

Legal and regulatory frameworks and mechanisms for  
service delivery: examples from Latin America

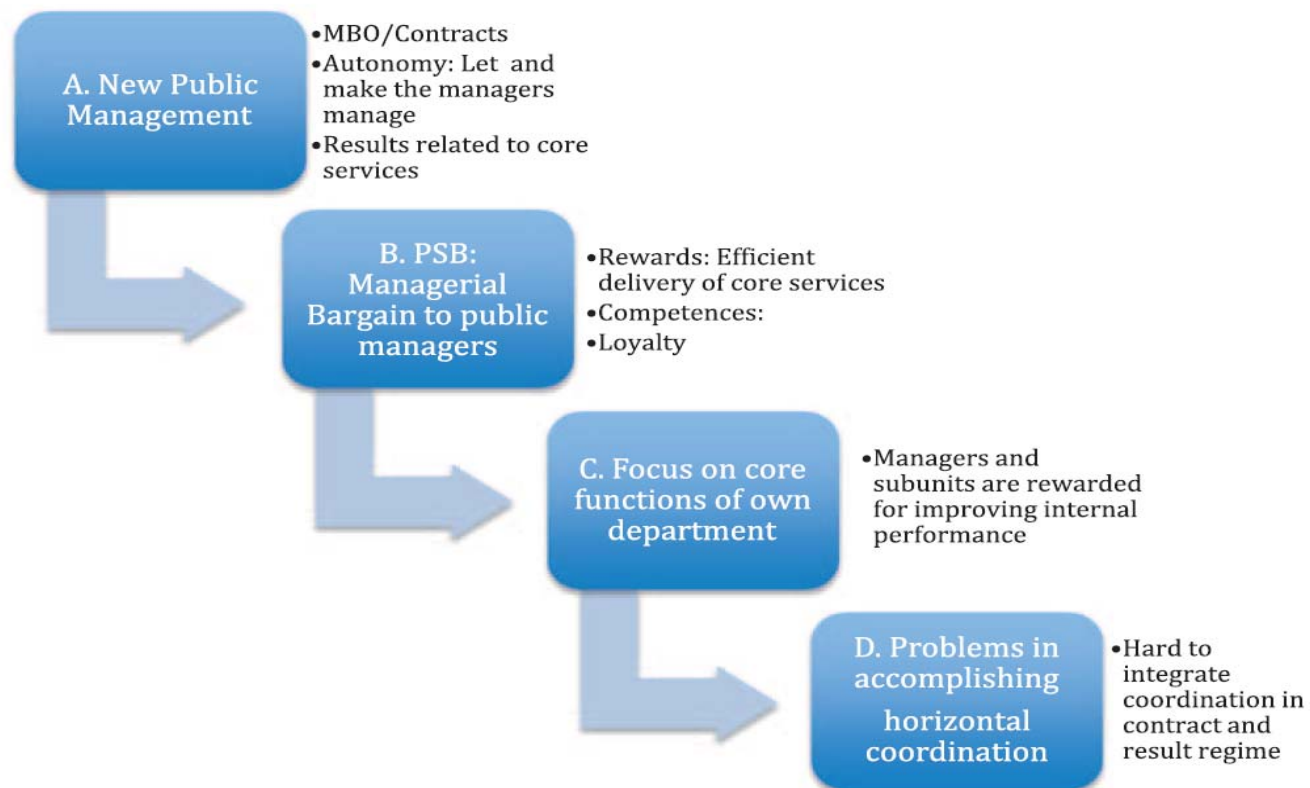
# The characteristics of public agencies organization set by NPM

(Christensen and Lagreid, 2007)

- NPM reform of agencies' functions:
  - Pillarization: Focused on performance management and single-purpose organizations
  - Devolution: assign the implementation of policies to regulatory agencies
  - Split between policy and operations
  - Single purpose organizations to avoid overlapping of functions
  - Vertical coordination is key for performance management
  - Accountability: specific regulatory agencies respond for policy implementation
  - Facilitate the allocation of budget resources: one policy one budget one responsible
- NPM strengthen the specialization among agencies which in turn exacerbated the agencies' "silo" behavior: lack of communication, understanding and coordination with other agencies

