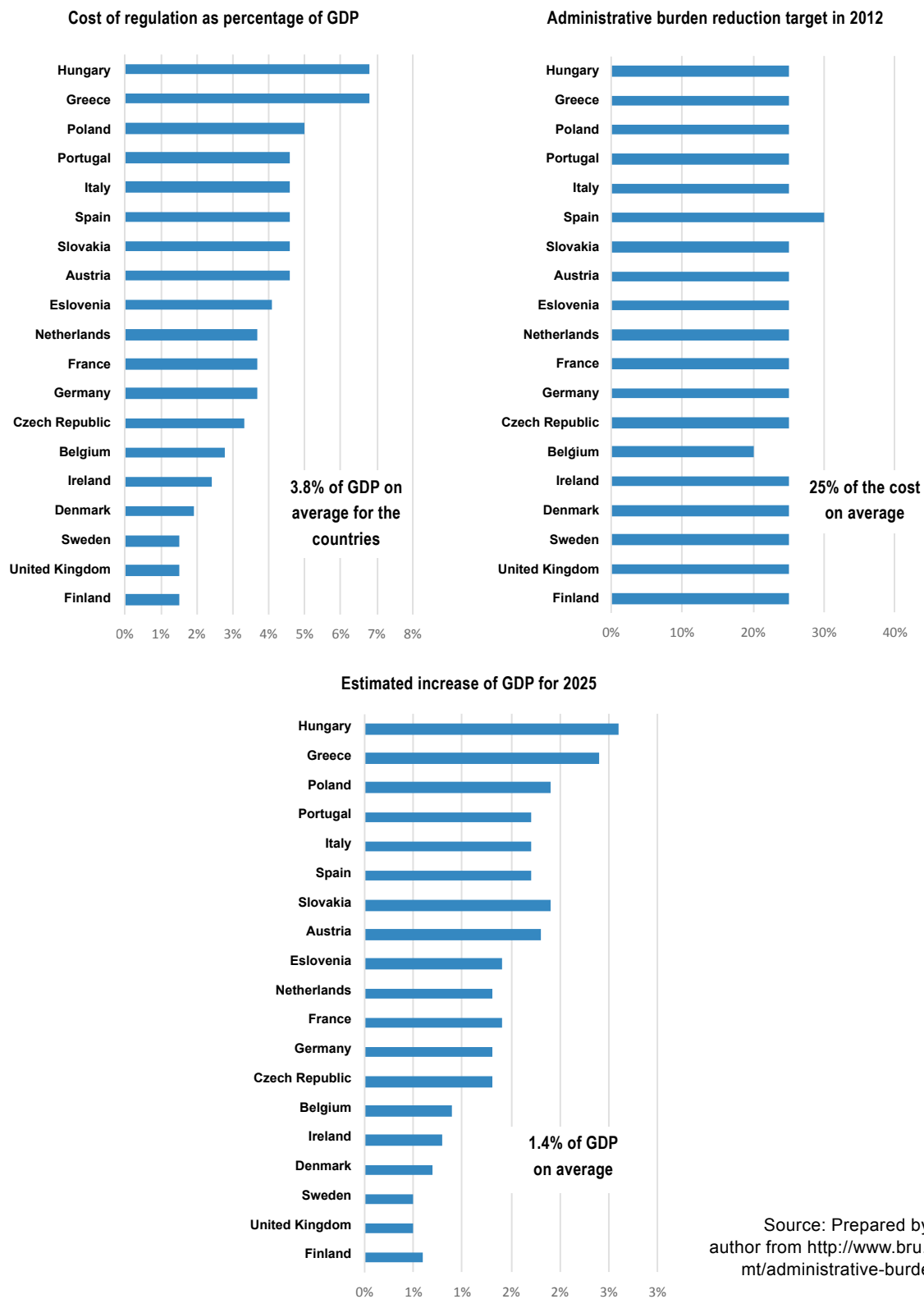
Administrative Simplification Strategies to Improve Public Service Delivery

National and subnational governments offer a set of public services—including the delivery of health, education, justice, and a significant number of public services—which citizens and SMEs can only access through administrative procedures, often known as “formalities.” This is the reason that many countries have implemented actions to improve delivery of this type of public service by means of administrative simplification strategies to improve the efficiency of government management.

Regulatory Guillotines with Measurement of Administrative Burdens

Simplification strategies based on measurement of regulatory burdens began to be disseminated by the Action Programme for Reducing Administrative Burdens of the Council of the European Union (EU) in March 2007. The 27 EU member countries agreed to the program and adopted the quantitative target of reducing administrative burdens by 25 percent by 2012. As a result, the program became the first general regulatory guillotine strategy in the EU (Figure 5.2). As part of this strategy, in 2007 and 2008, these countries implemented the process of measuring the obligations, and then established a baseline of administrative costs for each country to prioritize 41 EU laws in 13 areas corresponding to 80 percent of the administrative burdens (OECD, 2010a).

Figure 5.2. EU Countries that have Implemented Measures to Reduce Administrative Burdens



Source: Prepared by the author from <http://www.bru.gov.mt/administrative-burdens/>.

In 2012, the Federal Commission for Regulatory Improvement (COFEMER) of Mexico implemented a general review of all procedures (4,649 procedures applicable to companies, organizations, and citizens). A variant of SCM was used, which incorporated a measure of the opportunity cost that businesses assume when dealing with government response times.

The results identified the fact that in one year, the administrative burden of all procedures cost the Mexican economy the equivalent of 4.8 percent of gross domestic product (GDP). It was found that applying simplification measures in only 511 procedures could affect 66 percent of the regulatory cost. The strategy was put into effect in 2011 and ended in September 2012, with implementation of more than 2,674 actions which released economic resources of 1.2 percent of GDP (COFEMER, 2012).

Using Information Technology and Service Centers

In the last 10 years, specific solutions have been started so that citizens can carry out all or some government procedures in the same physical or virtual space (website): single window, single points of contact, service centers, kiosks, and others, known as one-stop shops. Currently these shops have become a key tool of administrative simplification strategies and, according to various studies by the World Bank's *Doing Business*, this type of tool is considered one of the most popular reforms.

Risk-based Regulation

Another strategy widely used to reduce the administrative burden of regulation is to incorporate the use of risk perspectives into regulatory design to replace the precautionary principle. This means that, depending on the risk profile of the user of the regulation, certain groups can be exempted from general compliance with the regulation.

Accessibility of Information on Regulations

One of regulatory costs faced by citizens, entrepreneurs and business owners is to find in the government structure the regulatory framework applicable to their economic or everyday activity. Very often people must spend their time searching for information or visiting government offices instead of their main activity. As a result, many countries have implemented actions, such as electronic publications and consolidation and codification of legal texts, to improve access to regulations by users.

Automatic Reviews

Automatic reviews (sunset clauses) are devices specifically incorporated into legislation and administrative provisions with the mandate that after a certain period a review process or expiration is automatically triggered. This measure is used to analyze whether regulations have achieved their public policy objectives or whether they have simply become obsolete and are creating unnecessary administrative burdens on the economy. Although it is a tool for ex post analysis of regulatory burdens, its use is not widespread and only covers 50 percent of OECD countries.

