Final Report

e-Governance in Local Government: Comparative Analysis of Best Practice Cases from a UN Perspective

UNGC Workshop at the 2nd World Congress of United Cities and Local Government

30 October 2007
Jeju, Republic of Korea

Organized by: the United Nations Department of Economic and Social Affairs (UNDESA) and the United Nations Governance Centre (UNGC)

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OVERVIEW

Background

The United Nations Governance Centre (UNGC), under the auspices of the United Nations Department of Economic and Social Affairs (UNDESA), was established in September 2006 to act as an international and regional focal point which contributes to the government reinvention. Thus UNGC aims to support the efforts of the UN Member States to promote good governance and public administration through its activities concerning (1) research and policy development, (2) advocacy and outreach and (3) capacity development.

As part of advocacy and outreach activities, UNGC participated in the 2nd World Congress of United Cities and Local Government (UCLG) in Jeju, Republic of Korea, as the principal organizer of one of its fifteen workshops. The workshop was conducted on 30 October 2007 under the title of ¡e-Governance in Local Government: Comparative Analysis of Best Practice Cases from a UN Perspective.¡ The aim of this workshop is to provide the audience with valuable practical insight into how the ICT can lead to an improved level of government transparency and citizen participation at the local government level including local cities. This workshop is also designed to increase the awareness of the UN Public Service Awards (PSA) among local government authorities, highlighting the contributions which enhance the role, visibility, and prestige of public service. In this regard, three PSA cases were carefully selected and presented in the workshop: i-Governance in Naga City, Phillipines, Bhagidari in Delhi, India, and e-Procurement System in Public Procurement Services of Korea.

The Workshop took place on 30 October 2007 in Jeju, Republic of Korea, as one of fifteen workshops during the 2nd United Cities and Local Governments (UCLG) World Congress held from 28 to 31 October, 2007. The Workshop was held at the International Convention Centre Jeju (ICC Jeju), Republic of Korea.

UNGC plans to continuously organize similar workshops in the future especially concerning e-governance at every level of governments and public services.

Objective

This workshop provides a forum for local government officials from all around the world to learn lessons from the public service award cases by comparing and contrasting best practices related to e-governance so that participants can help their governments to establish further action plans for e-governance. This workshop also will have an impact on raising the awareness for the UN Public Service Award to the local government authorities.

Organization and Format

The Workshop was held from 11:00 a.m. to 12:30 p.m. on 30 October 2007. It began with welcoming remarks by Mr. Myung Soo Cho, followed by an introduction of the session by the session moderator, Dr. Jungwoo Lee. After the introduction, three PSA cases were presented by country representatives in the following order: Bhagidari, India, Naga City, Phillipines, and Public Procurement Services, Korea. At the end of these case presentations, moderator summarized and presented in-depth analysis comparing and contrasting cases to each other, providing an analytical framework and lessons learned. Before the floor was opened to the audience for discussion, Ms Haiyan Qian had an briefing on background and motives of the UN Public Service Awards. At the

end of the session, several questions were raised concerning details of cases and effectiveness and efficiency of methods presented in each case. The workshop was closed with the thanking remark by the UNGC Director Cho.

Cases

Among the UN Public Service Award winners, three cases were carefully selected which are closely related to engendering governance especially at the local level. Three cases are Bhagidari, i-Governance, and KoNEPS. These cases seem to focus on governance enhancement and be good candidates for triggering discussions on effective e-governance. Officers involved in each initiatives were invited and presentations were coordinated beforehand.

Bhagidari: Citizen-Government Partnership ? Delhi, India, prepared by Mr. Keshav Chandra, Special Secretary to Chief Minister, Government of NCT of Delhi, and presented by Dr. Jungwoo Lee, the workshop moderator

¡Bhagidari¡ is a change management process initiated in year 2000 to change the governance system and make the local government to be responsive and participative, in Delhi, India. The basic idea is to establish a dialogue between the stakeholders i.e., the Government Departments and citizens groups like Resident Welfare Associations (RWAs) and Market and Traders Associations (MTAs) in order to work out solutions to common civic problems.

¡Bhagidari¡ literally means ¡co-sharing¡ or ¡partnership¡ in Hindi, and in in Delhi, this term is selected as a name for a new initiative for citizens and local government to work together and share the benefits of development in a participative and democratic framework with sustainability. ¡Bhagidari¡ is designed and developed to provide space and freedom for people to engage in improving the quality of life in a synergistic way.