# NPM limits coordination

(Hansen, Steen, De Jong, 2013)



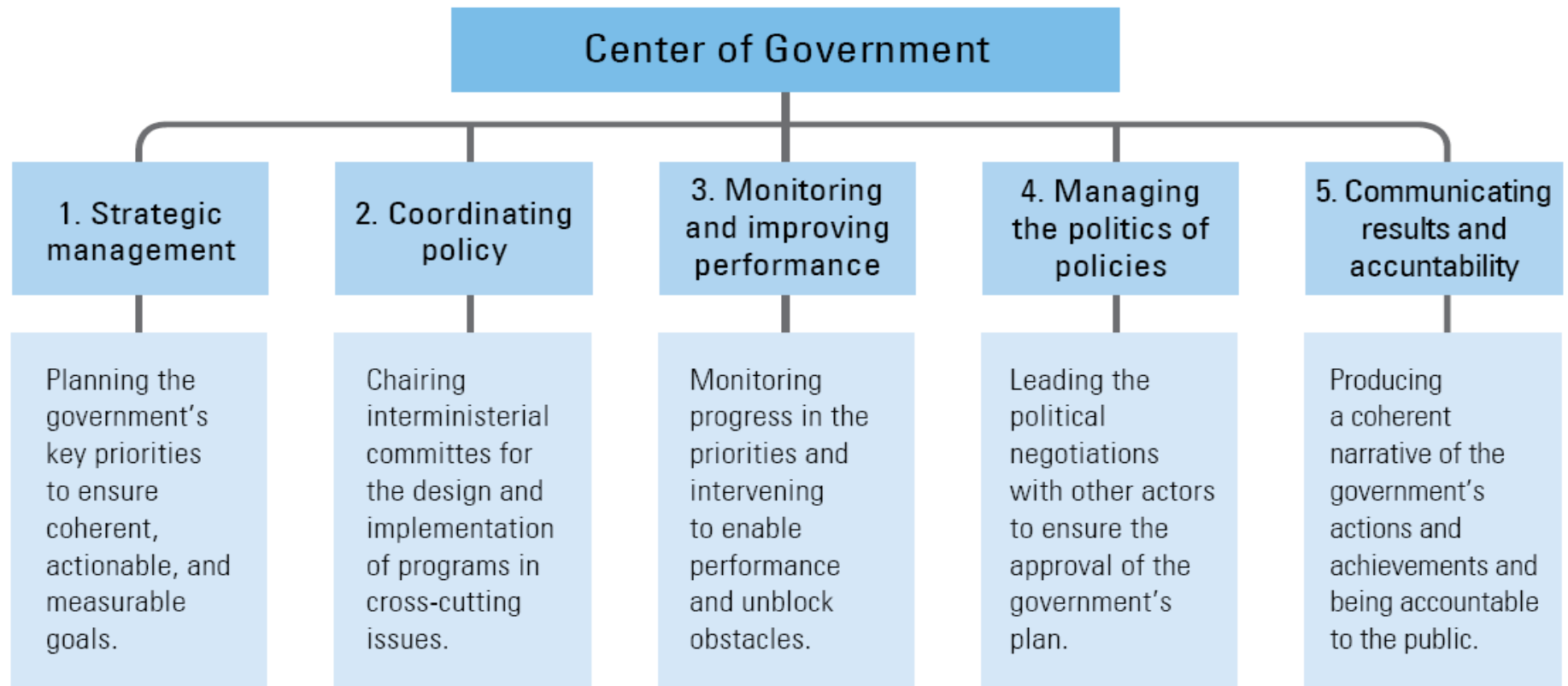
# The new challenges for public agencies organization

(Pollit, 2003)