“One-in One-out” Rule

The fundamental principle of this rule applied by the United Kingdom government, and recently by Canada, is that any department interested in introducing a new regulation is required to present a statement with the net additional cost of the regulatory burden and the measures to be taken in relation to the stock of regulations, to compensate for the additional regulatory burden and maintaining the balance of administrative burdens.

Use of Plain Language

This is a tool that can significantly reduce the time that entrepreneurs and citizens spend reading and understanding regulations, as a means of raising compliance levels and avoiding complaints by citizens due to an incorrect understanding of the rules.

Administrative Silence is Consent

One of the economic costs imposed by regulation on citizens and businesses is undoubtedly the opportunity cost of the time spent waiting for administrative responses to applications or petitions related to the start of economic activities. For this reason, administrative silence as a sign of consent can be, depending on each country's regulatory context, a tool that reduces not only the economic opportunity costs imposed by government activity, but also the costs of the regulatory burden, since an entrepreneur will not have to repeat the procedure with the government office.

Regulatory Impact Assessment

Regulatory Impact Assessments (RIA) are still the key tool of any system of regulatory reform policy, since they establish a control over the flow of regulations, analyze the relevance of their issuance, and introduce a control on the costs of a regulatory system. In recent years, however, additional elements have been added to RIAs, such as identification of administrative burdens arising from the proposed regulation, risk analysis in the design of the regulation, and analysis of economic competition. In Latin America, Brazil and Mexico are already using this scheme for measuring the economic impact of regulations. Colombia has developed a framework for regulatory impact analysis, and Ecuador has developed tools to support this type of analysis prior to issuing regulations.

Deregulation Devices

Deregulation orders are devices established in regulatory frameworks which allow holders of executive or ministerial power to perform administrative acts to eliminate requirements or reduce the administrative burden of administrative procedures, without having to comply with the formal process of going through the legislative branch.

International Regulatory Cooperation

International regulatory cooperation (IRC) is defined as any agreement or arrangement, formal or informal, between countries, whether bilateral, regional, or multilateral, to promote some form of cooperation in the design, monitoring, enforcement, or ex post

management of regulation (OECD, 2012b). With this type of agreement, a country accepts that a user of the regulation can opt to comply with the same regulation in any member country of the agreement and that this is valid for the rest. This reduces the administrative burden of double regulatory compliance and of certification by the private sector, which permits and favors the free exchange of goods.

Use of Alternatives to Regulation

The administrative simplification toolkit contains options which designers of State regulations can use to study alternatives to compliance with the obligations to avoid imposition of regulatory burdens. These options include:

- Using an industry code of practice
- Self-regulation and industry codes of practice
- Analysis and practices based on behavioral economics

Lessons Learned from Implementation of Administrative Simplification Strategies

The OECD (2010a) has found that simplification strategies can be structured considering at least the following five phases: planning, consultation, design, implementation and feedback, and supervision.

Planning

In the planning phase, the responsible officials need to be clear about the objectives of the simplification strategy. Specifically, they should consider what, as government, is the main problem to be addressed: if there is a problem of perception (improving public service delivery) and it requires improvement, or if the aim is to deal with the onerous regulatory burden on the economic activity of the country.

Public Consultation

A very important element in the process of structuring a simplification strategy is listening to all stakeholders so that they can give their opinions, offer their proposals, and make the simplification program their own. According to international evidence, there are several options of public consultation, for example: creation of institutionalized spaces, such as Citizens Advisory Councils, which collect all the participants' concerns and work to follow them up and give political support to the strategy.

Design of the Simplification Strategy

In this stage, it is essential to consider the specific development of an action plan, whose timetable must be credible and adapted to reality. The recommendation is to divide the plan into three main categories: (i) execution of the strategy, which involves use of the tools to identify the measures to be implemented; (ii) stage of negotiation with the stakeholders in the implementation process; and (iii) the timetable needed to achieve results.

Execution and Feedback

When executing the action plan, follow-up is needed to determine if the implemented tools will achieve their objectives. For this, the necessary documentation must be generated for traceability of the execution process. An incentive scheme for participants must be devised as a mechanism to indicate the relative position of the teams in developing the work of implementation.

Supervision

Achieving the objective of the simplification strategy requires a mechanism to supervise execution. The recommendation is for a centralized body to coordinate the work of the strategy and supervise and monitor implementation of the tasks of all the ministries involved.

Conclusions

As mentioned throughout this chapter, administrative simplification strategies are valuable tools for reducing administrative burdens and improving public service delivery. However, any simplification strategy requires political support at the highest level. This means that if the idea is to initiate a strategy that involves some or all ministries, the prime minister or president should drive the simplification strategy. Another element is to establish cooperation mechanisms with all stakeholders throughout the process of designing the strategy: it is important for businesses or users of the regulation under evaluation to participate and have an institutional space for communication with the leaders of the simplification strategy. In addition, quantification mechanisms need to be considered to communicate tangible results to citizens and the business sector, to create buy-in and support for a successful administrative simplification strategy which achieves its objectives.

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The Management of Integrated Service Delivery:

Putting Citizens First

Maryantonett Flumian

Introduction

Citizens' expectation of improved delivery in every aspect of their lives is growing almost daily. In response, governments are seeking to provide more responsive, seamless, whole-of-government service. To do so successfully, governments must overcome the traditional departmental silos that were originally designed to manage the public service. Implementing an integrated service delivery (ISD) strategy requires leadership in the areas of policy and programs, legal authorities, governance, human capital, and quality management. Senior leadership must create the space for staff to innovate and continue to evolve. Citizen engagement is key. A business model that places the citizen at the center of how government delivers service is needed to overcome the rigidity of silos.

The process of evolution of governments toward integration of their citizen-centered services demands action in a number of areas. Annex 6.1 organizations the information relative to the various levels of maturity of governments in this process.

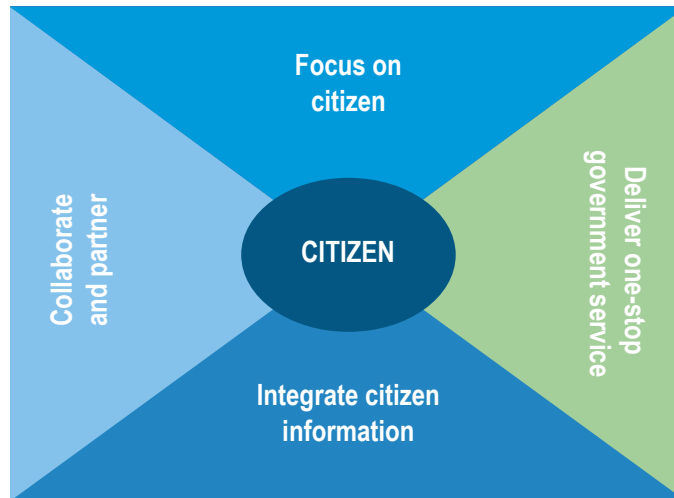
Putting Citizens First

Putting citizens rather than programs at the center of service delivery will dramatically transform the relationship between citizens and government. One example of citizen-centered service is Service Canada. Many principles of general application can be derived from this experience. The Service Canada model focuses on four key concepts:

1. **Focus on the citizen:** If the fundamental role of government is achieving better outcomes, then the critical linchpin is how citizens get the services they need and use.
2. **Deliver one-stop government service:** The ability to efficiently deliver a range of "bundled" services that are easier to access is a hallmark of the business model.
3. **Integrate citizen information:** Ask for information once and reuse it when appropriate. Citizens will consent to the sharing of their information when it improves service delivery (timely, personalized, convenient, fair, and equitable) while protecting their privacy.
4. **Collaborate and partner:** Leverage the whole-of-government potential to best serve the citizen. This means seeing government as citizens see government

and designing service offerings accordingly. Develop and nurture partnerships across organizations to improve service offerings and their delivery. While the administrative silos may continue for organizational purpose, building partnerships and networks that work together more organically for service delivery is key.