For large groups of citizens to be participative in public decision making, it is critical to take ¡large group dynamics¡ into the design of Bhagidari. So, Bhagidari is designed as 6 sequential steps or stages: (1) One-to-one meetings with stakeholders to generate a list of issues to be addressed, (2) Design Team Workshop aiming to develop ownership of the change process and ¡common grounds of agreement,¡ (3) Resource & Support Team Workshop aiming to conduct workshop smoothly and carefully select ¡stakeholders¡ in each group, (4) Consulting session by consultants designing ¡worksheets¡ on the ¡Issues¡ for the table groups, (5) Breakout Discussion Session consisting of 30-40 round table groups with 9 to 10 members representing the RWAs and local officers in each group, and (6) Consensus solutions identified and presented to the groups. The solutions identified in step six should be simple and implementable within a reasonable time-frame, and each stakeholder's role and responsibility should be clearly identified. Subsequent regular reviews and monitoring schedules are to be discussed at this point.

¡Bhagidari¡ was started as an experiment with only 20 RWAs in year 2000, and has forged partnership with more than 1800 citizen groups by the end of year 2005. It now covers colonies and interventions concerning 1/3rd of the city¡s population i.e. about 5 million people. This innovative approach launched initially for improvement in civic issues has been found to be quite effective in new areas like community ownership of neighborhood schools, women¡s empowerment, welfare of senior citizens, house tax reforms etc. The areas of intervention and the number of citizen-groups are growing every year.

Delhi Government¡s initiative in bringing citizens and officials face-to-face in dialogue has brought about a paradigm shift in the way ¡Governance¡ itself was perceived. This ¡paradigm shift¡ is clear indication of sustainability of the system. Now, Bhagidari workshops of RWAs and MTAs are held at regular intervals with the assistance of Chief Minister Office. Issues emerging from those workshops are further taken up as projects in the Review Bhagidari Meetings. Bhagidari Mela is also organized once a year where the Chief Minister distributes awards to best Bhagidaris. Various cultural programmes and exhibitions are organized around this event.

i-Governance ? Naga City, Phillippines, prepared and presented by Mr. Reuel M. Oliver, Team Leader, i-Governance Program, City of Naga, the Philippines

Naga City of the Phillippines had initiated a program named ¡i-Governance¡ in order to engage individual citizens in governance. This program encourages individual citizens and households to participate in government decision-making, through various communication tools. In this regard, the ¡i¡ in i-Governance is defined and promoted as representing: (1) inclusive governance, (2) information openness, (3) interactive engagement and (4) innovative management. In the promotional material for i-governance program, these four ¡i¡s are explained in detail: *Inclusive governance* seeks to embrace, rather than exclude, individuals, peoples and sectors in running government; *information openness* demonstrates that information is power, and is intended to truly empower citizens by placing information/power in their hands; *interactive engagement* puts a premium on information exchange through continuing dialog between authority and constituencies; and *innovative management* refers to the commitment and dedication to a culture of excellence sustained by creativity and innovations.

This origin of i?Governance program can be traced back to the 90¡s, when the computerization of the local government was begun in Naga City under the name of productivity improvement plan. As the government began to realize people¡s participation is important despite that it is computerization of government offices. Therefore, in 1995, ¡People Empowerment Ordinance¡ was enacted in order to institutionalize participation of non-government organizations in policymaking. Since then, people began to participate in deliberations; voting on proposed measures; and can even propose legislation on their own. In 2000, however, it was realized that working with civil society groups had its limits. Many members of society, especially the marginalized, are not involved in any way in this process. This was taken as a challenge by the government and launched i-Governance program, designed to reach out every individual though technologically advanced communication tools.

¡i-Governance¡ program is based on three basic premises: (1) provide information about government operations to the public at the individual level, (2) identify tools and projects that allow citizens to have access to this information, and (3) provide a feedback mechanism so that individual can monitor governmental actions of their concern. Based on these premises, four tools were currently selected and extensively used in ¡i-Governance¡ program: (1) city websites, (2) text services on mobile phone, (3) network access, and (4) paper-based tools.

