

Republic of Lebanon

**Office of the Minister of State
For Administrative Reform**

**Strategy for the Reform
and Development
of the Public Administration
in Lebanon**

**Supervised by the
Minister of State for Administrative Reform**

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Introduction

The intention of this paper is to contribute in clarifying and discussing the difficult alternatives to be taken by the council of ministers with respect to the action of reform of the Public Administration in Lebanon. While the need for profound reform has been clear and urgent for quite some time, the arrival of the new Government provides a unique opportunity to embark on this in a dynamic and focused way. This paper also aims to emphasize the urgency of reform, to outline possible strategic choices and to present suggestions for action in the short and medium term.

The paper is a product of cooperation between the Office of the Minister of State for Administrative Reform (OMSAR) and the Program Monitoring Consultancy (PMC)¹ of the ARLA Programme and builds upon earlier work by OMSAR and PMC. Based on the strategy of administrative reform developed in 1998, OMSAR and the PMC have worked together in the context of ARLA for almost one year on an analysis of the problems of the administration and on possible approaches towards resolving these problems. This has included an in-depth assessment of strengths and weaknesses of a considerable number of government agencies, a review of deficiencies and possible priorities, preparation of support packages for core agencies and selected line ministries and a presentation of international experiences on public sector reform.

It is, however, our hope that this paper contributes to a shared sense of urgency, to serious and frank reflection on the present situation before embarking to well-informed decisions at the highest possible levels.

While this strategy incorporating propositions for the alternatives and solutions to most administrative problems, we are convinced that further delays in tackling these shortcomings will result in increasingly severe problems that could affect the stability and future prosperity of Lebanese society and henceforth the credibility and effectiveness of the new Government.

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¹ This is part of the extensive support package provided by the European Union , the Assistance to the Re-Establishment of the Lebanese Administration (ARLA). For more details, see chapter 7 and the Inception Report of ARLA (April 2000).

1 The Need for Reform

1.1 Background

The attempts of Lebanon to rebuild its economy and society since the end of the civil war in 1990 have highlighted the many serious shortcomings of the public administration and its ability to play an effective role in the reconstruction program. There is no doubt that the poor state of the public administration is to a great extent the result of the serious damage inflicted on it during the civil war. But we should not overlook the fact that, since 1959, Lebanon has not witnessed any serious and effective attempts to reform and improve its public administration. Since more than 40 years, Ministries and agencies have been established without much reference to any kind of master plan for the administration at large. As a result, a regulatory regime had evolved portraying a bewildering patchwork of overlapping responsibilities². It should not surprise that this led to inconsistencies in terms of policy making and implementation, and to poor accountability of the public sector as a whole, thus undermining the government's reputation with the Lebanese population³.

Without apportioning any blame for the deterioration of the Lebanese public administration due to war-related and other causes during this long period of benign neglect, it needs to be said that in its present form the public administration in Lebanon is not an adequate vehicle to deal with the normal tasks assigned to it, much less to embark on the daunting task of reconstruction and the central role expected from it as a key instrument for reunifying the country. In its present form, the public administration cannot serve as an effective tool for implementing the policies of the State and providing needed services to the citizens. Civil servants are caught in a mix of regulations, mandates and institutions and often lack the means to do their work effectively and efficiently. But most of all the citizens of Lebanon suffer from a very low level of services, erratic policy making and application, excessive regulation, corruption and political interference in the bureaucracy. Moreover, private sector agencies suffer from the lack of a stable, transparent and efficient framework of regulations and from a weak infrastructure, and the mounting debt, whereas foreign investors hesitate to invest their capital in the country in view of these factors⁴.

It is well known that the delay in administrative reform and modernization threatens the continuation of a number of existing programs. The complicated, ritualized and ineffective work methods and procedures have paralyzed the work of the private sector. Citizens experience the unresponsiveness of the administration due its centralized nature and tortuous decision making. the same time, donor agencies observe that their assistance is not absorbed and have, increasingly, cut back on their commitments⁵.

In view of the above, it is quite clear that the issue of administrative reform in Lebanon assumes great urgency. Failure to address this problem as soon as possible carries great risks for Lebanon both internally and externally. There are many who believe the viability of the Lebanese political system depends on the ability to modernize and reform the public administration in order to make it an effective instrument of government.

² See e.g. "Interim Strategy Report", drafted by Nick Manning/IDU, or Adnan Iskandar's "Public Service Accountability in Lebanon" (1996).

³ See e.g. "Institutional Development Strategy", drafted by OMSAR/IDU (1998). Also: Iskandar (1993), "Administrative Reform in Lebanon – Issues and Priorities", and "In Service of Lebanon" (UNDP, 1993).

⁴ As debt servicing exceeds 100 percent of annual revenue (not in the least given the poor receipts from indirect (VAT and customs) tax, and the amnesty on direct tax defaulters), all money for salaries, running services, and investments, is to be borrowed, starving the private sector of much needed credit.

⁵ The World Bank, for example, provided Lebanon since 1993 with 12 loans, totalling 750 million US\$, but as of today only 300 million US\$ were actually spent, equal to an average spending rate of close to 6 percent. Main reason for the spending delays, according to World Bank officials, are the work methods and procedures in Lebanon's public sector and the outdated laws.

1.2 Main Problems of Lebanese Public Administration

Before addressing the need for an overall strategy for administrative reform, it is essential that we come to grips with the core problems which continue to plague the Lebanese public administration.

1.2.1 An overburdened State

The tasks and responsibilities assumed or claimed by the State, do not reflect the comparative advantages and essential functions of the State. In many operational fields commercial agencies and/or Non Government Organizations (NGOs) would be better equipped to act. The relative absence of effective support from civil society and the private sector for administrative reform efforts, and the failure of the government to mobilize outside groups and involve them in the reform process perpetuate the present stalemate. The inevitably limited capacity of the State is not sufficiently focused on its core tasks, as a result of which the State has become ineffective and inefficient, and deprives other sections of society from opportunities to perform.

1.2.2 Inadequate organization and structures

The structure of the public administration is highly compartmentalized and concentrated at the level of the central and autonomous agencies. It must be pointed out that the high degree of concentration applies both to the different levels within ministries in Beirut as well as to the (limited) distribution of authority between the Beirut and regional levels. Indeed, there is a high degree of centralization in the Lebanese government, with very limited authority delegated to local government, despite repeated promises by previous governments to decentralize authority to the over 700 municipalities in Lebanon. On the one hand this reduces the responsiveness of the State and prevents the mobilization of local resources and creativity. On the other hand, there is a growing belief among politicians that decentralization within the context of a weak State and before restoring and re-asserting its central authority could undermine the unity and cohesion of Lebanese society.

1.2.3 Weak policy making

General and sectoral policies are often poorly conceived and outdated. The quality of data and analysis that feed into policy making is often poor. Many of the existing laws and regulations need to be updated and modernized in the light of new changes and developments. There is a lack of policy-making capabilities, including lack of management information systems, which can ensure needed data and analyses for making sound decisions. Evaluation and monitoring are poorly developed and there is very little feedback of the lessons of experience towards future planning. Policies are often not linked to a larger vision on the role of the State and, as a result, tend to insert piecemeal solutions that may create problems or confusion in the larger setting.

1.2.4 Inadequate Civil Service

There are a large number of vacancies in the classified civil service. It is estimated that 10,000 positions out of a total of 22,000 are now vacant. There are also indications that the shortage is more acute in the upper ranks of the civil service, which include junior, middle and upper management positions. Equally important is the fact that there are serious shortages within the public administration of certain important skills, especially in engineering, scientific and information technology skills, basically as a result of the fact that the private sector is able to offer these people much higher salaries.