Figure 6.1. Citizen-Centered Business Model



Source: Authors' elaboration.

To focus effectively on the citizen, Service Canada defined different identifiable segments of Canadians (e.g., families and children, youth, working age adults, seniors, official language minority communities, newcomers to Canada, etc.). For Service Canada, a citizen-centered service strategy defines: the nature of the segment and the characteristics that define them; the wants and needs for the segment; the policy outcomes the government desires to achieve; the service delivery strategy to meet those outcomes; the combination of services and benefits that meet the needs of the segments; and new core enhanced services and benefits that are required to reduce overlaps, gaps, and non-government partnerships with civil society or the private sector.

Using the Service Canada model, governments can redefine how they serve citizens, and in so doing, build and improve trust and confidence with citizens while reducing costs. To achieve these objectives, several managerial dimensions must be taken into account. The following short paper describes these dimensions as governance, human capital, and quality management. Before delving into each in turn, the next section presents a brief case study of the Service Canada model, to situate our findings.

Service Canada

Service Canada was designed to be a whole-of-government service organization. It was formed primarily from the then-Canadian federal government program Human Resources

and Skills Development and Social Development Canada. It manages telephones and web channels for the Government of Canada. At its inception, a Cabinet committee was created to manage the whole-of-government dimension. This committee included Ministers from 13 departments. The Cabinet committee presented a clear signal to the entire bureaucratic system that the reforms were a significant priority for the government and expedited implementation. The fast launch, in turn, ensured the sustainability of the reform. Despite its whole-of-government role, Service Canada remains accountable to the minister of Employment and Social Development Canada (ESDC)²⁶ and has a dedicated senior executive responsible for the operation.

Service Canada's model was originally regarded as an interim arrangement, inviting the possibility of new organizational forms that better address the challenges it faces. "There is need to incorporate both vertical and horizontal dimensions of accountability; robust performance management strategies based on integrative results; secure and stable funding for horizontal service delivery; and mechanisms and authorities for ensuring effective partnerships." (Flumian, Coe, and Kernaghan, 2007). Writing in 2007, Flumian, Coe, and Kernaghan expected that Service Canada would expand its service delivery capacity and the separate departments for whom Service Canada delivered services would no longer need to maintain separate delivery networks. Further, the data gathered by Service Canada through its frontline citizen focus would be fed back to departmental policy shops to inform better policymaking (Flumian, Coe, and Kernaghan, 2007). The Service Canada model, in both its achievements and its challenges, remains a useful case study in how to launch and manage a citizen-centered transformation.

Governance and Accountability

Good governance is about steering the ship of government, such that all oars of the boat row with the same cadence and direction to reach a given destination more effectively. Steering comes in the form of shared but carefully delineated accountability processes, budgets, implementation plans, and outcome evaluations. Digital-era governance requires aligning the accountability concerns of multiple partner organizations with the citizen needs clearly in mind. In attempting to begin a transformation of this nature, great attention must be paid to establishing robust governance arrangements in an increasingly ever more networked environment. Innovation in governance models is required to put citizens at the center. Silos will be replaced with new arrangements over time.

The inevitable question of who is accountable for a partnership of this kind can be resolved with the appointment of a senior official or "Executive Head" to oversee and drive the work. Political and executive managers occupy different institutional positions when overseeing a technology-heavy initiative and face different challenges. Finding the

²⁶ Formerly Human Resources and Social Development Canada.

appropriate level of political control is important. Too little can endanger political support for the initiative (Flumian, Coe, and Kernaghan, 2007). The link between political will and the Executive Head responsible for aligning all levels of government in the delivery of government programs and services to the citizen is key to maintaining momentum. However, hierarchical structures and the need for public visibility are not easily done away with. Politicians and managers must also see themselves as part of the solution. Through steady engagement with politicians and senior officials the Executive Head can secure buy-in to the vision, the business strategy, and the various phases of implementation over the short and the medium term.

Shared accountability requires attention to the specific context of each collaborative undertaking. From a management accountability perspective, “each jurisdiction has its own internal corporate and legislative regulatory and oversight machinery, and the test in any circumstance is to ask whose information or appropriation is in question, who is in control of it, whose privacy commissioner or external auditor has oversight, and ultimately which minister provides the forum for exercising accountability?” (Brown, 2011: 57). The structural barriers of vertical budgets and decision making must be overcome through the application of a citizen-centered focus. For example, Passport Canada was recently dissolved and the policy and service delivery functions split between Service Canada and Citizenship and Immigration Canada (CIC). The division of accountabilities is still being worked out at the operational level. With both departments involved in a parallel modernization effort to simplify the passport application process, the focus and discussion began to shift away from the citizen and modernization toward the transition itself and predictable accountability concerns. Recognizing this, managers within both departments put the legal interpretation and accountability exercise on hold so that the delivery teams could focus on what really mattered: the citizen.

Governance and Financial Authority

The budgetary and financial arrangements for whole-of-government transformation in service delivery are key to a successful outcome. Several models have been used, some with greater success than others. In Australia, Centrelink was created and funded by negotiating funding from many departments. For many years, Centrelink operated without a budget appropriation. Shared revenue streams and joint budgeting or pooled budgets can be used to fund these initiatives (Keast, 2011). “Joint budgeting” is a term used to describe a range of approaches that can become successively more integrated. A minimum of collaboration might involve an alignment of resources, along with continuing separate accountabilities for the use of funds. A maximum would involve fully integrated budgets for identified service bundles or “pooled budgets” (McDaid, 2012). However, these arrangements typically are negotiated annually—they take up energy and human resources and allow “resisters” an annual occasion to revisit the more integrated approach. Resource decisions are often the most hotly contested issues in bureaucracies. After many years of experimentation, the Government of Australia changed this approach.

In the case of Service Canada, financial authority and accountability were aligned under one minister and one Executive Head. This ensured stable, predictable funding for the transformation (Flumian, Coe, and Kernaghan, 2007). The financial accountabilities also introduced reduction targets for the economies of scale that would be achieved by consolidating networks, offices, and administration. The savings were shared between the treasury and Service Canada to fuel the transformation for technology and human resources. This alignment allowed for a multi-year planning horizon that was supportive and enabling of the required investments.