- “Whole-of-Government,” (WG) approach was launched to address weaknesses in service delivery caused by “departmentalism,” “tunnel visión”, and “vertical silos.”
- WG respond to:
  - Multi-sectoral policies: executed by multiple agencies
  - Multi-sectoral interventions: services requiring multiple inputs and outputs
  - Need of horizontal and vertical coordination
  - Instrumental perspective: get government organizations to work better together
  - Eliminate situations where different policies undermine each other
  - Make better use of resources
  - Create synergies bringing together stakeholders involved in a particular policy area
  - Work across portfolio boundaries
  - Offer citizens seamless rather than fragmented access to services
- WG features:
  - Aggressive top-down style in implementing WG initiatives
  - Strengthening the center of government: strategic units, strategic reviews, strategic public sector agreements (UK Social exclusion Unit, Strategic communication Unit. US Department of Homeland Security)
  - Hierarchical strengthening: making central political capacity stronger and subordinate agencies less autonomous
    - Stronger Prime Minister Office (UK, Australia, New Zealand);
    - Tight financial management and strengthening governance and accountability regimes (Canada)
    - Cabinets committees, interministerial or interagency collaborative units, task forces, cross-sectoral programs or projects (Australia and New Zealand)
  - Cutting across traditional borders: policies for innovation, poverty and climate change
  - More coordination across traditional borders: security, demographics, education, sustainable development, regional development
  - Working pragmatically rather than about formalized collaboration
  - Coordination from below (one-stop shops for service delivery) (Peru’s Property Titling agency)
  - Use of special methodologies to improve delivery

# What functions does the Center of Government perform to deliver results?

Alessandro, Lafuente, Santiso



**Focusing exclusively on the top Government priorities**

# Why does the Center of Government Matter?

(Interamerican Development Bank)

Emerging Issue	Role of the center of government
<b>HORIZONTAL PROBLEMS, VERTICAL SOLUTIONS.</b> Priorities are multidimensional and cross-cutting and cannot be addressed by vertical silos	Coordinating and brokering solutions. Convening power to bring ministries and agencies together to make decisions on policy design and implementation
<b>CRISES AND URGENT MATTERS DIVERT ATTENTION.</b> A 24/7 news cycle and can divert the government's attention to priority activities	Keeping a systematic focus on strategic priorities; aligning the government's message
<b>INCREASING CITIZEN DEMANDS.</b> Citizens increasingly demand better public services and results from government and hold the Chief Executive responsible	Defining and communicating few priority goals; ensuring budgetary alignment; monitoring progress continuously; unblocking obstacles that affect performance (e.g. public investment)

## Center of Government key roles

(Interamerican Development Bank)

1. BE SELECTIVE. Top priorities of the Prime Minister. Should not replace the role of the line ministries
2. POLITICAL EMPOWERMENT. Prime Minister, Minister of Finance or a combination
3. OPPORTUNITY. At the beginning of the mandate
4. SUBSIDIARY ROLE. Adding value to the sectors without competing for the spotlight
5. UNDERSTAND THE DELIVERY CHAIN. From policies through programs to sector protocols to administrative systems, identifying challenges among back and front offices
6. FIX DELIVERY CHAINS AND INTEGRATE FUNCTIONS. Planning -> budgeting -> production of services -> monitoring -> intervening
7. ROUTINES: Setting targets, routines and discipline
8. USE PERFORMANCE INFO: The monitoring information should actually be used to improve performance; focus the monitoring meetings in problem-solving
9. CREDIBILITY: Mitigate the tension between communicating results and propaganda: citizens have to be aware of the results achieved, but also *believe* them

## Delivery Units (DU): A definition

(Shostak)

- A discrete unit with a mandate to use the authority of the chief executive to:
  - Focus on improving results as measured by citizen outcomes in a limited number of priority areas (drive the top priorities of government)
  - Unblock obstacles when monitoring shows that progress is off-track (provide support to Ministries to overcome key delivery challenges)
  - Accelerate completion of administrative steps required to deliver using methodologies aimed to assess and improve delivery chains
  - Build understanding and capability in Ministries (to strengthen the actors and systems/processes).