In other areas, however, applicants are still keen to join the government because of the prestige and security of tenure that a civil service job guarantees. The many temporary and daily workers, in particular, who are mostly not recruited according to merit standards, are often of very poor quality and find themselves employed in the lower ranks of the civil service. There are many indications that

there is significant overstaffing in those ranks and of a weakening of the role of merit in matters of recruitment, mobility and staff careers.

Finally, the recruitment and testing system is outdated and cannot reliably help in detecting necessary skills and abilities in various jobs, especially in the absence of a job description and classification system. Training programs for civil servants are furthermore outdated and of limited quality. They need a serious overhaul on the basis of a comprehensive study of training needs and priorities throughout the public administration.

1.2.5 Poor Governance

There are strong pressures on the public administration and frequent interference in its work, which has led to a patron-client relationship with politicians acting as intermediaries to secure favors and services for the citizen from a highly inefficient and unresponsive bureaucracy. As a result, there are many who believe that the Lebanese public administration has become a vehicle for serving the interests of political leaders.

The corruption in the Lebanese administration has reached levels that calls for worry leading to lack of trust between the citizens and the public administration and constitutes a significant drain on the economy. The citizen does not view the public administration as an instrument for serving his needs and interests, and the behavior of the public administration does not reflect an awareness and understanding that the reason of its existence and its role is serving the society and responding to his needs.

1.2.6 Lack of Accountability

The systems of control and accountability in both the political and administrative domains are highly ineffective. Legislative oversight of the public administration is seriously lacking and judicial control is ineffective. Despite the relatively large number of controls and disciplinary agencies within the executive branch it has not been possible to curb violations and mismanagement within the public administration. Moreover, ministries do not even submit a report about their activities every six months, though they are presently required to do so by law.

The highly routinized, complex and cumbersome work methods and procedures constitute, together with corruption, the most important source of citizens' complaints, as well as the most important cause of inefficiency and poor service delivery in the public administration. Work methods and procedures in Lebanon place undue emphasis on legality compliance and caution at the expense of initiative, speed, efficiency and the achievement of purposes of laws and regulations.

Finally, the operational systems of the public administration suffer from poor technology and a very weak resource base. Information technology, which could be of tremendous value in increasing efficiency and transparency, is under-utilized. Data storage is often by hand, communication only by traditional means and the power of the Internet is not used for making the State accessible and comprehensible to the citizen, nor for providing opportunities to solicit inputs from citizens.

1.2.7 Absence of client orientation and responsiveness

The State is seen as primarily serving the interests of politicians, civil servants, and particular factions and partisan priorities. The existing machinery does not have strong incentives to take the needs and views of citizens as the essential point of reference. Tortuous and non-transparent procedures face emerging entrepreneurs, clients of social services, municipal administrators, seekers of legal assistance and others who need support from State agencies. While individual civil servants may be concerned with their needs, the actual incentives to take those needs seriously are weak. The extreme

concentration of power and the emphasis on procedural detail prevent the agencies and their officials to respond flexibly and alertly to new problems, opportunities or changes in the external environment.

1.3 The failure of earlier reform efforts

Most of the above problems are not new and many, within and outside of Government, have argued for more or less far-reaching reform. However, this has produced little result. The slow pace of the Lebanese reform can be explained by the interplay of factors, some of which were already mentioned above. In general, all of them indicate that 'pressures for reform' are still insufficient to break the current deadlock:

1.3.1 The need for increasing the political support for the plans of development and reform of the public administration

There has not been enough political support to pursue a serious and ambitious administrative reform in the past, which has minimized the pressure on the administration to improve its performance and consequently weakened the administration's systems of accountability. The Government is striving to outline a clear vision on the role of state and its commitment to reform. The National Administrative Rehabilitation Program (NARP), which was formulated in 1994, as well as the consecutive ministerial statements, especially the ministerial statement of the year 2000, have helped in devising an obligatory framework leading to strategies and plans for reform while noting that the Institutional Development Strategy (1998) developed by the OMSAR has not been discussed and communicated properly.

The outgoing Government is diligently working for decreasing the public debt and adopting directives and policies to decrease the public sector financial burdens along with an attempt to increase its effectiveness and improve its performance. However, the expected results from the implementation of these directives and policies need more time to show.

Institutionally, the Parliament's capacity for monitoring the Government is weak. It does not extend beyond raising periodic questions to Government and participating in criticizing it during its general sessions. Political identity and allegiance furthermore used to focus on individuals, political families and religious communities, thus impeding the possibility for the Parliament to take up a more unified pro-active reformist stance.

1.3.2 Little pressure from within the administration

The average age of graded positions in the Lebanese administration is attaining 56 years. Needless to say that the age factor will not decrease the natural resistance within administrative agencies to accept change. This has a negative impact on the absorptive capacity of the administration for change. The unclear accountability structures further impedes change. As OMSAR is a non-executive authority, it is neither in a position to force its recommendations through. Functional overlaps with the other main administrative reform players in the country on roles and mandates in the sphere of administrative reform has further reduced the pressure from within the administration to accept reforms.

1.3.3 Little pressure from outside the administration

Elsewhere public pressure is often an important external incentive for administrative modernization. Here one of the peculiarities of Lebanon, its pluralist and segmented society, comes at play. Political views among communities are not unified on the main issues. In fact, contradictory and conflictual socio-political forces often dominate. It has been widely observed that the lack of political consensus has only increased the gap between State and society.

The structural under-performance of the public administration, and widespread perceptions regarding corruption, has further contributed to the development of such a profound distrust and cynicism that it has become difficult to persuade the public that improvements are at all possible. On the positive side, the Lebanese can count on many non-governmental organizations (NGOs), professional associations and institutions. However, there is no institutionalized platform through which NGOs can exert pressure on the Government, and the involvement of NGOs in the Government's decision-making process is therefore indeed very low.

Regarding the private sector, Lebanon can rightfully claim to have favored private initiative through a liberal economic tradition, based on a market economy and a relatively small number of public sector enterprises. The Government intends to further minimize its role in the Lebanese economy by privatizing some of its operations. As with NGOs, pressure from the private sector towards better performance of the Lebanese administration is, however, not institutionalized and the privatization process is clouded by lack of transparency and insufficient external control.

In short, the Lebanese administration is caught up in a vicious circle of low commitment for reform at the highest levels, reducing the pressure on the administrative system to improve its performance. This, in turn, has reduced the accountability for reform within the administration. The major targets for reform (the core administrative agencies) were able to ward off changes they did not want by challenging the legal prerogatives and legitimacy of the OMSAR, playing into the hands of those who are mostly resisting change. This further slowed down another possible key-driver to administrative reform: the pressure from civil society.

1.4 The Lebanese Reform Program in Retrospective

Looking back at the early efforts of reform undertaken by the Lebanese Government it seems justified to conclude that they were mainly aimed at the development of human resources and organizational improvements within individual organizations. They hardly touched upon the strategic and structural problems related to the legal mandate of institutions nor did they provide a decisive Government's vision on the overall role, position and character of the Lebanese administration. The emphasis, in other words, has been more on rehabilitation and modernization, and much less on reform.

For over 40 years, the Lebanese administration did not witness any major review of its structure. Consequently, the present set up of the Lebanese civil service requires urgent and comprehensive renovation to meet the requirements of a modern State. The vicious circle of poor performance and limited accountability calls for urgent formulation of a framework within which administrative reforms should be conceived and implemented. The next chapter will offer the basic principles that should inspire such a framework, while chapter four outlines a strategy framework.