Governance and Implementation

Implementation must be managed in a way that builds confidence in the new ways of working throughout the bureaucratic network and in support of political objectives. Implementation was managed in such a way as to have visible pieces of change every six months—building confidence and demonstrating progress. Politicians see change that staff and citizens can celebrate. To achieve this goal, all parties to these new service partnerships will have to demonstrate a clear and compelling problem definition, a realistic plan for achievement, and the cost estimates to support it. This includes a clear assessment of who will be affected and how, both outside and inside the government, and a strategy for involving supporters and detractors. In coordinating with the other departments for which it was delivering services, Service Canada crafted Memorandums of Understanding (MOUs) with its partners, with attached policy annexes and schedules for greater clarity. Bilateral working groups between Service Canada and the other participating departments were further used to improve alignment between departmental policies and service delivery and to clarify roles and responsibilities. Sub-agreements were developed between partners in the areas of human resources, finance/accounting, systems, administrative services, communications, and Internet channel services. All these measures strengthened and connected accountability, budgeting, and outcomes.

Human Capital

As citizen expectations rise and new methods of service delivery permeate the landscape, the public service workplace remains largely untouched in terms of its traditional hierarchical structure and culture. Building and achieving a culture of service excellence requires investment in long-term commitment to people by: (i) recognizing the importance of service excellence, developing and rewarding this recognition in employees, and promoting it as an important competency and a critical building block in career progression in government; and (ii) making the government's goal of citizen-centered service real and tangible to managers and employees by ensuring that they have the required attitudes, skills, and competencies to fully deliver a seamless citizen-centered service experience with each service encounter.

With the creation of Service Canada came the understanding that service delivery is a professional domain like any other specialization. The new organization's goal was

to transform frontline staff from program experts into service experts who could help citizens handle most of their needs.

Service Canada College was created on the “corporate university” concept found in an increasing number of corporations and public agencies around the world. The Service Excellence Certification Program focuses on the following objectives (Service Canada, undated):

1. Development of a deeper understanding of how personal preferences and communication styles impact the ability to provide service excellence to clients, colleagues, and community partners.
2. Application of the Five Drivers of Service Excellence (knowledge, timeliness, fairness, outcome, and going the extra mile) in daily work with clients, colleagues, and community partners.
3. Ability to identify the elements of a quality service experience and demonstrate the application of service excellence techniques to the delivery of service to clients, colleagues, and community partners.
4. Development of skills and knowledge to serve clients, colleagues, and community partners.

To achieve these objectives, the college offers four “Mastery Level 1” courses, each focusing on a specific employee group. Below is a brief description of each course (Service Canada, undated):

1. Putting Clients First: for employees who provide processing, payment, and integrity services to Canadians
2. Putting Colleagues First: for employees involved in the delivery of corporate or enabling services within the department (e.g., human resources, information technology, administration, finance, communications).
3. Putting Communities First: for employees who deliver grants and contribution programs and work with community-based organizations to inform them about government programs and services (e.g., program officer and outreach staff).

The Service Excellence Certification Program was designed to complement employees’ functional and operational training. The courses themselves offer a three-tiered approach to service excellence. Each level builds progressively on the previous one. Mastery Level 1 includes on-the-job coaching, in-class, and hands-on instruction. It focuses on individual trainees’ attitudes and behaviors. Mastery level 2 follows on Level 1 courses with online sessions, assignments, and a team synthesis component. While Levels 1 and 2 are mandatory for entry-level program managers, Mastery Level 3 is a validation of all the necessary knowledge gained to become a service professional.

Rewarding achievements in service excellence is one sure way to promote it. To reward service excellence in employees and promote service excellence as an important

competency and building block in career progression, Service Canada launched the Pride and Recognition Program. The program manages the Service Canada Awards of Excellence. These rewards are aimed at raising awareness of Service Canada and of the courses offered by the Service Canada College. The awards focus on excellence in service, leadership, innovation, teamwork, recognition, and demonstrated dedication to Canadians.

Reaching out to middle managers is crucial to creating a culture of empowerment. Initially, the College sought to create a “service revolution” from the bottom up, starting with frontline staff. This approach runs counter to more traditional trickle-down approaches where managers are educated first and encouraged to spread the service message to staff. What the College found in executing its approach was that while it created service excellence at the individual level, it still needed to create the service excellence culture for individual trainees to return to in order for them to be truly empowered to achieve their new service goals. The College found that while executive-level employees and frontline staff were well-trained, middle management still needed the College’s attention. Both bottom-up and top-down skills and training approaches were needed.

Accordingly, the College introduced a “Putting Staff First” pilot project to give managers the knowledge and skills needed to support staff enrolled in the Service Excellence Certification Program” (Service Canada, 2007). This pilot was institutionalized as the Service Leadership and Management Excellence Development Program. The program focuses on leadership skills for managers, including performance management, strategic thinking, and engagement (Service Canada, 2008).

The notion of service delivery must expand to everyone implicated in a particular service chain or service team. The entirety of the service chain is only as good as its weakest link. With this in mind, the Service Excellence Certification Program was expanded to ensure that every employee in the organization was treated as a client. To this end, surveys were administered after classes to learn from students how to better deliver course content, with each iteration adjusted based on feedback. A course design team was embedded with trainers for this purpose.

To train service professionals, the College employed psychometric tools, secret shopper exercises, and private sector and real-life experiences. They secured buy-in by treating trainees like professionals. “Service Canada also developed a strategic framework for greater employee engagement. These efforts were supported by an internal Service Canada Website, which provided employees with easy access to all culture-related documents, regular messages from senior management, and a weekly electronic employee news bulletin (Service Canada, 2008).

Service Canada states in its annual report: “We want the right people in the right jobs. That means attracting new employees who reflect the diversity of the communities where our offices are located. It means hiring people who bring a commitment to their new careers. One way to get there was through a hiring campaign aimed at university and technical school graduates who were members of visible minority groups.”

Quality Management

Service Canada has devoted a great deal of attention to building a Quality Management System that supported service transformation. The lessons learned from Service Canada can be used to develop a model for quality management. The elements include: charters, surveys, indicators, independent review, and channels for public expression.

Charters

Service charters underscore the commitment to citizens. Service Canada's charter outlines its promise to Canadians for fair and unbiased service, a clear explanation of decisions, an accessible decision-making review process, and security of private information (Service Canada, undated). The Charter also provides an explanation of Service Canada's purpose and service goals, as well as contact information. Service Canada published its Service Charter online. Most service delivery organizations have service charters or service promises that outline the service attributes the citizen can expect. These are key for providing a reasonable standard with which to measure their individual service experience against.