# DU: Functions

Harris and Rutter (2014), Alessandro et al. (2014: 7) and James and Ben Gera (2004)

## **Common functions:**

- Tracking (not monitoring and evaluation)
- Problem solving to ensure progress against goals (new protocols, routines)
- Methodologies to assess delivery chains
- Brokering coordination and managing the politics of delivery
- Capacity building

## **Particular functions:**

- Performance Policy: UK, Philippines, Nigeria
- Long-term policy development and strategic management: Sierra Leone, Rwanda, Tanzania, Malaysia, Pakistan, Ontario
- Short-term policy advice and support: Australia, Maryland, Kenya
- Gathering input and communicating results to increase accountability: Maryland, Rwanda, Malaysia, Indonesia, Netherlands
- Major project management: Indonesia

# DU leadership

(Shostak)

- Access to, and confidence of, the Prime Minister
- Understand the context
- Respected and prepared to challenge the work of Line Ministries
- Able to broker solutions with Line Ministries
- Committed to strong routines that drive results
- Able to work with Line Ministries in finding ways to unblock barriers
- Credible on delivery issues
- Analytically strong
- Focused on results

## Operationalizing a Delivery Unit



# DU Expertise

(Shostak)

Analysis and use of Evidence	<ul style="list-style-type: none"><li>• Diagnosing problems and making decision based on sound evidence and analysis</li></ul>
Achieving Results	<ul style="list-style-type: none"><li>• Ability to challenge practices and procedures constraining performance and efficiency</li></ul>
Delivering Together	<ul style="list-style-type: none"><li>• Build effective and trusting relationships that promote collaborative working and achieve results</li></ul>
Systems Thinking	<ul style="list-style-type: none"><li>• Ability to map and understand the relationships within a delivery system</li></ul>
Open Communication	<ul style="list-style-type: none"><li>• Strong, persuasive and focused oral and written communication skills with the ability to quickly construct arguments with brevity</li></ul>
Delivery	<ul style="list-style-type: none"><li>• Good understanding of what works in delivery and the ability to effectively engage with stakeholders in making change</li></ul>

## DU: What make them works

(Shostak)

- Reliable data
- Dedicated Leadership
- The right skills in the Unit
- Understanding what works and the ability to work with those that matter
- Routines that work:
  - Reporting
  - Delivery system mapping
  - Deep Dives
  - Stat reviews
- The ability to set boundaries around the Unit's priorities
- Connect the work to decision making
- Making policy practice

## Pernambuco 2007-2015 (Brazil)

- 12 Pillars in Strategy Map, each of them includes strategic objectives (349 total).
- Regional seminars to incorporate citizens' views (every 4 years)
- CoG leads the process. Governor validates the strategy in consultation with ministers. Performance agreements.
- Each priority objective is linked to a budget code
- 2 Weekly meetings Chaired by Governor 12 Objectives covered in 6 wks weeks
- All the agencies that contribute to the Objective attend the meeting, present and discuss the results.
- Focus on implementation
- Previous agreements, results and decisions adopted are projected on the screens.
- Problem-solving approach, avoiding a defensive mindset among participants.
- Similar to Stat-meetings in the US (City-Stat, State-Stat, HUD-Stat, etc)

# Colombia 2015

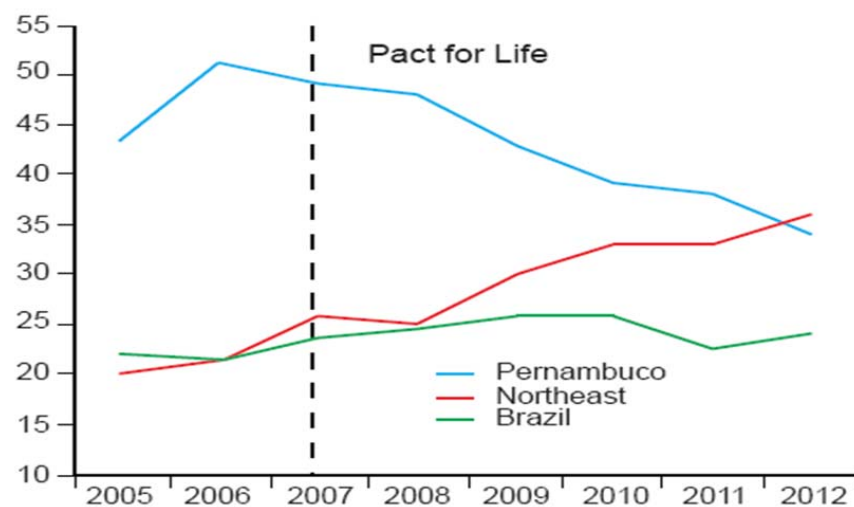
(Interamerican Development Bank)