2 Principles of Modern Public Administration

2.1 The functions of the State

The ultimate goal of the recommended administrative reform strategy is to set up an efficient, flexible and dynamic public administration that will be able to ensure the country's social and economic development, while securing basic social services and national integration, and adhering to principles of good governance. Civil service has to be output oriented, and concerned with performance and achievement of results on the basis of economy, efficiency and effectiveness, while utilizing opportunities that new information and communication technologies provide. New and open relationships have to be established with the public with emphasis on transparency, accountability and quality of service delivery, including close partnerships with the private sector and civil society, in order to ensure the legitimacy of the public administration.

In order to address the overdue reform of the public administration, it is important to take account of the '*core functions*' of the State. Among the most important tasks of the State are:

- Ensuring the integrity of the country and providing basic security against internal and external aggression
- Conducting foreign relations
- Establishing and preserving the rule of law
- Macroeconomic management, i.e. stabilize macroeconomic conditions and ensure the mobilization and effective application of capital
- Ensuring the availability and adequate functioning of basic infrastructure
- Ensuring the protection of the weak and the vulnerable
- Ensuring the framework that enables civil society and the private sector to function and develop
- Protecting the environment and preserving scarce natural resources for future generations

Given such core functions, the following '**basic principles**' should govern modern administrations:

2.2 Legality

The consistent and fair enforcement of laws is an essential element in maintaining the foundations of a stable society and a legitimate State. Respect for the legal framework and adherence to the rule of law, involving fundamental values like integrity, reliability, predictability, and objectivity, while ensuring equal rights for all, is probably the most fundamental of all precepts for public administration. To maintain legality of public administration, the judiciary should be independent from policy-making and ensure effective compliance and enforcement of law.

2.3 Good Governance and Civil Society

Civil society occupies the middle ground between the public and the private sector. Building civil society, and developing civic engagement and participative options for citizens and professional organizations are essential elements for ensuring legitimacy of public administration. The presence of a strong and vivid civil society is a precondition for 'good governance', as it helps to establish the countervailing powers that will correct the State or private sector. Good governance is characterized by openness, a willingness to account, attention to all clients and adherence to agreed plans.

2.4 Accountability

Accountability means, in this context, that any administrative body should be answerable for its actions to other administrative, legislative or judicial authorities in exchange of delegated powers and responsibilities. More in general, accountability involves ministers and civil servants, internal

hierarchies and networks in the civil service, as well as relations between administrative authorities and citizens. As such, accountability is essential for sustaining democracy. Effective accountability mechanisms require: clear roles and responsibilities, well defined management structures, appropriate monitoring regimes, and openness and transparency of decisions taken by the public administration.

2.5 Responsiveness

The concept of client-responsiveness of public administration implies a basic shift from a bureaucratic structure to an open-system approach. Responsiveness in public administration should be a principle that links the administration to its clients, thereby safeguarding the quality, accessibility and transparency of public service delivery. It means that government measures are informed and guided by the needs of citizens and take into account the changing priorities and resources of these citizens. Citizens need to be able to understand the decision making processes that affect them and to articulate their needs, regardless of social, ethnic or political backgrounds.

2.6 Result- and Performance-orientation

Service delivery by the public administration should be output oriented, and adhere to the principles of efficiency, effectiveness, and economy. These principles complement more traditional principles such as legality, accountability, equality of rights and proper management of public money. Hence, bureaucratic standards are to be abandoned for a more result-oriented public administration, by setting clear targets and quality standards, and monitoring implementation so as to ensure better results against lower costs.

2.7 Balanced relationship with the Private Sector

Government functions should promote and facilitate private sector development, while safeguarding social interests. To advance social and economic development, tailored partnering arrangements between public and private sector are essential in order to improve service delivery of public goods by using the higher efficiency of the private sector in many operational fields. This can take many forms, reflecting the nature of the activities, strength of commercial agencies and the capacity of the State.

2.8 Capacity to Learn and Renovate

The capacity to learn, adapt and improve current public institutions, and, if necessary, close down some or create new ones, is an essential prerequisite to ensure adequate performance of the public sector in cementing social and economic development. Moreover, upcoming developments and future trends need to be anticipated and monitored on a continuous basis.

As observed before, many of the noted principles are not adhered to in the current Lebanese administration. Hence the next section will focus on the strategies that need to be adopted to strengthen the capacity of the public administration and enable it to guide the Government in case it is willing to take the bold steps which are necessary to avoid a further decay of Lebanon.

3 Reform Strategy

3.1 Objectives

The proposed comprehensive administrative reform strategy for Lebanon, which should address the need for reform, as discussed in chapter 2, and account for the above principles for modern public administration, should have the following components:

- a) Focus the role of the State on core functions and tasks
- b) Ensure effective and coherent structures of the public administration
- c) Strengthen policy making and implementation capacity
- d) Ensure high quality civil service and civil servants
- e) Streamline and modernize procedures and systems
- f) Enhance the quality of governance
- g) Improve client and result orientation

Based on these strategic objectives, a coherent approach towards reform and modernization of the public administration is to be drawn up. The key strategies in such an approach shall reflect the fundamental choices, elaborated towards specific interventions and measures that will help to establish methods, procedures and systems of rational organization, operation and staffing. Moreover, individual measures must fit with the overall administrative reform goals and be in line with the earlier adopted principles.

3.2 Strategic objectives and interventions

3.2.1 Promote focusing of the State on core functions and tasks

The State has to focus on what the State can and should do best, leaving other activities and roles to private sector and civil society. The State should do less but do that better. This can be pursued through the following interventions:

- Clarify the mission of the State in terms of core functions (strategic policy making, planning, coordination and control) and complementary operational tasks;
- Assess budgetary and human resources available for meeting the above core functions, and determine the scope to mobilize these;
- Decide on scope for phasing out operational functions in the various sectors;
- Discontinue State involvement in service delivery (and production) on a large scale;
- Re-allocate tasks and roles, by way of deliberate and step by step measures like privatization, creation of executive agencies, sub-contracting to the private sector and enhancing the role of civil society organizations;
- Develop, test and fine-tune a menu of options for privatization and provide results to the Higher Privatization Committee, composed of five ministers, with the responsibility of overseeing the whole privatization program;
- Establish the policy framework for privatization and the legal provisions for ensuring accountability and credibility for this sensitive process;
- Establish open interfaces between public agencies, civil society and private sector, and promote exchanges of views, people and initiatives.