Surveys

The goal of the surveys is to “gain a deeper understanding of how citizens experience government services. This knowledge enables providers to improve service based on a citizen perspective and empirical evidence” (Institute for Citizen-Centered Service, undated). In fact, Service Canada itself is the result of extensive survey research. Under the heading of Modernizing Service for Canadians, the public services conducted and supported considerable research on Canadian service delivery expectations.²⁷ It found that most Canadians embraced the idea of improved government services, wanting them to be simpler and more convenient.²⁸ Survey research on citizen services expectations has been ongoing in Canada, through the issuance of the Citizens First Surveys. However, despite a largely favorable track record, it has been argued that the Citizens First Surveys are challenged by a low response rate that translates into a lack of representativeness and a private-sector-centric view of the citizen-as-consumer that fails to capture the diversity of challenges present in government social services (Howard, 2010). More recently, changes have been made to the survey to migrate to the online environment (Institute for Citizen-Centered Service, 2012) and to include new “qualitative insights based on the comments of survey respondents regarding how service experiences can be improved” (Institute for Citizen-Centered Service, 2014).

²⁷ Fraser Smith, Interview with Maryantonett Flumian, June 15, 2015.

²⁸ Ibid.

Indicators

These surveys were instrumental in driving the Service Canada approach and have led to the creation of the common measurement tool (CMT). The CMT measures client/citizen feedback of government service along the five key drivers of citizen satisfaction (timeliness, knowledge and competence, courtesy, fairness, and outcome). It can be adapted for use “in-person, over the telephone, or for web-based services, and agencies can customize by adding organization-specific questions” (Institute for Citizen-Centered Service, 2014) although there is a recommended core set of questions. “The CMT is being used across government agencies in Canada and in several jurisdictions internationally and is earning a reputation as an established multi-channel instrument for designing client satisfaction surveys of government services” (Institute for Citizen-Centered Service, 2014).

Independent Review and Channels for Public Expression

Measuring the quality of the service experience from the standpoint of the transaction requires an independent review in the form of call monitoring and mystery shopper exercises, as well as accessible channels for public expression. In Canada, the Office of Client Satisfaction (OCS) acts as an ombudsman that reviews and acts on suggestions, compliments, and complaints regarding the delivery of a service. If a client has a service inquiry or a complaint, they are directed to contact 1-800-O-Canada where an agent will receive their information and inform the client that an inquiry officer will be contacting them within 24 hours. Twice daily, client inquiry information is sent to the OCS for processing. Upon receipt, an OCS inquiry officer contacts the client to gather additional information and to ensure the matter is being addressed. The inquiry officer then actively seeks additional information to investigate the inquiry and can contact anyone within the service chain to rectify the issue. The OCS has seven business days to complete its impartial review and contact the client to inform them of the findings. In more complex cases where the seven-day deadline cannot be met, the client is notified that additional time will be required.

Service Canada has also instituted a Voice of the Employee (VOE) program to reinforce continuous improvement and service delivery excellence. All employees of Service Canada were offered the opportunity to provide their comments and feedback where improvements could be made in the delivery of service to Canadians. Each suggestion was responded to and the information captured to influence and direct further service improvement and modernization work. Ultimately this also led to increased levels of employee engagement.

Conclusions

As governments modernize service delivery, citizens will experience more effective, efficient service delivery with easier access. Governments will provide better service to improve citizen outcomes, while reducing their costs. A service delivery model that replaces the traditional program-focus with a focus on the citizen is required to modernize existing approaches. Such a model puts a priority on outcomes not processes or outputs. It also seeks to build a network of service by participating organizations that focus clearly on the best way to serve the needs of citizens. A citizen focus is the most effective way to achieve alignments between participating organizations that are necessary for collaboration. These alignments must be reinforced at the political and bureaucratic level with shared and coordinated performance metrics and budgets while creating a culture of service excellence amongst all staff. The value proposition for modernizing government service is clear; the unrelenting focus on the citizen will lead the way.

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Annex 6.1. Integrated Service Delivery Maturity Model

	Cooperation	Coordination	Collaboration
Description	<p>Informal, no common mission or structure.</p> <ul style="list-style-type: none"> • Basic program information sharing exists. • Authority is retained; resources are separate, low risk. 	<p>Some formality, mutually compatible missions but not joint.</p> <ul style="list-style-type: none"> • Parties plan together but retain authority. • Some resource sharing may exist. • Risk levels increase. 	<p>New structures with common mission, with shared authority, and pooled resources.</p> <ul style="list-style-type: none"> • Systematic and integrated organizational approach. • Risk is higher.
Service Reach and Degree of Citizen Focus	<ul style="list-style-type: none"> • Several organizations may share a common location. • Program delivery and intake processes are separate. • Citizen focus is program based. 	<ul style="list-style-type: none"> • Referrals are made between organizations. • Cross promotion exists for like services from other organizations. • Awareness of citizen focus exists. • Alignment of client intake functions may exist but with separate systems and processes. 	<ul style="list-style-type: none"> • All implicated service providers aligned to provide service in the attainment of citizen outcomes. • True one-stop service with identified service bundles.
Citizen Data Integration	<ul style="list-style-type: none"> • No sharing of citizen information exists. 	<ul style="list-style-type: none"> • Informal sharing of trend data. No sharing of individual citizen information. 	<ul style="list-style-type: none"> • Formalized data sharing agreements with partners and jurisdictions. • Citizen data is integrated.
Political Support	<ul style="list-style-type: none"> • No involvement. • Authority rests solely within each participating organization. 	<ul style="list-style-type: none"> • Minimal involvement. • Some shared risk, but authority and accountability rests with each organization. 	<ul style="list-style-type: none"> • The government formally supports integrated service delivery and assigns a single point of accountability (e.g., Service Minister).
Executive Sponsorship	<ul style="list-style-type: none"> • Leadership is decentralized. • Sponsorship involvement is negligible if only to sign rent sharing agreements. 	<ul style="list-style-type: none"> • Leadership remains decentralized but works together towards a common goal. 	<ul style="list-style-type: none"> • Achieved balance and acceptance between central and frontline staff responsibilities.
Training / Recruitment	<ul style="list-style-type: none"> • Exclusively program-focused. • No integration of curriculum. 	<ul style="list-style-type: none"> • Training remains program focused, but includes basic program elements of external organizations. 	<ul style="list-style-type: none"> • Dedicated curriculum to support the ISD. Retraining occurs at all levels throughout the new service organization.

	Cooperation	Coordination	Collaboration
Culture	<ul style="list-style-type: none"> The citizen is viewed through the program lens of the organization. Program knowledge is valued over service excellence. Scope of change efforts does not extend beyond the boundaries of the program within the organization. No mention of integrated service delivery in strategic planning documents. 	<ul style="list-style-type: none"> Staff recognizes opportunities to cross promote and support the citizen beyond the boundaries of their organization. “Citizen first” mentality begins to take shape with alignment of programs against citizen life event continuum. Strategic plans exist to achieve deeper levels of integrated service delivery. 	<ul style="list-style-type: none"> “Citizen first” mentality permeates throughout the organization, moving the culture from program experts to service experts. Service expansion and citizen outcomes are routinely found in strategic planning documents.
Funding Models	<ul style="list-style-type: none"> Budgets are exclusively vertical with multiple restrictions on funds. 	<ul style="list-style-type: none"> Alignment of resources between departments. Funding streams are typically of a shorter term. 	<ul style="list-style-type: none"> Integration exists, from resource pooling with shared accountabilities to fully integrated budgets (pooled budgets). Incentives and cost containment goals are aligned.
Governance	<ul style="list-style-type: none"> Exclusively vertical governance. No formal horizontal approach exists. Investment decisions are program focused. 	<ul style="list-style-type: none"> Accountability is shared amongst participating parties. Investment decisions remain separate however consideration may exist in planning. No formal joint investment criteria. 	<ul style="list-style-type: none"> Formal accountability rests with one individual. Decision-making bodies and investments are integrated and align with the citizen outcome in mind. Owns and oversees investment criteria.
Quality Management Feedback	<ul style="list-style-type: none"> Focus on outputs. Metrics-focused performance measurement only, (e.g. speed of service, calls answered, claims processed). 	<ul style="list-style-type: none"> Service charter or service promise. Attention to metrics and quality of service. 	<ul style="list-style-type: none"> Focus on outcomes. Impartial review body exists. Citizen Survey. Attention to “depth” of service. Change comes from top and bottom.