- 21 Mega-Goals (1 per sector) agreed between the President and each line minister. Each sector in charge of preparing delivery strategy
- 3 Top Presidential Priorities: cell phone theft, maternal mortality, poverty. Execution Unit within the Presidency leads preparation of delivery strategies with all stakeholders (including private sector)
- 3 Regional Plans: Special focus on 3 regions, with specific development plans. Articulation with subnational governments. Use of Czars mapped to the CoG.
- Dashboard for 21 Mega-Goals and 170 Key Performance Indicators covering all sectors, system of early warnings to identify any deviation or risk of not delivering
- Detailed monitoring of top 3 priorities including deep dives to understand what works and quickly correct the strategy if needed
- Presidential Commitments: Tracking of promises made by the President during tours
- 21 Mega-Goals: public commitments <https://www.youtube.com/watch?v=0ExiJjshb1Y>
- Lessons learned from first term on results achieved versus citizens perceptions: Difficulties to draw attention from citizens on Gov't achievements
  - Too many different stories
  - Stories more complex than desired for target audiences (effective for elite actors but less effective for mass communication)
- Going Forward: Working on identifying few core themes through collecting data (not intuition) and developing personally-relevant narratives about government activities. Convert statistics into human-scale narratives

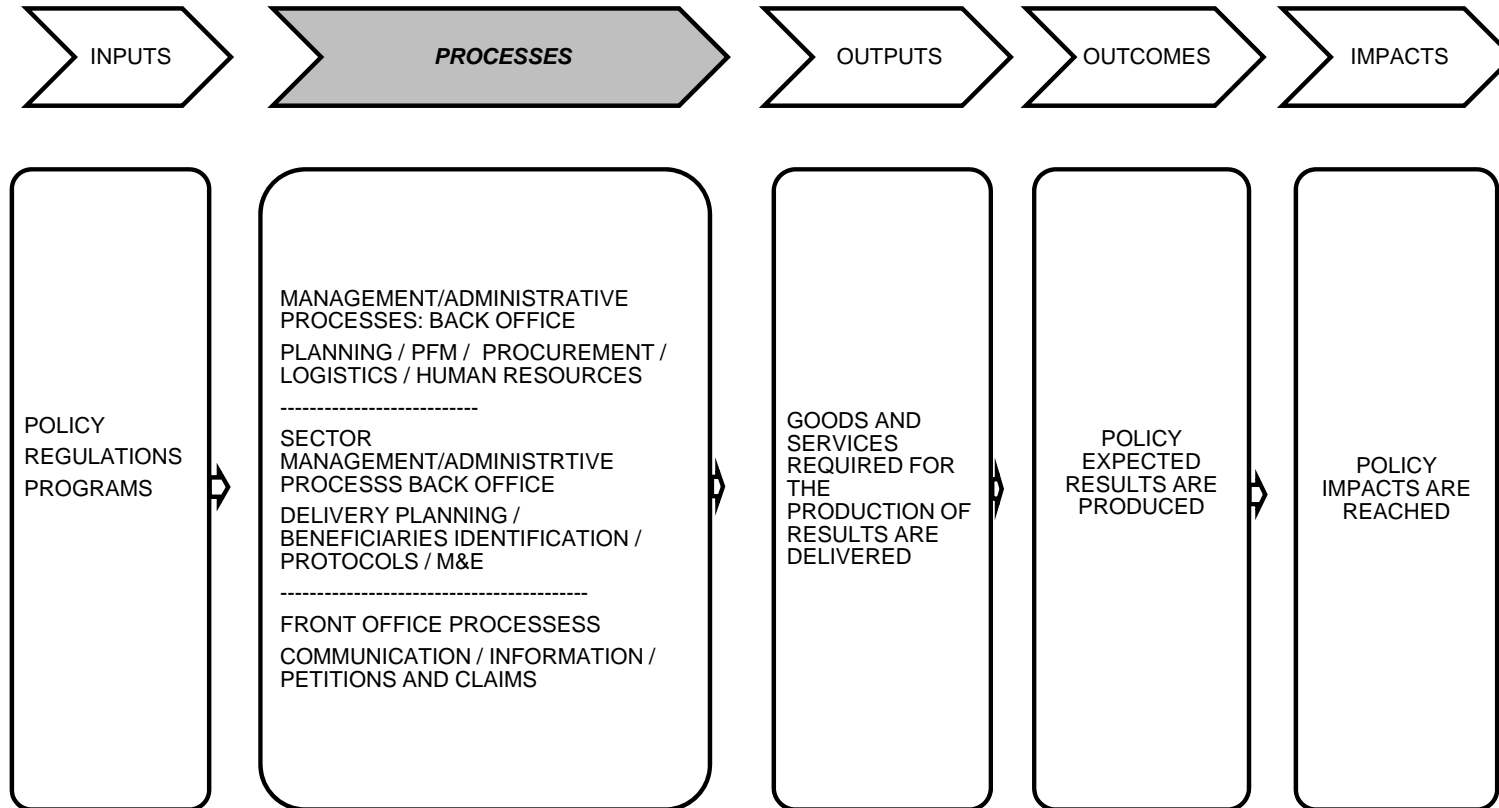
# Pernambuco (Brazil): Impact of Management Model