3.2.2 Ensure effective and coherent structures of the public administration

The core functions of the State need to be organized in a coherent and effective manner, putting responsibilities at the lowest possible level and allocating roles in a systematic and consistent manner. This can be pursued through the following interventions:

- Re-design organizational structures based on re-examination of the overall structure of government administration and the mandates of individual ministries and autonomous agencies

with a view to rationalizing and streamlining core functions and responsibilities among them. This includes the possible integration and/or merger of ministries and government support organizations, transfer of mandates, competences and responsibilities, removal of duplications and overlaps etc.;

- *Unbundle government institutions: ensure clearer demarcations of distinct responsibilities with their particular competences for the separate roles of policy making, planning, resource allocation and control, execution and monitoring;*
- *Review all executive agencies and either put them at greater distance, with strict accountability in terms of measurable results, or phase out towards complete independence (assuming the character of private sector or civil society institutions);*
- *Re-distribute functions and competences between the central government departments and the regional administration, or the local government units (devolution, deconcentration and/or decentralization), to allow ministries to focus on policy formulation and decision making, and discontinue executive functions while ensuring greater responsiveness at lower levels;*
- *Re-size and re-shape ministries to meet policy making, planning and regulatory requirements while removing ulterior agendas and fiefdoms. Phase out surplus staff and close the gap between responsibility and authority;*
- *Establish the principle of constant organizational adaptation and promote the concept of so-called “virtual organizations” (fluid task-oriented networks);*
- *Introduce incentives for civil servants to cross the boundaries of their sectoral agencies and cooperate in flexible ways with other agencies at horizontal and vertical dimensions;*
- *Introduce the notion of constant adaptation of organizational arrangements, including virtual organizations and networks, and experiment with new forms of public sector operation that have shown promise in other countries.*

3.2.3 Strengthen policy making and implementation capacity

The State needs to be capable to focus its limited resources and priorities on carefully selected levels and areas of intervention. These priorities need to be founded in solid data, rational balancing of alternative approaches and transparent decision making in the context of more encompassing strategies. Policy decisions need subsequent translation towards operational plans, budget allocations and increasingly specific targets for implementation. Implementation needs rigorous monitoring, leading to fine-tuning and modification and to cumulative learning at all levels. These capacities can be enhanced by the following interventions:

- *Establish ‘policy units’ in ministries to facilitate policy formulation, planning, monitoring, and evaluation for the related ministries;*
- *Enhance the quality and depth of the policy debate in society, parliament and ministries by training, exposure, de-politicization ;*
- *Disaggregate functions of policy making, planning, budget allocation, implementation and monitoring into institutionally separate entities with specific and limited mandates;*
- *Strengthen economic planning capacity (e.g. Planning Commission model);*
- *Build up capacity in areas such as demographic and statistical analysis;*
- *Develop solid data collection and management capacity, establish benchmarks for operational tasks and invest in monitoring capacities;*
- *Invite civil society, like research and study agencies to enter into policy debates and joint reviews*

3.2.4 Ensure high quality of civil service and civil servants

The civil service needs to be the essential instrument for the State, of high quality and integrity, driven by competence and commitment, and allowing flexible allocation of staff. The number, nature and allocation of civil servants should reflect the medium term needs of the State, rather than short term politics or long term job entitlements. Professional quality should increasingly focus on rational decision making and client/result oriented management of scarce resources, rather than on legal and administrative procedures. These qualities may be promoted through the following interventions:

- *Bring the civil service size in line with overall requirements related to core functions and with realistic estimates of available budgetary resources*

- *Develop new legislation on the civil service, stressing accountability and introducing greater flexibility and stronger performance orientation;*
- *Introduce a recruitment/selection system and a career development system exclusively based on merit, with a simple grading and ranking system;*
- *Introduce a transparent and objective performance measurement system, regarding quality and productivity of civil servants;*
- *Introduce common standards in civil service, a common job description program for all public servants and a broader scope for inter-ministerial mobility of staff;*
- *Develop the framework for a medium term Human Resources Management and Development approach and establish capacities for HRD and HRM at the level of individual ministries and agencies;*
- *Gradually shift from a traditional administration emphasizing on rules and procedures towards a modern administration focusing on results and achievements of objectives, as well as on networking, strategic policy and planning skills.*
- *In addition to civil service core competence away from procedures and legality focus Increase salary levels and ensure fulfilling work to enable hiring of better qualified staff, while introducing strict performance criteria simultaneously;*
- *Develop flexible incentives that are strictly related to outputs and performance;*
- *Invest in quality training (not necessarily through government institutions) of civil servants within the framework of flexible career development plans and allowing lateral transfers;*
- *Open new channels for temporary or medium term recruitment of higher level staff, especially form private sector backgrounds.*

3.2.5 Streamline and modernize procedures and systems

Procedures, regulations and systems in Government need to be entirely transparent, focused on results and accountability for results, and allow for flexible responses to a changing environment. Regulations need to reflect carefully selected areas where the State needs to intervene, need to be kept simple and should reflect the operational realities of the areas to be regulated. Systems for communication, data storage and analysis need to meet increasingly high standards of technical quality, efficiency and internal as well as external transparency. This can be pursued through the following interventions:

- *Rationalize the consultative administration (through the restriction of advisory boards and committees in the various ministries);*
- *Review all regulations on their justification, costs and enforcement opportunities and phase out unnecessary or overly costly forms of regulation;*
- *De-bureaucratize the government administration through the simplification of work methods and procedures wherever possible;*
- *Prepare and introduce a Code of Administrative Procedures that emphasizes result orientation, integrity and efficiency of procedures;*
- *Complete with greater urgency the rehabilitation of the physical infrastructure and equipment needed for agencies to function efficiently;*
- *Introduce the extensive use of modern information and communication technology, to substitute the routine bureaucratic procedures and accelerate decision-making;*
- *Open virtually all government databases, procedures and decision making records to the general public by way of the Internet;*
- *Open new ways for citizens to apply for services, licenses, resources, etc by way of web-based information and procedures.*

3.2.6 Enhance quality of governance

The State needs to re-win the confidence of its citizens and needs to ensure that its procedures and use of power meet the highest standards of integrity, openness and the rule of law. The interaction between the State and non-State organizations and citizens should be open to public scrutiny and without political or factional interests. This can be promoted through the following interventions:

- *Improve financial accountability of public agencies by way of transparent accounting procedures and emphasizing the use of inputs in proportion to agreed outputs;*
- *Introduce post audit whereby, in addition to the focusing on legality of procedures, emphasizing the relevance and effectiveness of activities from an economical perspective.*
- *Strongly adhere with the latest standards of integrity and ensuring adequate punishment of civil servants caught in corruption regardless of their level or political affiliation;*
- *Invest in creating a climate of rational debate, allocation of budgets and government positions, moving away from factional agreements;*
- *Build up the strengths of administrative bodies at middle and lower levels, and ensure their relative autonomy by increasing control over their income and staffing;*
- *Support the mobilization of countervailing powers by allowing civil society to review and discuss government actions;*
- *Ensure greater independence of the judiciary by penalizing any type of political interventions at this level.*

3.2.7 Improve client and result orientation

In the end, the State exists to serve the citizens and its justification can only be found in the citizens' perception that this State effectively serves their collective and, at times, individual interests. This requires a constant awareness among civil servants of this service orientation and the need for them to respond to the legitimate but variable needs of their clients, the citizens of Lebanon. The concept of measurable results, rather than procedures, needs to permeate the operation of agencies. The voice of citizens needs to be accepted and responded to. Success of agencies needs to become increasingly subject to public scrutiny in terms of their actual contribution to solving problems and enhancing the aspects of the quality of life that relate to the concerned sector. These objectives can be pursued through the following interventions:

- *Promote appropriate interfaces between the government administration and civil society, including e.g. effective complaints systems and the introduction of Ombudsman's office)*
- *Develop surveys and systems to monitor citizen's satisfaction with the performance of the public sector*
- *Set benchmarks for time and quality of service delivery, compare with relevant countries and set targets to gradually improve against such benchmarks;*
- *Introduce a Citizens Charter for key ministries and establish arrangements that involve prospective clients in monitoring against such a charter;*
- *Introduce the 'one stop shop' principle in ministries and public agencies where the need is considered to be essential.*
- *Change the role and orientation of civil service from legality compliance and control, to the delivery of better quality services to tangible clients;*
- *Promote continuous learning based on client satisfaction surveys*
- *For those fields where government agencies remain involved in operational services, open ways to compare their effectiveness and cost-levels with commercial and NGO provision of similar service.*

3.3 Priorities and sequencing

It is clear that Lebanon cannot sustain a comprehensive reform effort aimed at dealing with all these strategic issues at the same time. The experience in comparable countries suggest that massive and abrupt efforts have a much higher chance of failure than gradual and incremental approaches based on a realistic and consistent choice of priorities. In fact, in Lebanon, the many possible obstacles to reform, as depicted in Chapter 2, including the limitations of financial resources, absorption capacity, number of qualified personnel, vocal constituencies for reform and the likely resistance against reforms from within the public administration itself, dictate such a phased approach to administrative reform. Moreover, the present capacity of the public administration and the political system to design,

organize, plan and execute complex and far reaching reform efforts is limited. In fact the first step may well be to establish such a capacity.

