

Fourth Pillar: Transparency and Efficiency of Government Institutions

Overview of Current Situation

The State's administrative system is facing a wide range of challenges that have accumulated over many decades. One of the key challenges is the complexity of the organizational structure of the State due to the number of ministries, agencies, and different administrative bodies and the overlapping and conflicting jurisdictions among them. As well, there has been inflation of employment in the public sector and an increase in its total costs, which reached 26% of the total public expenditure of 2014-2015 budget, not including the salaries bill of the economic agencies. One of the main challenges that affects the efficiency of these institutions, in the light of the low productivity of the government employee and the spread of masked unemployment, is that the number of current public employees is estimated at nearly 6.4 million, with an average of one employee per 13.2 citizens, which is considered a low ratio compared to global rates. Besides, the public sector is suffering from the absence of transparency and accountability and the discrepancies of salaries between and inside the different entities, which led to the spread of corruption, favoritism, and power abuse. In addition, the large amount of conflicting legislation has led to the spread of fraud, and predominance of bureaucracy due to centralization inside the government's organs.

All these factors have contributed to a clear setback in the efficiency of the public sector's institutions and the bad status of public services that resulted in citizen dissatisfaction and the increase of the trust crisis between the citizen and the government. As a result of these repercussions, Egypt ranked low in some of the global indicators measuring the efficiency of the State's administrative organs. Despite the relative improvement of Egypt's ranking in the World Competitiveness Indicator, from 119 of 144 countries in 2014-2015 to 116 of 140 countries in 2015-2016 and also the improvement of Egypt's ranking that measures the efficiency of state institutions, from 100 of 144 countries to 87 of 140 countries during the same period; however, the road is still open for more improvements on this important indicator that significantly affects the competitiveness of the Egyptian economy and the flow of local, regional, and international investment that is necessary for the economic boost and jobs creation.

On this framework and for 2 years, the Egyptian government has adapted a comprehensive plan for a reform program of the administrative system, including institutional development, and the development of government services, as well as the development of a planning and resource management system in government institutions, and the creation of a national database. The Civil Service Law, issued in March 2015, comes on the top of these efforts, which is considered an important step towards the reform of the State's public sector apparatus, and aims at an increase of the efficiency of the service delivery process and the enhancement of transparency and accountability. Moreover, the law establishes a new system for recruitment, promotion, and appointment of senior positions in order to achieve justice and equality of opportunity, ending favoritism, in addition to the reform of the salaries structure in order to decrease the

discrepancies between the incomes of public employees, which helps end corruption, and contributes to the achievement of the targeted development. In addition, parallel to the law's application, a modernization and reform of the internal organizational bylaws is taking place as well as the application of the public sector employees' code of professional conduct, and the achievement of improving transparency and integrity.

The internal restructuring process leads to the increase of performance, efficiency, and builds more administrative and organizational structures and the restructuring of the human resources system, and developing a comprehensive program for the rehabilitation of public employees, and linking evaluation to the target goals of every job.

In spite of these efforts, it remains incomplete and unsatisfactory for the aspirations of Egyptian society towards achieving inclusive, sustainable development. Therefore, the Egyptian government, through this strategy, is pursuing the completion of these efforts in order to achieve a holistic improvement of the public administrative sector including its legislation, human capital, and information systems, in addition to changing the work culture, and to achieve better quality standards and the usage of modern techniques in service delivery, which improves efficiency and stops corruption and the promotion of transparency in order to achieve satisfaction for citizens and public employees at the same time.

Hereafter is the introduction of the vision and strategic objectives for transparency and efficient government institutions and the Key Performance Indicators (KPIs), the important challenges facing it, and the important programs to overcome them.

Strategic Vision for Transparency and Efficient Government Institutions to 2030

An efficient and effective public administration sector managing State resources with transparency, fairness, and flexibility. Subject to accountability, maximizing citizen satisfaction, and responding to their needs.

This vision is elaborated under three main aspects that include improvement of the administrative sector's performance with the objective of increasing the efficiency of the State's financial, material, and human resources, and offering the necessary public services needed daily by citizens for their livelihood needs in an efficient manner in order to end their suffering and improve the services needed by the public enterprise in order to bring more investments, and finally, achieving the interaction between the government and society and its institutions through a comprehensive governance system. Besides, these pillars have been transformed into strategic objectives that have been determined carefully and transformed into a set of performance indicators and programs that can achieve these goals, in addition to the current efforts that are included in the government program for the upcoming 2 years.