(Interamerican Development Bank)

## Homicides per 100,000 inhabitants

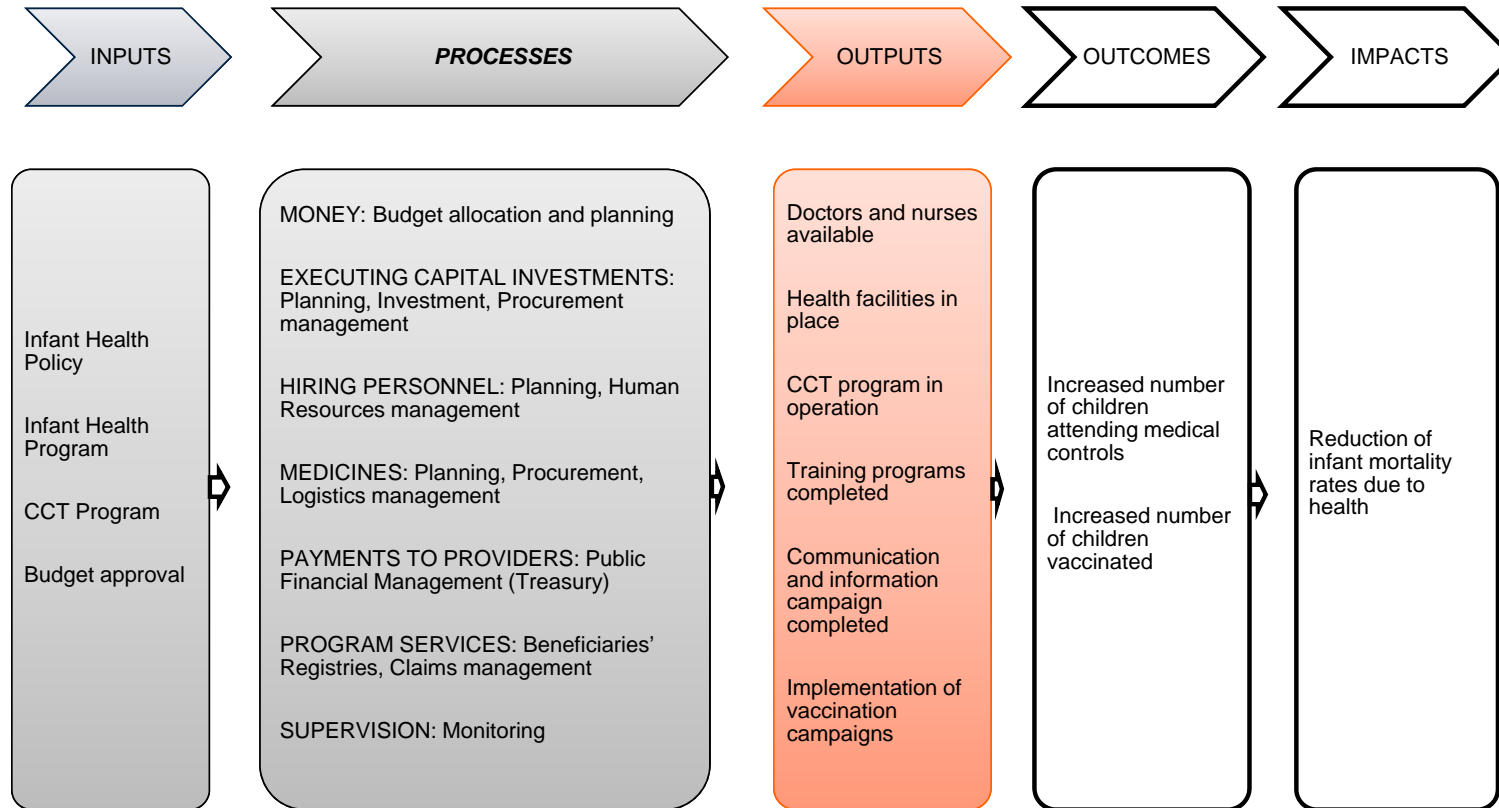


## Services are delivered through a Production Function





# The Delivery Chain required to reduce infant mortality



# What is a RAAP?

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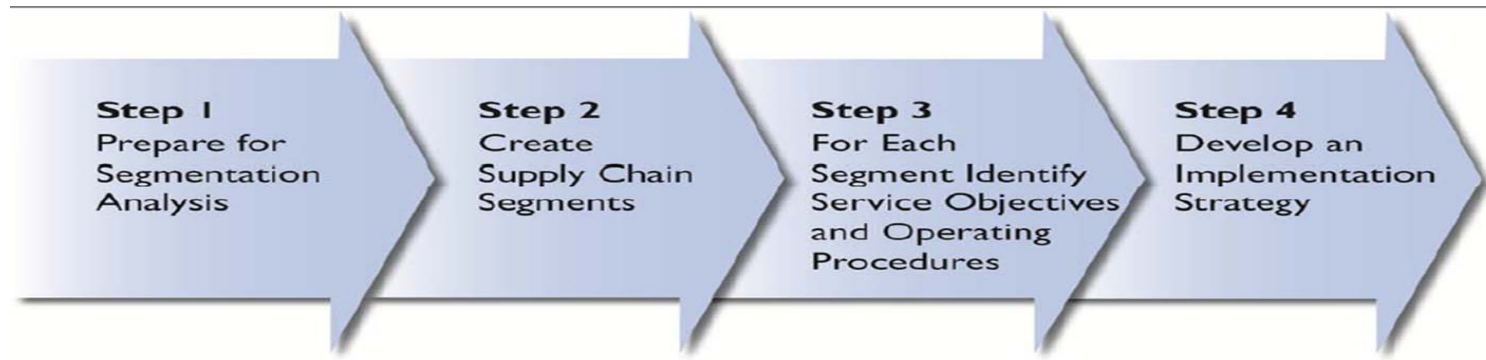
- ❑ **Problem-driven methodology**
  - ❑ Remove obstacles for the effective and efficient delivery of Government's Goals
  - ❑ Strengthening of programs' design to support fulfillment of policies' goals
  - ❑ Strengthening managerial/administrative processes required to implement programs.
  
- ❑ **Results oriented methodology**
  - ❑ Action Plan identifies ad-hoc solutions to remove constraints, bottlenecks and inefficiencies
  - ❑ Quick-gain solutions which short-term implementation depends on the SNGs authorities decision
  - ❑ Improves the design of programs
  - ❑ Improves the management and quality of expenditures: including allocation, use and impact
  - ❑ Improves the management and operation of revenue agencies to improve their collection functions
  - ❑ Improves the management and operation of service delivery agencies
  - ❑ Benefits of reform are larger than costs
  - ❑ Propose the change management strategies and incentives for the implementation of reforms
  