	Cooperation	Coordination	Collaboration
Efficiency Potential (cost savings)	Minimal <ul style="list-style-type: none"> • Duplication of businesses processes and systems exist in processing and client service. • Basic program information is shared across organizational boundaries but yields minimal savings or efficiencies. • Service costs continue to rise to keep pace with industry standards. 	Minimal - Moderate <ul style="list-style-type: none"> • With no sharing of client information, rationalization of processing functions cannot be achieved. • Some improvements in client interaction can yield some efficiency with respect to basic inquiry volumes. 	High <ul style="list-style-type: none"> • Client data is shared, dramatically improving potential to leverage shared systems and processes, thereby reducing processing functions, hand-offs, and client touch points. • Common intake methods are established across all channels. • Support channels are consolidated as a result of reduced volume. • Common integrity functions evolve and generate savings through greater fraud detection practices.

The Quest to Improve the Citizen Experience:

A Continuously Evolving Agenda

Pedro Farias

In the preceding chapters, we presented some of the initiatives undertaken and lessons learned in recent years by governments on various continents in their efforts to place the needs of citizens at the center of their activities. Many of the advances have enabled governments to identify the factors mentioned previously as drivers of innovation in service delivery. It is essential to understand that these drivers are interconnected, since innovation stimulated by one of them tends to spur innovation in the others. These factors do not represent categorical or definitive responses to problems; rather, they are guidelines to be considered in the permanent journey undertaken by governments seeking to improve their relationship with citizens.

In a citizen-centered management model, service delivery no longer consists of a succession of individual interactions; rather, it is an ongoing relationship based on knowledge of the citizen profile, which even enables the government to anticipate citizens' needs and expectations. Under this approach, in any government office, the citizen can be recognized, according to the principle that there is no such thing as the “wrong door” in the government to access the required information or conduct a transaction related to a right or obligation. The various channels of service delivery (in person, virtual, by telephone and by mail) should coexist harmoniously and complement each other, broadening and adjusting the supply in a coordinated way.

Technologies are Crucial but not Sufficient

Currently, it is impossible to plan advances toward this desired scenario without taking advantage of the enormous potential of modern information and communication technologies (ICT) to increase operational efficiency, facilitate transactions, and encourage citizen participation. Amid the growing supply of new technologies, it is worth highlighting the enormous possibilities emerging from the rapid evolution of technological resources that enable the unequivocal identification of citizens. Biometric databases and remote authentication resources are enabling service providers to manage identification less expensively and more flexibly, with solutions designed in accordance with the characteristics and security requirements of each service. The Korean experience, mentioned in Chapter 3, exemplifies the enormous potential of so-called mobile government, starting with applications that permit access to information and transactions

from wherever the user is located. This modality is particularly important in Latin America and the Caribbean, where mobile phones have reached even the most economically disadvantaged segments of the population.

However, international experience shows that the main obstacles to improving public services don't tend to be technological limitations, but rather institutional difficulties, including obsolete management processes, cultural resistance, and outdated legal frameworks. Integrating, simplifying, and managing transactional service delivery are drivers that require a change in attitude that incentivizes two essential innovation processes in public-sector organizations: collaboration and learning. In these processes, the contribution of ICTs is crucial but not sufficient.

Institutional collaboration was fundamental to success in several of the cases described previously. In recent years, new models of collaboration with civil society actors have emerged, ranging from crowd-sourcing modalities to association with private, nonprofit entities that assume responsibility for services and sign contracts under which remuneration is contingent on achieving the results agreed with the government. This modality has been disseminated in recent years especially in the United Kingdom, where it is known as "pay-for-results."²⁹

However, examining the inner workings of governments, many bureaucracies still function under the traditional fragmented logic that inhibits collaborative practices. As described in Chapter 6, the experience of Service Canada shows that incentives for collaboration can be generated starting from a budgetary process that supports integration, facilitating investments of common interest, and sharing current resources, in both customer service and administrative services that support service delivery processes.

Under the logic of operational efficiency, modernization and integration of service delivery has great potential to generate fiscal savings. In the back end, rationalization and unification of administrative support services, in addition to the savings provided by economies of scale, facilitate specialization of the professionals and the resources involved, which affects the quality of the work.³⁰ At the same time, the use of the online service delivery channel should also be promoted, since many studies find that face-to-face service provided to a user of a transactional service costs on average between 40 and 50 times more than providing that same service online.³¹ Achieving those potential savings and channeling the freed-up resources toward more cost-effective applications require managing the budget in a way that transcends the limits of each organization and is oriented toward a global vision of government.

²⁹ Examples of results-based payment modalities in the areas of services and financing mechanisms, such as in the case of Social Impact Bonds, can be seen in The Government Summit Thought Leadership Series and Deloitte (2015a); Center for Global Development and Social Finance (2013).

³⁰ For more information on the difficulties and opportunities of shared administrative services, see Partnership for Public Service (2015).

³¹ See <http://www.alejandrobarrros.com/canales-virtuales-que-tanto-se-ahorra-el-estado> and The Government Summit.

Nevertheless, budgetary processes and decisions always reflect a tension between political forces and priorities. This underscores the importance of leadership and institutional coordination that will make it possible to confront the usual resistance to reform processes that go against the fragmented institutional logic of the public sector and encompass the multiplicity of governmental actors. As a reflection of the competitive political culture that still makes consensus around public interests difficult in many jurisdictions of Latin America and the Caribbean, the continuity of projects that transcend an administrative term or that involve various levels of government poses very complex challenges.