Strategic Objectives for Transparency and Efficient Government Institutions to 2030

The strategic objectives are to increase the State's administration efficiency, enhance the quality of governmental services provided to citizens and investors, fight corruption in the administrative sector, and increase the degree of transparency in the government.

These strategic objectives include three different dimensions, the internal dimension related to the components of the administrative body, the external dimension of the services provided to citizens, and the dimension related to the relationship between the State, represented in its different institutions on the one hand, and the citizen on the other hand. The strategic objectives include the following:

Objective	Definition
Establish an administrative body that is efficient, effective, and in alignment with local and global changes.	Build an administrative system based on good governance and management of the State's resources by updating the organizational framework, including legislation, human resources, and information database in addition to changing and developing the work culture within the administrative body
Provide high-quality services that apply modern techniques	Achieve better quality standards and expand the use of modern methods in services delivery
Transparent system that interacts with citizens, responds to their demands, and is subject to social accountability	Depend on transparency in policy-making as well as facilitating the availability and access to information to increase citizens' confidence in the administrative sector and fight corruption

With a focus on the internal dimension, **the first objective** is to develop and strengthen the internal components of the State's administrative body, which could be divided into four categories as follows:

- The first category includes the **legislative framework**, which includes laws, regulations, and decisions that control the State's administrative body.
- The second category is related to **information systems**, including modern technology, that facilitates collection and exchange of information within and outside the State's administrative body.
- The third category pertains to the development of **human resources** through building capacities, raising efficiency, and encouraging innovation and sense of organizational belonging.

- The fourth category deals with **the work culture within the State's administrative body**, which must include values such as responsibility and work discipline, as well as the spreading of the culture of cooperation and teamwork among the State's administrative body employees.

The second objective focuses on the services provided to citizens, their availability, quality, and cost. This objective aims to enable citizens to satisfy their needs through a modernized service delivery system, within an acceptable timeframe and in a manner that suits the citizen's income.

The third objective deals with the governance of the administrative body to ensure the promotion of community participation and the consolidation of the principles of transparency, with the development of anti-corruption programs, in order to increase the confidence of the citizen on the one hand and ensure the sustainability of reform efforts on the other hand.

Key Performance Indicators for Transparency and Efficient Government Institutions to 2030

A group of performance measurement indicators were selected in order to follow up achievements on the ground in order to achieve transparency and efficiency of government institutions. The current situation of such indicators has been specified in addition to the targeted values for the years 2020 and 2030. The following are the indicators and the targeted values:

Quantitative Indicators

S.N	Indicator Category	Indicator	Definition	Current Status(1)	2020 Target	2030 Target
1	Strategic results	Government efficiency (score) (0 worst-100 best)	This indicator monitors the quality of public services and the civil service as well as the quality of policy formulation and implementation, and the credibility of the government	20(1)	50	70
2		Open government (score) (0 worst-100 best)	A composite indicator that monitors dissemination of laws, access, stability, and petition submission to the government, and official information provision upon request	0.44 ⁽²⁾	0.5	0.6

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S.N	Indicator Category	Indicator	Definition	Current Status(1)	2020 Target	2030 Target
3		Regulatory enforcement (score) (0 worst-100 best)	A composite indicator that records government enforcement of regulations, punctual implementation, and respect of administrative procedures, and non-expropriation of properties without proper compensation	0.42 ⁽²⁾	0.5	0.6
4		Anti-corruption (score) (0 worst-100 best)	This index monitors the minor and major forms of corruption	35 ⁽¹⁾	50	70
5		Transparency in policy-making (score) (0 worst-100 best)	This index monitors the ease of access to information concerning changes in government policies and regulations that affect the activities of corporates	3.9 ⁽³⁾	4	4.2
6		The number of citizens per government employee (score) (0 worst-100 best)	This indicator measures the efficiency of the State's administrative body in terms of population and employee ratio	13.2 ⁽⁴⁾	26	40
7	Outputs	Ease of doing business (score) (0 worst-100 best)	Composite index that monitors procedures for establishing companies and starting businesses, dealing with construction permits, getting electricity, registering property, getting loans, investor protection, paying taxes, cross-borders trade, enforcing contracts, and resolving insolvency	59.5 ⁽¹⁾	70	80