The overall reform effort needs to be guided by strategic concepts that makes it possible to identify and solve problems at different levels in a logical and time-bound manner. Such a logic has been developed in ARLA's documents on the subject and can be summarized as follows:

- a) **Vision:** first a comprehensive vision on the role of the State and its basic characteristics is required. This relates to issues like: core functions and capabilities of the State, relationships between State and private sector and civil society, deconcentration and decentralization, and civil society, key characteristics of the civil service, overall arrangements for accountability, transparency and performance orientation.
- b) **Focus:** then the key roles and mandates of specific agencies are to be identified and elaborated. This should lead to sharply defined roles, required outputs and positioning of specific agencies vis-à-vis each other, and towards private sector and civil society
- c) **Structure:** subsequently the specific organizational arrangements that will enable agencies to fulfill their roles are to be elaborated. This concerns the overall structural arrangements for particular sectors, including the vertical grouping of agencies and internal organizational structures.
- d) **Performance:** finally the operational arrangements that will ensure that agencies are not only effective, but also efficient. This relates to aspects as staff competence, use of resources, application of information technologies, monitoring arrangements and the use of incentives

The Government needs to set priorities among and within the various key strategies. Not all strategies are equally urgent and some will have a much longer gestation time than others. In our view, the order in which the seven key strategies were presented before reflects a logical sequence regarding the overall priorities. Moreover, regarding the planning and sequencing of activities, one could differentiate between:

- 1) **Strategic plans** for approx. five years, outlining key strategies, and agreed and monitored at the highest political (= Cabinet) and administrative (= Core Agencies) level;
- 2) **Master plans**, setting priorities and goals for specific sectors for the medium term, and agreed and monitored at line ministry level;
- 3) **Operational plans**, elaborating specific activities and staff deployment schedules on an annual basis, and agreed and monitored at department and agency level.

While conceiving the various types of plans, it should be kept in mind that there are four types of interventions, each with its own character, limitations and scope:

- a) **Legislation:** key features of public administration systems and procedures are subject to formal law and can only be modified through legislation, to be adopted by Parliament. This is lengthy and, at times, difficult process, but required for such changes.
- b) **Decrees:** the Government, as the Executive Agency, has the power and facilities to issue Decrees. These can change or impose structures and processes and are formally binding, although with less weight than laws. Depending on the political situation, such Decrees can have far-reaching implications. They are easier to issue than laws and allow more flexibility. Much of the earlier reform efforts in Lebanon followed from such decrees.
- c) **Policies and measures:** the Government of the day has considerable power to determine policies and can allow much latitude to ministries and agencies to set or elaborate policies at their levels. This process is considerably more flexible than the two above, but has its limitations in terms of legal aspects.
- d) **Programs and cooperation:** ministries, departments and agencies have the means to develop and execute programs and enter into various forms of cooperation within and beyond the boundaries of the public administration. This is the most flexible and operational level. Contacts with private sector and civil society can be pursued, staff deployed and budgets allocated.

The reform effort will require interventions at all four levels and needs careful orchestration of the short, medium and long term actions at the respective levels. Before putting such plans together the

most essential step is to decide on the machinery that may be put in place in order to prepare and facilitate all subsequently steps. This is taken up in the next chapter.

4 The Machinery for Reform

4.1 The need for a strong machinery

The main objective of administrative modernization and reform in the Lebanese context is the development of a dynamic and efficient public administration as a tool of the political authority for national integration, social and economic development and good governance. Such a comprehensive and deep reform falls beyond the capabilities of the various existing central agencies.

The experience of many countries, including those with an advanced administrative structure, clearly indicates that the success of reform efforts depends to a great extent on the existence of an effective and independent central reform machinery, connected with the center of political power, that can deal with reform issues and problems on a regular and continuous basis. In recognition of such a need, the administrative reform movement of 1959 in Lebanon decided to establish such a machinery through the creation of the Research and Guidance Department within the Central Inspection, which was entrusted with the responsibility of administrative reform and improvement throughout the public administration. Unfortunately the R&G Department did not prove to be an effective instrument of reform for a variety of reasons⁶.

Many years later, the Office of the Minister of State for Administrative Reform (OMSAR) was progressively established by a Council of Minister's decision in June 1995. OMSAR was to prepare the long term framework of the Administrative Reform Strategy of the Government of Lebanon within which administrative development in the country should be implemented, promote the strategy on the level of the Government as well as on the level of each administration and agency, and play a central coordinating role and mobilize resources for the implementation of the Administrative Reform Strategy of the Government. However, reform policy decisions with major structural impact have not been taken since, as a result of which OMSAR did not have the envisaged impact during the five years of its existence⁷.

In view of the failure of earlier administrative reform efforts, as discussed in Chapter 2, and given the inadequate nature of the Lebanese administrative institutions currently involved with administrative reform and development, there is a need to look for other avenues to guide, shape and facilitate this tremendous activity.

⁶ Some of these reasons were: a) RGD did not have the necessary stature and prestige because it was located within Central Inspection rather than being an independent agency in its own right like Central Inspection (CI) and the Civil Service Board (CSB); b) a department like RGD, which has a futuristic and developmental orientation, cannot function properly as part of a control and policing agency whose main concern is ensuring compliance and inflicting punishment on violators within the public service; c) RGD was not given authority to initiate reform studies and implement needed changes (its role in this regard was purely advisory); d) RGD did not have the proper leadership needed at the critical founding stage in its development.

⁷ This can be explained by a number of factors: a) lack of executive authority of OMSAR, b) conflicting and duplicating mandates of the government institutions that deal with the administrative reform process, c) resistance within the administrative agencies to accept change (core administrative agencies that are also entrusted with administrative reform roles are mostly intensively resisting changes by challenging the legal prerogatives and legitimacy of the OMSAR), d) OMSAR – staff, paid by UNDP, are often not regarded as civil servants, and e) there has been no solid political backing of OMSAR at the highest level. In sum, OMSAR, in its present shape, does not play the role of the central administrative reform and coordinating body, as suggested by its mandate.

4.2 Different options

A starting point for the new Government of Lebanon for redesigning the overall Lebanese administrative architecture will be the decision on an agency taking up the task of administrative reform and development. This agency should develop general policies of a central nature in the pursuit of national administrative reform, translate policies into operational plans, issue executive guidelines, determine principles for the proper functioning of the State apparatus, coordinate and motivate the activities of the reform process, and monitor all aspects of administrative reform and development so that efforts will be unified within a comprehensive framework.