The existence of an institution responsible for an integrated vision of service delivery, as well as consideration of the citizen experience, facilitates coherence in the formulation of policies and alignment in their implementation. This leadership and coherence are provided, for example, by the minister responsible for Service Canada, and by the Office of Management and Budget (OMB) of the United States. The OMB promotes collaboration and monitors the resources, regulatory frameworks, and achievement of the government's crosscutting objectives. In the cases of Latin America and the Caribbean described in Chapter 3, the coordinating role played by the units linked to the center of the Chilean government and in the states of Colima and Minas Gerais has been essential to the success of ChileAtiende, the Colima Model, and Minas Fácil, respectively.³²

From a perspective centered on improving the relationship with the citizen, in addition to ensuring adequate coordination of the various actors involved, an institution with the resources, the strategic vision, and the mandate to promote quality in services to the citizen can elevate service delivery to the status of government policy. To achieve this, the following actions must be taken:

- Provide incentives for collaboration and stability in the face of administrative changes
- Establish alliances that leverage resources and the achievement of its policies
- Systematize and disseminate knowledge through networks and communities of practice
- Promote professionalism and development of the human talent needed
- Manage the risks and opportunities generated by integration

Know, Apply, Measure, Evaluate, and Know More: A Virtuous Learning Cycle

The creation and the overwhelming supply of data that characterize the current functioning of public sector organizations do not necessarily generate knowledge about how to improve services. By the same token, even when knowledge is created from data

³² The institutions in charge of these initiatives were the General Secretariat of the Presidency in Chile, the State Council of Regulatory Improvement in the State of Colima, and the Secretariat of Planning and Management in Minas Gerais.

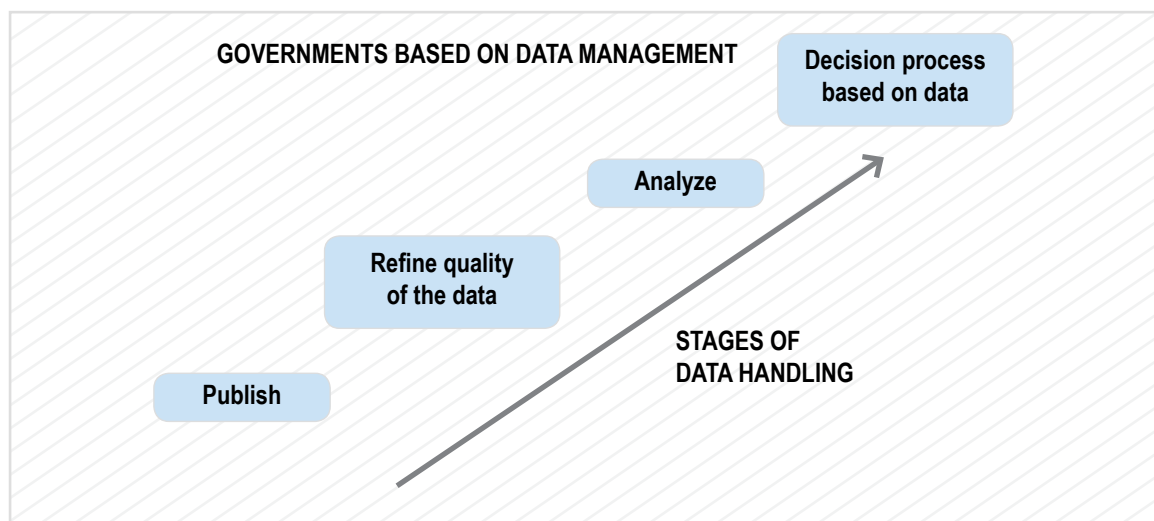
analysis and studies of citizen interaction, this does not ensure that it will be translated into institutional learning.

Technological advances that broaden the capacity to store, process, visualize graphically, and analyze massive quantities of data have generated new possibilities for organizations interested in improving the quality of their decisions. In the public sector, the big data bases related to users of services and administrative registries become increasingly valued as organizational assets with an enormous potential to generate valuable inputs on patterns, profiles, relationships, and trends. The case of New York City, mentioned in Chapter 3, is an example of the use of the potential of the data obtained from interaction with citizens. According to Goldsmith (2012), “the availability of all this information points to the emergence of the government as a provider of preventive services,” emanating from the application of the analysis of data “to solve problems before they occur.” These applications, which have been called “predictive government,” can automatically identify, for example, compliance with the requirements for access to a benefit by the citizen, or the anticipation of an accident or theft that could occur in a given locality.

To achieve these results, governments must develop capacities that exceed data processing, acquisition of business intelligence applications, or geospatial visualization. The ability to predict the future requires especially a good knowledge and good understanding of the past, which involves ensuring the quality and integrity of data and building analytical capacity—two challenges that are still present in the region. Understanding the past enables the formulation of better theories of change and planning of more effective interventions.

Another challenge is the structure of decision-making processes in the region. Decision making is still frequently marked by discretionality and political influence, which hinders the incorporation of empirical and scientific knowledge. Nevertheless, these barriers have not impeded the deployment of relevant experiences emanating from the analysis of vast data bases in large municipalities, such as Medellín and Rio de Janeiro. Likewise, the progressive adoption of open data policies is allowing not only the government but also citizens and firms to generate applications that facilitate or broaden the reach of public services. For governments interested in opening their data and informing their decisions with data and evidence, Jane Wiseman, author of Chapter 4 of this volume, proposes a road map based on the maturity model shown in Figure 7.1.

Figure 7.1. Maturity Model of Capacities



Source: Wiseman (2016).

Managing the growing availability of information fosters “tailor-made” design and delivery of services, thanks to the personalization of communication and the supply of services, another increasingly present trend in the international experience that incorporates many of the lessons learned by the private sector in their relationship with customers. The challenge of collecting and transforming data into specific knowledge and applying it to generate solutions to concrete problems of citizens is being confronted with methodologies that support the organization of the supply around life events or type of customer, the use of focus groups to better understand the needs and expectations of users, and the use of techniques based on citizen experience and participation for the design, testing, and production of services.

Based on behavioral economics, research on attitudes toward unwritten social norms, and experimentation with individual responses to stimuli, in 2010, the Behavioral Insights Team of the British government pioneered the development of new forms of non-coercive incentives, or nudges, to influence people’s behavior toward public policy objectives. These types of techniques have been successful in promoting adherence to campaigns or encouraging compliance with obligations, and have generated similar experiences in the United States, Australia, and Canada.

In an effort to better understand citizen experience, various methodologies and indicators are being used. Measurements that combine qualitative and quantitative indicators provide a more complete vision of interactions, and this generates inputs for planning of interventions and following up on their effects. Among the examples of objective indicators of the quality of transactional services are the time it takes to be served, the number of steps and the total time lapse to complete the transaction. A different type of measurement is economic costs incurred by users of services. European

countries frequently use the Standard Cost Model (SCM),³³ mentioned in Chapter 3. In Latin American and the Caribbean, Mexico is the only country that has widely used this methodology to support the measurement of the administrative costs of federal transactions and the savings generated by simplification measures.

Citizen satisfaction is, however, the main qualitative and subjective indicator used to provide feedback to the management of services. For years, many governments in Latin American and Caribbean countries, such as Argentina, Brazil, Chile, Colombia, and Peru, have promoted the use of satisfaction surveys with organizational, sectoral, or even national reach. Unfortunately, there is still no methodology that is recognized and applied uniformly in various countries of the region to measure quality and citizen satisfaction with transactional public services, which makes comparisons and exchanges of experiences difficult. Since 2015, the Inter-American Development Bank (IDB) has been implementing a project that seeks to fill this void by designing and applying the Simplifying Lives (SL) methodology. SL combines information from an internal (service providers) and an external viewpoint (users, through a virtual social network). Statistical treatment of user samples aims to ensure that the responses are representative, considering the low Internet penetration in some parts of the region. The objective is to identify those attributes that matter most to citizens for each service, the strengths and weaknesses of their management, good practices, and priorities to design future interventions.³⁴ The results achieved in the pilot applications indicate the time that each transaction takes and the diligence of the public officials with respect to customer service as the factors most valued by citizens in their interaction with governments.