S.N	Indicator Category	Indicator	Definition	Current Status(1)	2020 Target	2030 Target
8		Favoritism in government decision making process (score) (0 worst-100 best)	This index monitors the extent of favoritism in decisions taken by government officials towards companies and individuals	3.7 ⁽³⁾	3.9	4.2
9		Irregular payments and bribes	This index monitors the prevalence of undocumented payments and bribes concerning both imports and exports, public utility services, annual tax payments, writing contracts and licenses, and issuing biased judicial decisions	(4) ⁽³⁾	4.3	4.8
10	Inputs	Share of funds allocated to training as a percentage of wage bill	This index measures the efficiency of the State's administrative body in terms of the improvement and capacity building of its employees	0.04 ⁽⁴⁾	0.5	1

⁽¹⁾ World Bank, Doing Business, 2014

⁽²⁾ Global justice project, .2014

⁽³⁾ World Economic Forum, Global Competitiveness Report, 2014

⁽⁴⁾ Ministry of Planning, Monitoring and Administrative Reform, 2015

Suggested New Indicators

S.N.	Indicator Category	Indicator	Reason	Measurement Mechanism
1		The level of citizens' satisfaction with government services	This indicator measures the citizens' satisfaction with government services	By conducting polls by non-governmental agencies
2	Outputs	Percentage of government services provided electronically from total government services	This index measures the efficiency of the State's administrative body in terms of the number of public employees and time needed for completion of Interactive Services	Surveying government services provided electronically and updating them regularly
3		Percentage of electronic transactions from total transactions	This index measures the efficiency of the administrative system in terms of quick pace of completion of transactions among and between the different State entities	Surveying the government transactions provided electronically and modernizing them regularly

Challenges of Transparency and Efficiency of Government Institutions

For transparency and efficiency of institutions, the challenges are divided into three groups:

The first set of challenges is characterized by high effectiveness and relative ease to control, and therefore is considered as a **first priority**. These include:

- **Complexity of the State's administrative body:** The administrative body of the State is suffering from obvious conflicts of jurisdictions and responsibilities as a result of the large number of ministries, government departments, and agencies, which has led to a lack of clear separation of roles and responsibilities and of coordination mechanisms.
- **Insufficient allocations of financial resources for staff training:** This negatively affects the low productivity of personnel and causes a decline in the quality of services provided to citizens.
- **Weakness of accountability systems and their association with achievement of results and objectives:** Workers are held accountable in front of the State administration based on their application of the procedural processes and not on results and achievement of the objectives, which in turn entrenches bureaucracy.
- **Absence of an effective system for human resources management:** Personnel Affairs Departments of all government agencies are weak and lack efficiency, which affects the efficiency of workers and causes brain drain out of the State administration. The recruitment system is not suitable for attracting skilled personnel.
- **Lack of interest in the development of planning and follow-up systems:** Planning Departments within the government institutions suffer from weakness and decline in efficiency as a result of the weakness of systems and methods of planning and follow-up, as well as the misconception about linking the concept of planning to communist regimes, and its irrelevance to market economies.
- **Traditional methods of budget preparation and the lack of flexibility in the transfer between chapters and financial items:** The current budget preparation system monitors the inputs of human and financial resources and energy and infrastructure systems but doesn't measure the impact of investing those inputs in achieving the State's objectives.
- **Poor information and technological infrastructure:** Lack of proper infrastructure of computers and communication networks and modern programs that enable decision makers to make sound decisions in a timely manner.
- **The absence of a Freedom of Information Act:** Failure to provide and exchange information leads to the lack of transparency and citizens' lack of confidence, which negatively affects the integrity and credibility of the government agencies.

- **Lack of a standard framework for measuring the degree of public satisfaction:** The weakness of the State administration's capacity to assess the effectiveness and efficiency of various services offered by the government to measure the degree of public satisfaction with these services.

The **second set of challenges** is characterized by being relatively low in impact or ability to control:

- **Lack of discipline and lack of respect for the work culture and resistance to change:** The absence of an effective system of monitoring and accountability has led to a lack of discipline and lack of employees' respect for work ethics, which negatively impacts the provision of public services. Attempts to introduce change within the administrative body are faced with great resistance by undisciplined workers.
- **Overstaffing (particularly auxiliary labor):** The successive governments have been appointing workers in the governmental sector over decades in order to reduce unemployment without a real need, which led to overstaffing of the State's administrative body and an increase in the cost of salaries.
- **Numerous, overlapping, and conflicting legislations:** This has resulted from the large number of regulations and decisions, their obsolescence, and widespread fraud and circumvention of laws, as well as reinforcing bureaucracy.
- **Financial and administrative corruption:** All the above factors, from the weak monitoring and accountability mechanism, to the overstaffing of the administrative body and lack of discipline led to widespread corruption practices and squandering of public money in violation of the law. In addition, the act of corruption is being widely justified among workers and labeled differently to ward off suspicion.
- **The absence of automated connections among all computational units:** This challenge is detrimental to knowing the full and exact financial status of the State and hinders proper decisions-making.
- **Poor communication between citizens and policy makers:** Poor communication between the government and the people leads to high levels of distrust, which negatively affects the integrity and credibility of the government.
- **Centralized decision-making:** Decision-making power is concentrated in senior management within the State administration, hence there is no delegation of power, which leads to slow and inappropriate decision-making.
- **Widespread favoritism:** Egypt suffers a widespread culture of favoritism in recruitment, promotions, and service delivery creating a lack of trust among the workers themselves on one hand and between them and society on the other.

As for the **third set of challenges**, it includes challenges of lesser priority, nevertheless all mentioned challenges are important and must be addressed

- **The poor state of government buildings:** Mismanagement of public utilities and State-owned assets, in addition to the weak revenue of these assets, leads to the waste of public money and poor public services, resulting in high levels of dissatisfaction among the citizens.

Transparency and Efficient Government Institutions Programs to 2030

In the framework of the vision and strategic objectives for transparency and efficient government institutions as well as the performance indicators that have been set to measure the level of improvement in what is being achieved on every stage. In addition to the government actions in the period 2016-2018 in terms of policies, programs, and projects related to transparency and efficient government institutions. Hereafter we introduce the most important programs that have been selected, and are expected to contribute, on a large scale, in the achievement of the vision, objectives, and indicators:

Improving the public management system:

- **Program Description:** This program aims to bring about structural and organizational changes needed to raise the State administration's efficiency in the management of its affairs so as to achieve the strategic vision of the State and the requirements of development .It is expected to begin implementation in 2016 and finish by 2018. This is a program of low cost.
- **Key Elements:**
 - Setting a new vision for the form and functions of the State administration, including ministries and dependent and independent agencies, so as to ensure the separation of the State's role as a service producer and provider on the one hand and its role as a regulator and controller on the other hand.
 - Identify the roles and responsibilities of each public entity and make sure to avoid overlapping responsibilities in order to ensure effectiveness and accountability.
 - Setting a timeframe for the new system, taking into account the social and economic implications of this shift.

Improving the planning and monitoring system:

- **Program Description:** This program aims to bring about the necessary changes in the planning and follow-up system to raise the efficiency of the executive rule of the State. It is expected to begin implementation in 2016 and to be completed by 2025 .This is a program of medium cost.

- **Key Elements:**

- Developing frameworks and mechanisms to develop and modernize approaches of sectorial planning, as well as monitoring and evaluation methods.
- Change the approach towards national budget preparation to be a programs- and projects-based budget, and to connect the system's input with its outputs.
- Rehabilitate and empower the planning and follow-up units of each ministry and at the local level, and link them to the States' general strategy and key performance indicators.
- Introduce and entrench the concept of results-oriented management among the State's employees so that results are evaluated periodically and linked to salaries, wages, and incentives.
- Apply electronic control systems in order to improve the efficiency of the performance monitoring system.

Developing the communication mechanisms between the government and citizens:

- **Program Description:** This program aims to consolidate the right of access to information and its exchange, in addition to developing means of communication and social accountability that contribute to the increase of transparency and citizen confidence in the policy making and service delivery process. It is expected to begin implementation in 2016 and finish by 2020. This is a program of low cost.

- **Key Elements:**

- Plan for spreading the culture of information sharing and exchange that includes determining data type, the information to be published, and means of publishing.
- The development of communication and media strategy at the level of ministries, authorities, and governments.
- Unification and dissemination of citizens' relationship management systems in order to receive complaints and proposals.
- Establishment and development of communal participation of all segments of society in the processes of policy formulation and decision-making, in addition to the presence of social evaluation of the government's performance.
- Appointment of an independent General Commissioner who investigates citizen complaints against governmental agencies.
- Issuance of a Freedom of Information Act.

Improving human resources management system:

- **Program Description:** This program aims to improve the means of management of manpower through conversion of personnel affairs and personnel departments into departments of human resources that are supposed to attract talented people and train them, evaluate their performance, and work to retain the most competent of them .It is expected to begin implementation in 2016 and finish by 2020. This is a program of low cost.