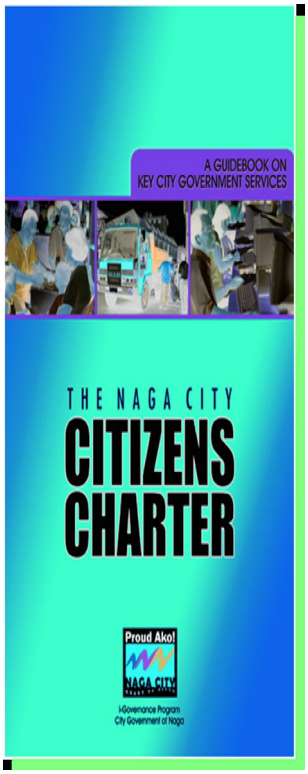
City Website is the major means of providing information to citizens. What makes it different from

other government websites is the extent and organization of information about practically all aspects of city operations, classified into four primary categories: (1) Sell Naga (tourism and marketing), (2) Star Naga (designed for residents to be proud: awards, innovations, news, online communities, and live webcasts of events), (3) Serve Naga (administrative processes and steps, response time, and appropriate city employees are identified), and (4) Share Naga (posting ordinances and executive orders, requests for bids including outcomes, and financial status, etc)

TxtNaga is a mobile messaging service that allows citizens to send feedback and requests for services. Messages sent by citizens are routed to appropriate offices, and officers are mandated to respond within a given timeframe. The annual program budget is approximately US$ 30,000.00, and the program is managed by a core team of people oriented towards governance innovations, with other offices participating in content development.

Since a large part of i-Governance is ICT-related, the program also tries to address the need for bridging the digital divide and provide the poor with access to information and communications technology. In order to increase network access, two programs were developed and implemented within the governance program: cyberbarangay and cyberschool. Cyberbarangay provides Internet access to barangay or village residents through their barangay halls. Cyberschool provides infrastructure, equipment, training and Internet access for all public elementary and high schools. This puts these schools on an equal footing with their private counterparts.

In addition to these ICT-related efforts, i-Governance also mandated the Citizens Charter of Naga City to be updated and redistributed. The charter is designed as a guidebook on key services of the city government, written for its customers. Its strength lies in the way the services are presented: the step-by-step procedure for availing each service, the response time for its delivery, and the city hall officers and staff responsible for the service. This information is complemented by a list of requirements a customer must comply to facilitate service delivery.



The Charter contains maps of the office handling a specific service. A detachable customer feedback form is also included to generate readers¡ feedback on the quality of service being delivered by the city. The Charter-- initially distributed to all organizations, village councils and popular gathering places -- catalogs more than 150 government services. A second edition, both in English and the local dialect, was printed for circulation to Naga¡s 27,000 households. The city¡s i-Governance Ordinance mandates the charter to be updated and re-distributed at least once every three years.

As ¡i¡-Governance program proceeds with these four tools selected, officers are becoming more conscious about performance standards because they know that civil society is monitoring. Transparency in the procurement process has increased leading to reduced procurements costs. Various types of corruptions are greatly reduced in numbers, and people begun to talk about government programs.

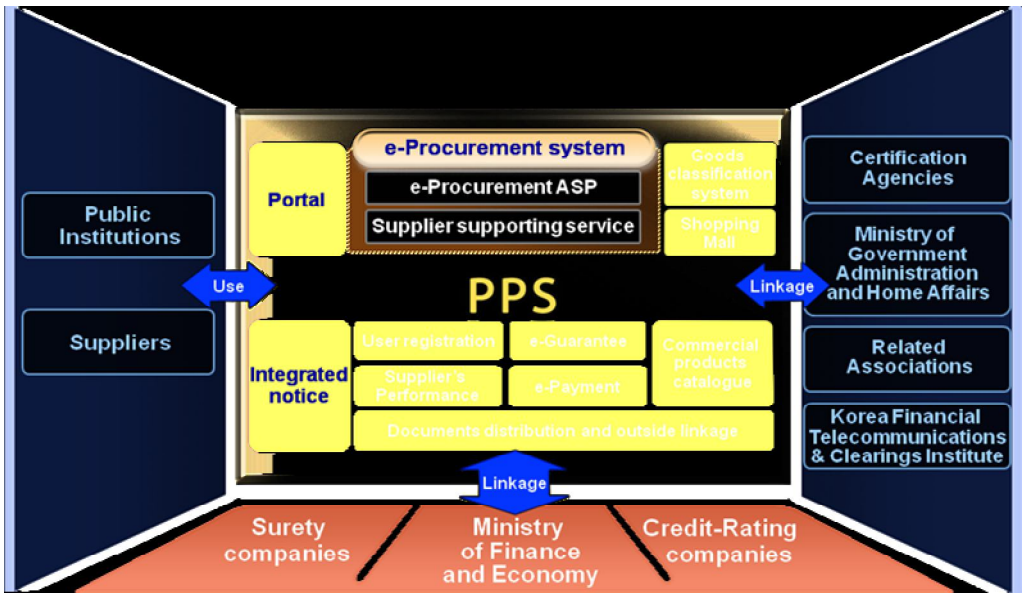
Historically, Naga was among the first cities in the Philippines in opening a dedicated website. However, initially the website was merely perceived as a ¡technological tool¡ owned and maintained by technical people in IT department. There used to be less than 20 visitors per day (which now goes up to 1,300 unique hits a day). As officers were not content with the city websites themselves, there were a lot of uncoordinated efforts in individual offices trying to establish their own websites. These efforts were fragmented and not coordinated at all. Nothing really happened until the city mayor put together a program team consisting of technology people with real business people conversant with the city systems and content providers from each individual office. Then