Basically, there are three distinctive ways to tackle this issue:

1. Establishing a **Ministry of Administrative Reform and Development (or Ministry of Public Administration)**. In many countries, such a ministry is a separate entity (Italy, France, Spain, Portugal, Sweden, Luxembourg, Norway, Belgium, Greece etc.). In the latter two countries such a ministry is combined with the Ministry of Interior, as a Ministry of the Interior and Public Administration. In Norway it is combined within a Ministry of Labor and Government Administration. The key advantage of this option may be the professional strength, continuity and weight of such a ministry. The negative side is the risk of political hijacking and the lack of leverage over other ministries.

In a few countries, the functions of the proposed new agency fall within the mandate of another ministry, with special units that deal with issues of civil service, and administrative reform and modernization schemes (e.g. Austria, Denmark, Finland, Ireland, Iceland within the Ministry of Finance, and the Netherlands within the Ministry of Home Affairs). The risk of fragmentation and sidetracking of the reform effort, and the lack of consolidation in procedures and structures, makes this alternative less attractive for a country such as Lebanon, which is in dear need for a much more comprehensive administrative reform.

2. Designate and charge a **Minister of State Administration (without portfolio)** with the responsibilities of administrative reform and the overall management of the civil service. This minister is to mobilize and co-ordinate the activities of the ministries and other administrations. He/she can be assisted by a **Committee for Administrative Reform** or another supportive organization. The advantage of this option can be the opportunity to mobilize specialized professionals (as was done in OMSAR), the direct involvement and inputs of the various ministries and the removal of potential resistance. The down side may be the possible lack of weight of such temporary arrangements, the paralysis due to non-cooperation by established agencies and the 'outsider's' position vis-à-vis temporary specialists/employees.

Alternately, one could also think of giving the mandate for administrative reform to a Minister of Public Service (without portfolio), directly answerable to the Prime Minister or the Council of Ministers, to oversee several distinct units responsible for administrative reform (e.g. in the United Kingdom, an "Office of Public Service" was created within the Cabinet Office, which oversees a group of different units such as e.g. Citizen's Charter Unit, Efficiency Unit, Market Testing Unit, Next Steps Team/Executive Agencies). The need to cement those various units into a cohesive and effective body, however, poses a serious additional burden in the Lebanese context, which makes this variant less attractive.

3. Creating a **central reform agency** which will be attached to the **Prime Minister's Office**. This agency should enjoy independence and immunity with a responsibility for administrative reforms and improvements in public administration. This agency could also serve as the main reform instrument in case a Minister for Administrative Reform (without portfolio) would be appointed. The advantage lies in the immediate access to political power and the easier coordination with other agencies attached to the PM's Office. The possible drawback is the risk of politicization,

instability when Prime Ministers change and the possible burden of a large volume of operational tasks (with the concerned staff) to a set up that is not geared up to this.

Also for this option, some alternatives exist. For example, one may entrust various entities with specific mandates for the reform process and connect them directly with the Prime Minister's Office or the Council of Ministers. This would imply expanding the tasks of the PM's Office and establishing substantial professional capacity at this level. Another possibility would be to establish a Higher Council or Committee in the Prime Minister's Office (e.g. Japan), or creating a Higher Committee for Administrative Reform consisting of members of the Council of Ministers (e.g. Saudi Arabia), or even forming special ad-hoc commissions for designing and proposing reforms in the public service (e.g. Canada, USA, Australia and New Zealand), with the mandate to supervise administrative reform programs and speed up the process.

Options for Establishing a Central Body for Administrative Development

Indicators	Ministry of Administrative Development	Minister of State for Administrative Development	A Central Body for Administrative Development linked to the PCM
Time to Establish	--	- +	++
Resistance of Regulatory Agencies	--	+	++
Resistance of Ministries	-	-	+
Availability of Technical Support	++	- +	--
Estimated Cost	--	- +	+
Political Intervention	-	+	-
Utilizing Available Expertise	++	+	-
Instability of Policies and Trends	+	+	- +
Continuity of Reform Efforts	++	-	- +

Adopting one of the above models/options is, in the first place a political decision, and in the second a technical issue, besides its necessary reflection on the mandates of the central regulatory agencies. Hence there is need for a decision regarding the distribution of mandates between the central body for administrative development with the model to be adopted on one hand, and those agencies on the other, in matters pertaining to human resources development issues, in particular, the basic policies and trends related to those issues, as well as in matters pertaining to the modernization and development of the public administration (where structures, procedures and work methodologies are concerned), and those pertaining to ICT. In this contest there is need to integrate the present mandate of the Research and Guidance Administration within the mandate of the central body for administrative development, especially if option one or three is adopted.

The absence of a 'perfect' option/model that has positive features only should not deter, in any form, the adoption of one of the above options, with our first preference of the first option/model calling for the establishing of a ministry of administrative development, and secondly of the third calling for the establishing of a central body for administrative development, provided that, in either option, the possibility of seeking the assistance of the present team of experts and technical people in OMSAR shall be made available.

5 Implementation of the Reform Process

5.1 The test of reality

None of the goals, principles, objectives and strategies for public administration reform are of any use or relevance without substantial, focused and systematic implementation. Lebanon has gone through series of promises and statements of intent, without converting these into strategic choices regarding organization and implementation. In that sense, decisions about implementation modalities are much more crucial than the adoption of whatever new principles. If the new Government does not ensure forceful and large scale implementation of increasingly specific interventions, guided by, but not limited to, strategic choices, nothing will change. This chapter focuses on these specific and often painful decisions at practical levels and makes an attempt to formulate an agenda for the reform process. Without such an agenda no progress is likely to be made. In view of that, this chapter ends with a menu for the most immediate decisions to be made by the new Government.

5.2 The need for political support

The earlier experiences with Public Administration Reform in Lebanon are not encouraging and it is essential to avoid the weaknesses that defeated those attempts. The main reasons for failure were: lack of consistent political support, weak strategizing and sequencing, poor organization of the reform process and lack of incentives for those involved. International experience shows that the first aspect is the most crucial one. Without solid, consistent and effective support from the highest political level, any serious attempt towards reform will, at best, result in some cosmetic and incidental changes, at worst in bitter conflicts, cynicism and lack of commitment to any further efforts.

The arrival of a new, dynamic and result oriented Government provides Lebanon with a unique opportunity to embark on profound reform. But only if the new Government commits itself explicitly, publicly and specifically to Public Administration Reform and establishes an adequate policy framework and institutional conditions. The new Government may give utmost priority to deciding on the overall approach, sequencing and organization of the reform process.

5.3 Sequencing and Timing

The problems of the Lebanese Administration are wide ranging and serious. They should not be tackled all at the same time or in the same way. Successful reform efforts are characterized by their strategic timing, logical sequencing and careful orchestration. They take several years, involve many different stakeholders and are a mix of policy level interventions, organization reform, training, experimentation and continuous fine-tuning. They include mistakes that convert into learning opportunities and visible successes that build confidence and support.

The schedule below is only one option and should be modified at the earliest as required. But even while such schedules may impress as somewhat arbitrary or overly ambitious, we are convinced of the need to establish a tight timeframe. This will force decision makers to resolve dilemmas, commit all stakeholders to a transparent process and help to build momentum. Without such momentum and agreed targets the reform process will run out steam and leverage.

A reform process for Lebanon should be properly sequenced in order to safeguard its effectiveness. In the following schedule, we suggest a **five years time frame**, by way of illustration. In the end, more important than the precise timing of various elements, is the principle of sequencing the reform process.