A better understanding of the profile of the public can lead to the design of high-impact solutions for accessibility of communities that are socially or geographically remote, such as indigenous groups and special-needs individuals. The cases of the boats in the National Institute of Social Security in the Brazilian Amazon and of the mobile service buses in Trinidad and Tobago, described in Chapter 3, in addition to other projects that join public access points and digital literacy campaigns carried out in many countries, show how solutions that do not require huge investment can support social inclusion of disadvantaged populations. At the same time, even in the most advanced countries, where accessibility by physically or intellectually disabled individuals is a legally recognized right,³⁵ guaranteeing such access remains a challenge. The solutions used range from physical adaptation of installations and

³³ The SCM was developed by the Ministry of Finance of the Netherlands to support the estimation of the administrative burden generated by compliance with a regulation. The methodology considers the frequency of the transaction corresponding to the regulation, and the standard cost to the citizen to comply with the requirements of each stage of the transaction.

³⁴ The services surveyed in the pilot measurement of 2015 were: (1) application for disability benefits, (2) birth registry, (3) renewal of identity document, (4) making a medical appointment in the public system, (5) enrolling a child in a public school, and (6) reporting a theft. Based on the evaluation of these applications in Chile, Uruguay, Paraguay, Trinidad and Tobago, Panama, and Ecuador, in 2016 the project began to expand to be applied in Argentina and Chile.

³⁵ For example, federal law in the United States requires agencies to provide accommodations and the necessary resources so that the disabled have access to services and information comparable to that of the general public.

training of service providers in specific languages and abilities to communicate, to applied assistance technologies in accordance with standards that make self-service on Internet sites or telephones viable, such as screen readers or interactive voice responders (IVR).³⁶

Creating Environments for Innovation

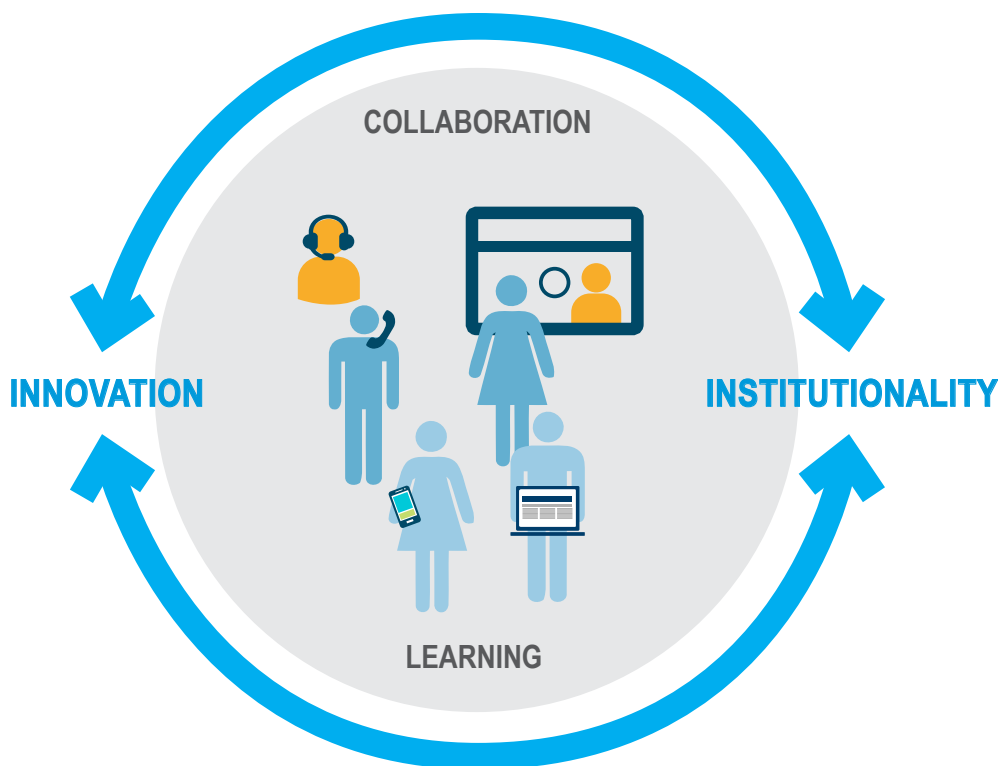
Linus Pauling, the scientist and Nobel prize winner, said that “the best way to have good ideas is to have lots of ideas and throw away the bad ones.” This recipe for innovation underscores the importance of generating government environments where new ideas can flourish, and where tolerance for failure stimulates risk taking. In Chapter 1 of this book, we mention the difficulties that tend to arise in the public sector in generating these environments.

Innovation emerges most naturally with the incorporation of a variety of approaches, which can be achieved more easily with the broadening of connections and the increase in the diversity of decision-making processes. Thus, in increasingly complex and heterogeneous societies, governing demands the establishment of connections as a way of mobilizing different resources and accessing different perspectives. By facilitating these connections, ICTs provide new ways of governing, leveraging alliances and networks under increasingly decentralized and participatory models of governance.

In this way, the cases described in this publication demonstrate the importance of considering, and to the extent possible relying on, the necessary public sector institutionality when deploying and applying innovation in service provision. Achieving harmony, complementarity, and synergy between innovation and institutionality will create better conditions for collaboration and organizational learning. This will facilitate the scaling up of the application and the sustainability of innovative solutions.

³⁶ For additional information on accessibility and web portals, see <http://www.alejandrobarrros.com/wp-content/uploads/2016/04/Accesibilidad-Sistemas-Publicos.pdf> del Centro de Sistemas Públicos, University of Chile.

Figure 7.2. Conditions for the Application and Sustainability of Innovation



Under this approach, the construction of institutional environments that make citizen-centered innovation viable requires actions on a variety of dimensions, including the following:

- Organization and norms
- Generation and dissemination of knowledge
- Incorporation of technologies
- Leadership and decision-making processes
- Development and management of human capital

The experience accumulated in recent decades shows that service delivery cannot be approached as an ancillary stage of sectoral public policy. The direct relationship between the State and the citizen is a broad, complex, and growing area of knowledge that encompasses a wide range of scientific fields and strongly influences the results of government programs and the trust of citizens in their governments. In almost all countries, public services are the main component of public expenditure, and their effects condition the quality of life of the population, and the productivity and competitiveness of businesses. The formulation and execution of specific public policies that support service delivery governance and the management of the relationship with citizens and businesses are a strategic opportunity for the region's governments. Thus, it is essential that studies and research continue to deepen and broaden academic and empirical knowledge applicable to the design, implementation, and evaluation of these policies.

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