- **Key Elements:**

- Conversion of personnel affairs and personnel departments of government institutions into human resources departments that apply modern concepts, attract and retain skillful and competent personnel, in addition to managing and monitoring performance.
- The improvement of the Central Agency for Organization and Management to play its role in formulating of incentivizing policies for State employees, and to set standards for their selection, evaluation, and training.
- Updating job descriptions for all government functions in order to develop them and eliminate unnecessary ones, and facilitate the selection, evaluation, and training process.
- The development of a matrix of authorities to limit the conflict of competences among government agencies.
- Preparing a guide for the flow of administrative processes and procedures in order to ensure flexibility and efficiency of all government agencies.

Updating the legislative structure:

- **Program Description:** This program aims to develop and update the legislative structure of the State's administrative body in order to cope with economic, social, and political changes Egypt experiences .It is expected to begin implementation in 2016 and finish by 2020. This is a program of low cost.

- **Key Elements:**

- Compiling an inventory of all laws, decrees, and regulations enacted in all ministries and agencies.
- Preparing alternative proposals for these laws, decrees, and regulations so as to prevent conflicts and motivate growth.

- Taking necessary actions for the introduction of proposals to the competent authorities for discussion, amendment, approval, and implementation.

Improving the basic infrastructure of public administration:

- **Program Description:** This program aims to create the appropriate environment where workers can do their jobs in an optimal manner so as to ensure the quality of services provided to citizens and to provide support for the decision-making process, through the improvement of the infrastructure of buildings, tools, and equipment. It is expected to begin implementation in 2016 and finish by 2018. This is a program of high cost.
- **Key Elements:**
 - Determine the current status of the buildings and their need for renovation, maintenance, and prioritization based on:
 - The extent of their influence in the decision support system.
 - Its impact on the information infrastructure of the State.
 - The extent of its interactivity with the public.
 - Develop an annual plan for the implementation of various reforms based on the priorities.

Updating the information database of public administration:

- **Program Description:** This program aims to update the information systems in order to facilitate the collection, storing, and use of data in policy-making, planning, and follow up .It is expected to begin implementation in 2016 and finish by 2020. This is a program of medium cost.
- **Key Elements:**
 - Complete the establishment and modernization of the government institutions and agencies databases and connect them so as to help the exchange of information among government agencies in a rapid and efficient manner.
 - Connect all the accounting units via the Government Financial Management Information System (GFMIS) and activate all the State budget items.
 - Raise the efficiency of different resource management systems in all government agencies such as public accounts, inventories, and procurement.
 - Use available data to generate periodic reports for the different agencies to support decision-making (**Big** Data Analytics).

Developing the human resources of public administration:

- **Program Description:** This program aims to raise the efficiency of human resources through the development of a specific vision and plan for general and individual training, in addition to working on a new generation of knowledgeable administrative leadership . It is expected to begin implementation in 2016 and finish by 2022 . This is a program of medium cost.
- **Key Elements:**
 - Increase administrative training budget as a percentage of total wages.
 - Develop an annual plan for staff training in accordance with their functional needs.
 - Improvement and modernization of the training programs and the introduction of new mechanisms for training, e.g., online education.
 - Creating a new generation of administrative leadership that is aware of the concepts of modern management.

Improving government services provided to citizens:

- **Program Description:** This program aims to develop and improve the quality of government services provided by State institutions to citizens. It is expected to begin implementation in 2016 and finish by 2020. This is a medium cost program.
- **Key Elements:**
 - Create an automated services unit to be responsible for the automation of services provided to citizens, and to put a plan for the automation of all government services in accordance with the development priorities pack.
 - Activating the electronic payment system and electronic signature to simplify procedures for citizens and reduce informal payments.

Combating corruption in agencies:

- **Program Description:** This program aims to make the necessary efforts to curb corruption in the various State agencies. It is expected to begin implementation in 2016 and finish by 2022 .This is a medium cost program.
- **Key Elements:**
 - Automation of all financial disclosure statements and subjecting them to electronic analysis to limit corruption.
 - Issuing a law for protecting witnesses, informants, victims, and experts.

- The issuance of a new law on government procurement and tendering.
- Activation of the principle of accountability as well as the strict implementation of penalties.
- Activation of the role of oversight agencies and providing them with the needed financial and technical support in addition to ensuring their independence.
- Activation of rules of professional conduct for public employees.
- Spread public awareness of the risk of corruption and the promotion of public participation in fighting it.