these efforts were weaved into the ¡i¡-Governance package that turns out to be successful.

e-Procurement System (KoNEPS: Korea Electronic Procurement System) ? Public Procurement Services (PPS), Republic of Korea, prepared and presented by Mr. Je-eon Jeong, Director, Public Procurement Service, Republic of Korea

Office of Public Procurement Service (PPS) in Korea has a long history. It was first established in 1949 as a supply-related service providing unit of the central government serving departments and agencies at all levels of government. It has grown tremendously since then. As of the year 2007, PPS maintains five overseas procurement offices, and eleven 11 regional offices. As of fiscal year 2006, the volume of public procurement has reached 84 billion US$. Currently, the Korean government mandates procurement of goods and services valued more than 100,000 US$ and construction contracts valued more than 3 million US$ must go through PPS. PPS also stockpiles raw materials such as aluminum and copper, and manages state owned real estate properties.

However, just like in any other country, procurement services were always looked at with scrutinizing eyes and actually suffering from inefficiency, low transparency and inappropriate service quality. Korean PPS was no exception. Therefore, information technology was looked at as a viable option in increasing transparencies throughout the system even when the advance of information technology was not as mature as needed. Early in 1997, experimental EDI services were put into place and e-shopping mall was launched in 1998. E-Tendering systems and e-payment systems were implemented in 2000 and 2001, respectively. All of these piecemeal efforts for computerization are finally incubated into an integrated e-procurement system in 2002, and named KoNEPS. The current architecture of KoNEPS as can be seen in the diagram below is very wide in scope and comprehensive in terms of external linkage..



KONEPS provides an ¡end-to-end¡ electronic procurement service, dealing with the overall procurement process including acquisition of all the information about national procurement projects, procurement request, bids, contracting and payment. KONEPS serves as a single window for comprehensive information concerning public procurement, providing one-click online service for different types and domains. It is now one of the most sophisticated e-procurement solutions in the world, covering everything from information provision and electronic tendering service to actual online payments. It is a cyber marketplace where purchasing transactions between all public organizations and private firms are made on a real-time basis.

Since PPS has begun to experiment with information technology, they have realized that existing business processes fitted for paper-based operation is not suitable for digitalized networks with automated intelligence. So, before they actually begun to build KoNEPS as a system, PPS has invested 13 months in advance for business process reengineering of the whole procurement services and planning the system.

Initial cost of the system totaled up to 26.2 million US$. Among 26.2 million, 1.3 million was used for reengineering and planning, 17.4 million for software development, and 7.5 million for hardware. Currently, KoNEPS is used by about 35,000 institutions and 170,000 businesses, recording 180,000 hits a day on its website. Approximately 140,000 documents are exchanged daily and transaction volume in fiscal year 2006 reached 44 billion US$. Recent study found that KoNEPS actually saves 4.5 billion dollar¡s worth in transaction cost, aside from the increased transparency which is immeasurable.

Critical success factors of KoNEPS, in retrospect, are (1) strong drive from the government side, championing the project, (2) world class Internet infrastructure, (3) investment on business process reengineering before the system design, (4) extensive training before and after the implementation, and (5) cooperative employees due to the strong drive from the top and the pressure from the public.