- a) An intensive **four months** period to establish basic consensus at the highest level and to decide on the scope, nature and direction of reform and on the appropriate machinery. Strategic responsibilities at Cabinet level are allocated and key principles established.
- b) An intensive **four month** period of wide-spread debate and discussion on the problems and proposed strategies. This should result in an explicit endorsement of the overall thrust of the proposed strategy under the auspices of the Council of Ministers. Alongside, a platform for interaction and consultation between government agencies, private sector and civil society is to be established and massive publicity is given to the principles of, and approaches towards, administrative reform.
- c) An intensive **four months** period for developing sequential activities plans and for equipping the selected central agency with the mandate, responsibilities, staff and other resources for facilitating and guiding the reform process. In this period, this agency will also be provided with a cadre of key staff, and complementary facilities (building, budget, etc.).
- d) A **ten month** period in which activities take place at four levels:
 - 1) Government takes specific decisions on key issues, in response to position papers and proposals prepared by the central reform agency
 - 2) The initially selected agencies develop coherent reform strategies for their own roles and functions, and embark on the process after receiving the go-ahead from Government
 - 3) Options for decentralization and privatization of central government tasks are investigated and discussed, resulting in a range of choices ready for political and legal decision making
 - 4) A national platform involving State, civil society and private sector organizes extensive discussions and invites inputs from all interested parties.
 - 5) Performance Improvement Planning takes off at a wider scale.
- e) A **two month** review of the reform process so far, concerning direction , roles and responsibilities, the need for external and internal support and next steps to maintain or increase the political momentum and to expand the actual reform process.
- f) The **third year** would see a process in which the selected agencies complete their reorganization, legal conditions are developed, and the next generation of agencies embark on the reform process. The privatization process intensifies. Training and motivation of civil servants expands (including in use of modern IT facilities). Resizing scenarios for selected ministries, departments and executive agencies start to be executed. Key officials are trained in modern management and planning techniques. Arrangements ensuring accountability and transparency are established.
- g) The **fourth year** would bring further re-sizing, initial steps towards decentralization, out-contracting former governmental activities and massive training of middle level officials. Executive Agencies will be abolished, merged with ministries or put at greater distance. Internet technologies are widely introduced for transparency and efficiency reasons.
- h) The **fifth year** would see evaluation of the process up to that time, finalization of the decentralization and out-contracting, review and, if needed, revamping of the central reform agency and planning for the next period.

5.4 Create interest and demand for reform

Public administration reform in the context of Lebanon will run into many obstacles and, at times, major resistance. This makes it essential to ensure that the reform effort is broadly and genuinely supported. This support cannot be taken for granted and needs active mobilization. This concerns different parties, each requiring a distinct approach:

- a) **Civil servants:** the frustration about current conditions among civil servants can be turned into support for a well-targeted reform process. There is much expertise, creativity and loyalty among them and this can be used for developing new strategies, plans and organizations. To do so requires clear objectives, conditions and adequate support. The central reform agency should develop information and training materials, and conduct training and motivation work in each of the involved agencies. It needs to set the framework that will channel inputs from civil servants into constructive plans. At the same time, the Government needs to set parameters on how future reorganizations will affect civil servants and what will be done to cushion them. This can range

from job-guarantees and re-training support for specific categories to golden handshakes and assistance to find new employment.

- b) **Citizens:** the reform effort will only be politically and socially accepted to the extent that the general public will be convinced that this will enable Government to serve their needs better. To that end, it is essential to open effective communication channels with the general public and with specific categories. This can be done through a concerted media campaign, the organization of consultative meetings, and the opening of web-sites to inform and invite inputs. This can also be done by mobilizing specific elements in civil society and involving them directly in thinking about present achievements, standards, possible changes and alternatives.
- c) **Private sector:** a range of operational tasks now residing with Government will be handed over to commercial agencies. Private sector resources will need to be mobilized to supplement or substitute State resources. At the same time, the private sector will benefit from better and more transparent policy making, deregulation and de-bureaucratization. To arrive at arrangements that will match the strengths of both parties, it will be essential to involve the private sector in the reform process. This can be done by establishing a platform for public-private partnerships, systematizing consultation of the various categories of commercial agencies and by capitalizing on earlier positive experiences of public-private partnerships.
- d) **Donor agencies:** the pressure from international agencies towards reform can be turned to Lebanon's advantage. The lessons from earlier assistance for this purpose from World Bank, UNDP, European Union and others, should be learned in order to benefit from access to financial and technical support, while avoiding the risks of confusion, dependency and undue interference. The Government may charge the central reform agency with the task of mobilizing and channeling external support to the reform process and facilitate ongoing dialogue on selected issues.

5.5 The need to protect, anchor and support the reform process

The reform process will be confusing, difficult and, to a considerable extent, unpredictable. Without sufficient political stability and high level support it will go astray. Without a proper institutional foundation it will not even get off the ground. These risks can be reduced by the following measures:

- a) Establish cross-party support for the principles and overall strategy. This may be done by way of intensive debate, exposure to other approaches in surrounding countries, training, intensive use of mass media and mobilization of views and stirring debates in civil society;
- b) Ensure direct access to political power, preferably at Prime Minister and Cabinet level;
- c) Create incentives and tools for open discussion, genuine innovation, and permitted errors. This may be pursued by rewarding openness and experimentation, making available technical and financial support for experiments, allowing pilot projects and by establishing platforms for review and debate with multiple stakeholders;
- d) Ensure that the orchestration and facilitation of the reform process is solidly anchored in a competent organization that has a strong and specific mandate, political support and adequate resources (the various options for such an institutional base were discussed in the previous chapter). The point is not that any of those options may be perfect (because that is not the case), but to take a well considered choice and deliberately deal with the disadvantages of the chosen option.

5.6 Short term choices to be made

The experience in Lebanon once more illustrates that discussions on public administration reform do not necessarily lead to tangible results. The experience of OMSAR shows that detailed investigations, extensive debates and preparation of sound proposals provide no guarantee for subsequent implementation. Action and results will only come about to the extent that the new Government is ready to make and enforce major decisions.

It is unrealistic to expect that the new Government will come up with a blueprint for public administration reform or even have all key decisions taken in a few months. This would not only be impossible, but also unwise, as it would exclude other stakeholders from the process and compress the decision making process into too short a time frame. Nevertheless, it is essential that the new Government soon takes a number of clear and practical decisions to actually initiate the process and to enable others to mobilize support. These decisions should be made in the next three months and relate to the substance of reform and to the organization of the reform process.

5.6.1 Decisions on substance

a) Establish basic principles: the first and most profound decisions to be made concern the urgency and basic directions of reform. The Government should make a considered and carefully crafted statement that gives highest priority to reforming the public administration arrangements of Lebanon and that outlines the basic principles and direction of the intended reform. This statement should be widely communicated to the citizens of Lebanon.

b) Set time frame: when embarking upon the process, the overall time frame should be clear. This in order to underline the scope and significance of the exercise and to ensure that expectations on outcomes will be realistic. While the first years of the reform process will bring much change and possibly confusion, they will not show immediate results. Only a longer term perspective will justify this. At the same time decisions on a medium-term timeframe will make it possible to allocate substantial resources for the process and, where needed, attract these from outside sources.

c) Select and arrange the machinery: there needs to be a central agency that has the mandate, legal means, staff and financial resources for guiding and supporting the reform process. Currently there is no agency that meets these conditions. This paper has presented conceivable options and it is essential that a basic and unambiguous choice is made at the earliest and, immediately thereafter, the chosen agency or arrangement is fully equipped for its task.

d) Establish leverage to the process: the suggested reform efforts are likely to generate significant resistance and possibly sabotage. This can derail the process. Even passivity of key civil servants can block the process, minimally by withholding valuable expertise and élan. This can only be countered by consistent political pressure from the highest level.

e) Ensure regular decision making: once the basic decision to embark on the reform process has been made, there will be an increasing number of major and minor issues that will need to be decided in a timely and coherent way. The major issues will need cabinet level approval and it will be essential to ensure direct access to this level of decision making.

f) Consider early reform measures: while it is unavoidable that the reform process will take considerable time, it is important that some early measures will be taken that are eye-catching and attractive to the citizens of Lebanon and that confirm their confidence in the reform orientation of the Government. One can think of initiatives to expand the use of the Internet to establish easy access to governmental information, the establishment of an Ombudsman, the introduction of E-Government for a selected agency, or the adoption of a Citizens Charter. OMSAR and the ARLA project have already proposed a number of such early measures.

5.6.2 Decisions on process

The urgent high level decision making required to start and sustain the reform effort should also extend to the organization of the process itself. The following issues need clear decision in the short term:

a) Agree on platform with civil society: if it is accepted that the citizens of Lebanon will need to be informed about, and involved in, drawing up the strategies for public administration reform, this needs to be given practical shape, right from the start. The new Government will need to decide about the use of the media in this context, the establishment of various types of consultation with the general public and mechanisms that enable interested parties to make inputs. It will also need to establish a suitable interface with NGOs and other actors in Civil Society, that may become involved in appraising the effectiveness of current State arrangements and in developing alternative ones.

b) Agree on platform with the commercial sector: the positive involvement of this sector is equally important. Opportunities for sub-contracting and privatization will depend on the interest and capacity in each sector. At the same time it is crucial to take the perceptions and views of this sector into account, while searching for more effective ways to develop and apply policies. A regular interface will be urgently required to capitalize on the vibrancy of this sector and to generate support from this side.

c) Establish a platform for coordination of donor support to reform: it is likely that, besides the European Union, other international donor agencies will be interested to provide technical and/or financial support to the reform exercise. It is important to start mobilizing such support at the earliest, as this assistance has a long gestation time. It is also important to ensure coordination among the various support packages, in order to ensure optimal use and adequate monitoring.

d) Ensure total transparency : as noted, the reform process will be controversial, occasionally painful and always complicated. To make sure that the process continues nevertheless, and that it has broad-based support, it is necessary that it will be entirely transparent. This may be ensured by arranging for direct involvement of the mass media, by opening a web-site which gives access to *all* documents and data, by conducting special information campaigns and by frequent presentation of steps and results in open conferences and Newsletters.

e) Allocating key responsibilities: as the new Government takes on policy aspects and establishes the framework, it will be necessary to allocate specific roles and responsibilities to officials at different levels. If instructions are not issued from the highest level, it is likely that a number of officials will not make sufficient time available, or that confusion arises on who will be doing what.

f) Issue instructions and time-frame to OMSAR: as explained earlier, the entire process hinges upon the availability of an adequately equipped and mandate central reform agency. This may or may not be OMSAR in a probably changed configuration. While it may take some time for the Government to take policy decisions on this issue, the opportunity to use OMSAR in the meantime should not be lost. It is recommended that the new Government takes pragmatic decisions on the contribution that OMSAR and ARLA can make in the very short term.

g) Decide on short term donor support: while it will take time for the Government and other stakeholders to come to conclusions on the scope and nature of external assistance to the reform process, the Government may capitalize on the present availability of EU support through ARLA. The nature of that support is described in the next chapter. The point here is that these resources may be (re-)allocated in the short term in order to assist the Government in going through its decision making, strategizing and planning. Immediate action and pragmatic decision making by Government, EU, OMSAR and project staff can ensure optimal use of such resources in getting the reform process conceptualized and started.

6 The ARLA Program

The reform process will need financial and technical assistance to take place efficiently and affordably. For that purpose, donor resources may need to be mobilized. The most appropriate resource, in current conditions, might well be the program for Assistance to the Re-habilitation of the Lebanese Administration (ARLA) for which the European Commission has granted 38 million Euro. Through ARLA, the EU supports OMSAR's mission to help turn the Lebanese administration into a dynamic, efficient, transparent and client-oriented administration in partnership with the private sector and civil society. While these resources will not be sufficient, the ARLA program could provide support at relatively short notice. For that reason, the program is briefly described below.

Specific objectives of the ARLA program, according to the ToR, are:

- *“Reorganizing the management functions of the various institutions concerned, through the design and implementation of appropriate management systems and training of existing staff;*
- *Improving the regulatory and procedural framework for public administration through the review of documents and the simplification and streamlining of procedures, especially those related to the delivery of services to the population;*
- *Developing the capacity of targeted institutions to identify, evaluate, design, implement and monitor projects*
- *Improving the planning, regulatory, supervisory and monitoring functions of these institutions, especially with respect to public utilities and services networks*
- *Developing the capacity to better appraise sector issues and requirements and subsequently to formulate, program, implement and monitor appropriate, feasible and cost-effective sector policies, in line with the Government's overall recovery strategy;*
- *Fostering the decentralization process through specific management support to targeted areas of local government in order to facilitate their re-vitalization”*

The Program Monitoring Consultancy (PMC), which involves the first activity of the program, assists OMSAR in the identification, design, programming, tendering, monitoring and evaluation of administrative modernization activities with selected organizations and provides direct assistance to central government agencies. This builds upon the earlier work and available strength of OMSAR, which has explored reform and rehabilitation issues of the Lebanon's public administration since 1995.

In accordance with the Financing Agreement signed between the European Commission and the equipment, studies and services, training and operational expenses. The Financing Agreement also lays down that assistance is to be provided to four categories of institutions:

- OMSAR and core administrative agencies
- Central administrative institutions
- Public utilities and service networks
- Local administrations

So far the ARLA programme has produced a number of studies, conducted some training and has set in motion a considerable number of support packages for central agencies and line ministries. This Strategy Paper is one of the products of the cooperation between OMSAR and PMC consultants, in ARLA's first year.

Our recommendation to the Government and to the European Commission is to consider the technical and financial requirements for the initiation, organization and execution of an ambitious reform strategy. Depending on subsequent decision making by the Government and the European Commission, the mandate, program and institutional affiliation of ARLA may be modified to better fit in a new encompassing strategy for public administration reform. If this would indeed be the case, it will be essential to establish (more) flexible procedures with both the EC and the Government, in order to ensure that available resources will be used at the right time, at the right level and in the right format.

In addition to this, the Government may consider other sources of financial and technical assistance to (aspects of) public administration reform, safeguarding the coherence and coordination of the various packages.

7 Conclusion

This paper advocates the extreme urgency of profound and far reaching administrative reform in Lebanon. It also argues that earlier efforts, however well intended, have failed to deliver, due to a combination of political, institutional and practical factors. Time is running out in Lebanon. In terms of re-establishing the legitimacy of the State, reviving the economy and averting social crisis, it is, truly, 'five to twelve'.

The new Government is faced with dramatic problems and challenges, in the national and international context. It is, however, also faced with a unique opportunity to mobilize commitment, creativity and leverage for designing and embarking upon comprehensive reform. Our investigations in many agencies and ministries have shown a wide-spread awareness of requirements and real interest to make a forceful start with this process.

If indeed the Government, together with senior civil servants, politicians and representatives of civil society and the private sector, can convert this interest into strategic steps towards reform, the present opportunity should be grasped. This requires boldness and imagination, expertise and resources. But most of all this requires political will and the courage to embark on a complex and difficult journey.

Now is the time and if this moment is lost, Lebanon will lose much more.