Comparative Analysis

All of these three cases include description of efforts made towards enhancing governance. One uses information technology extensively with heavy financial investment while other employs human intervention program without direct use of information technology. Though the goal seems to be similar, methods employed in each case were somewhat different from each other. In this regard, analysis of these cases here focuses on comparison of methods employed and contrasting similarities of lessons learned despite different methods.

First, ¡Bhagidari¡ in Delhi, India is a case where efforts were made to improve citizen-government partnership through carefully designed, intensive and participatory dialogue among constituents of local governance including citizens. This initiative consists of six progressive steps mixing meetings and consultation targeting effective management of large group interactions. Also, this initiative was carefully implemented in a phased manner over a six-year period, beginning from testing-the-water towards expansion to various domains of government operations. After implementation, a monitoring scheme was developed and maintained by the chief minister¡s office, leading to successful propagation throughout rural areas and different communities.

In the second case, ¡i-Governance¡ program in Naga City is described. Focus of this initiative was on ¡informing¡ and ¡informed-by¡ people using information and communication technologies. In other words, keyword here is individual participation through channels became available by technology ? website and mobile phone.

Third case, KoNEPS in PPS, Korea, is a large scale technology-focused initiative, targeting towards the transformation of public procurement process using information systems and technology. Procurement processes were streamlined at the nation-wide level, increasing the operational efficiency and transparency.

For comparison purpose, keywords used in each presentation by the presenters describing the underlying goal of each initiative were listed in the table below. Even though each initiative is geared towards similar goal, it seems that three cases have different orientations and flavors in terms of actual implementation of effective governance.

It is evident that Bhagidai initiative is purely based and dependent on formalization of social activities while the other two cases were using information technology as a tool. i-Governance use

information technology for communication purpose while KoNEPS uses technology for process automation. Bhagidari focuses on team activities while i-Governance is focused on individual, though both emphasize participation. Compared to these two cases, KoNEPS is focused on operational transformation, increasing efficiency and transparency. As KoNEPS aims to process automation, it seems natural that the keyword ¡standardize¡ appears only in KoNEPS case.

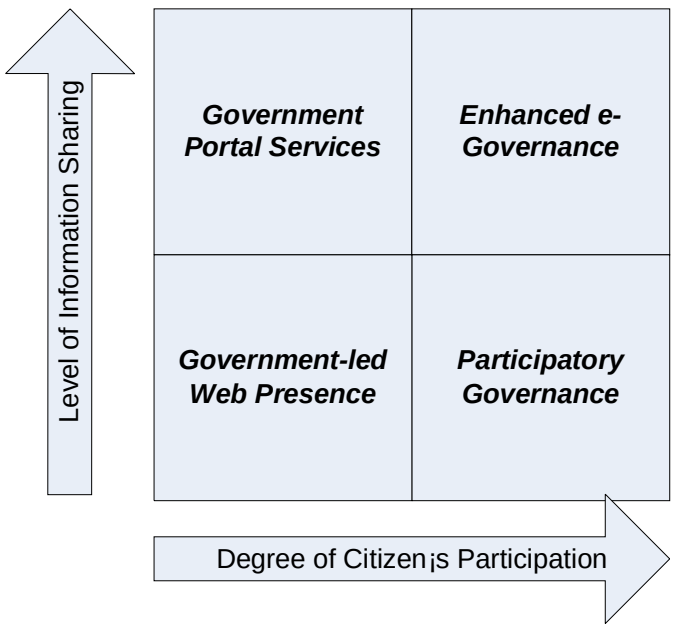
In this regard, these three cases can be put on a continuum in terms of its methodical themes. One end of this continuum can be labeled as social or organization while the other extreme is technological. Bhagidari can be placed on a social end of the spectrum while KoNEPS on technological end, and ¡i¡-Governance in the middle. This presents typical socio-technical spectrum of technology implementations.

Cases	**Bhagidari**	**i-Governance**	**KoNEPS**
Keywords	Participative Responsive	Participative Accountable Transparent	 Transparent Efficient Standardize
Themes	***Social/Organizational*** ↔	***Mixed/Individual***	↔ ***Technological***

Even in the presentation of the most technologically oriented initiative ? KoNEPS, Mr. Jeong mentioned that technology is just a tool that should be tamed and used by people in a social context. Mr. Oliver from the Phillipines also emphasized that people and social component in i-Governance initiative is very critical. In this sense, ¡e¡ in e-governance should not be interpreted as ¡electronic,¡ as this connotes purely technology-based solution as the final purpose of governance. Considering any activities to enhance governance relates to increasing transparency and accountability, ¡e¡ in e-governance should be defined and promoted as ¡enhanced¡ or ¡effective¡ rather than ¡electronic.¡

Conclusions: Lessons Learned

Though the name of the workshop was ¡e¡-governance, lessons in these cases seems to point out that information technology by itself is not good enough to make governance into ¡e¡-governance. As discussed earlier, these cases imply that ¡e¡ should be read as ¡effective,¡ rather than ¡electronic,¡ because underpinning motivations and objectives of each initiative are based on increasing effectiveness of governance, while technology would be an enabler but not the objective.

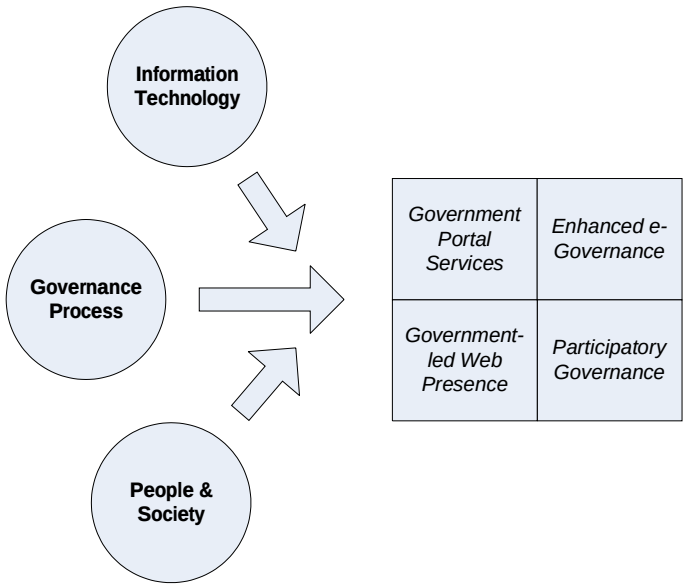


In this regard, the evolutionary grid developed and presented at the Capacity Building Programme for Government Procurement Reform in December 2006, Seoul, Republic of Korea, seems to be more relevant as a framework for governance enhancement in this workshop. Lessons in these cases and the grid have a common ground that the level of information sharing and the degree of citizen¡s participation are the most important factors for successful e-governance.

It seems that Bhagidari is an effort to put their government in the lower right quadrant by increasing team-based participation while KoNEPS focuses on the upper left quadrant, and i-Governance somewhere in the middle. Actually, ¡i¡-Governance program started from the lower right corner of the grid, but moved up to more efficient portal service with more enhanced communication channels for participation. All of them are trying to reach the upper right quadrant. It would be interesting to identify the path that each case took within this grid. Or, with more in-depth analysis, this evolutionary grid may further developed in to social technical framework.

Another point raised in these case presentations and follow-up discussion is that it takes much longer than expected for these initiatives to be put on track. All three cases took more than five years from the initial launching to successful stabilization of the program, and efforts are still being made to sustain the program. It is not happening overnight by replacing old system with new system. To develop and implement effective governance system, whether it is based on technology or social restructuring, it should be taken into serious consideration that the system needs to be grown and be nurtured. This requires sustaining will to drive on the executive side and tolerating attitude from the participants.

Last but not the least important points gathered in the session is that information and communication technology is a tool that government and citizens use to enhance the governance in terms of its structure, participation, transparency and accountability. In this regard, for the tool to be effectively used, the context must be set appropriately in terms of it structure, process and attitudes, meaning that changes need to be made not only in terms of technology but also in social structure and business processes.



In this context, critical success factors preceding the development stages in the evolutionary grid can be largely identified as three important groups: information and communication technology, governance process, and people and society.

As information and knowledge society is coming with rapid advance of technology, governments at all levels are planning to make investments in e-governance, so that transparency and accountability can be increased. However, as can be seen from these award winning cases, technology is just one component for success. Without accompanying changes in governance process, people, and society, changes in technology simply would not be working.