- ❑ **Scope and tools**
  - ❑ Programs related to specific development / competitiveness indicators
  - ❑ Administrative (Back Office) Core Areas: Planning, Financial, Investment, Procurement, Monitoring, Evaluation, Human Resources, Tax, Legal Defense, Assets.
  - ❑ Administrative (Back Office) Sector Areas (Health, Education, Water and Sanitation, Roads, Licenses, Authorizations)
  - ❑ Front Office
  
- ❑ **The RAAP requires**
  - ❑ intensive use of highly-specialized experts in public administration, service delivery, political economy and change management.
  - ❑ Intensive leadership and participation of SNGs' officials

# Process Mapping: Administration Core Areas Back Office

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## SUPPLY CHAINS

- ❑ Managerial/administrative processes are required to deliver the outputs/products for the delivery of services.
- ❑ These processes are links of a chain comprised by decisions, procedures and actions which completion follow specific patterns
- ❑ Patterns can be negatively affected by bad design or implementation
- ❑ Patterns may delay the completion of the Administrative Chain affecting the delivery of services



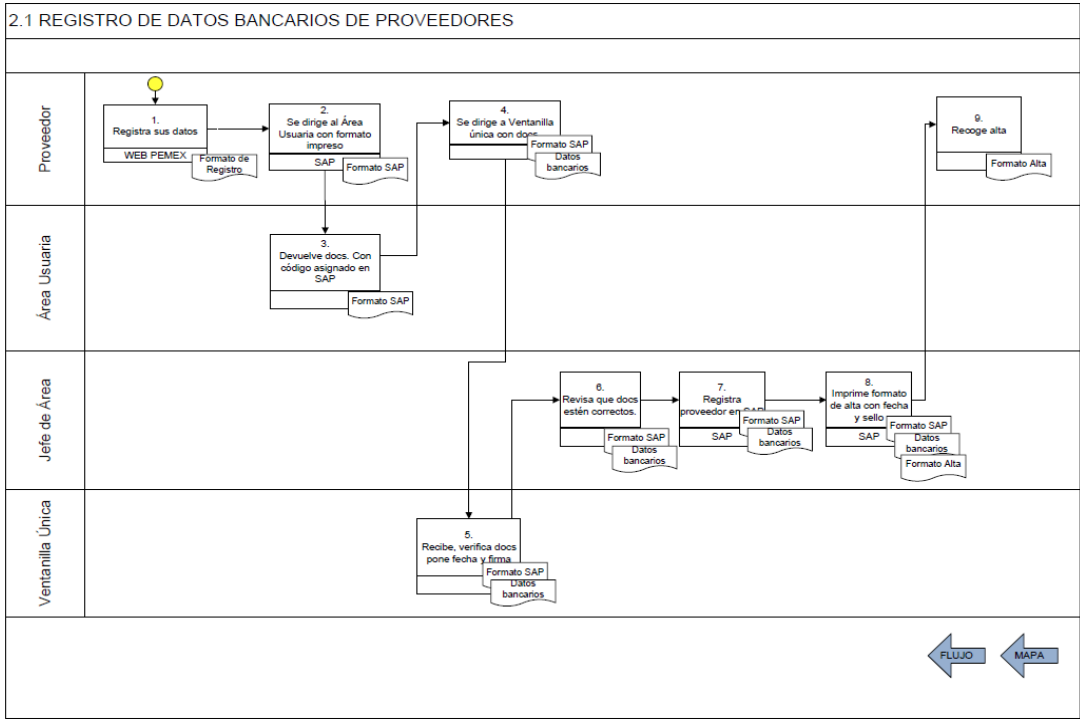
# RAAP: Strengthening the Transversal Delivery Chain

## □ GENERAL ASSESSMENT OF PUBLIC MANAGEMENT AREAS

- Guiding Questionnaires to assess:
  - Desired outcomes: wage bill do not put pressure government's expenditure crowding out capital investment
  - Potential evidence of problems: wage bill is more than 60% of total revenues
  - Institutional arrangements necessary to achieve the desired outcomes: wage bill control system, salary setting and pension liabilities policies
  - Strength of institutional arrangements
- OUTCOME: weaknesses in institutional arrangements required for the operation of management areas

Questionnaire RAAP, Area #1. DEVELOPMENT AND INVESTMENT PLANNING			
DESIRED OUTCOMES	POTENTIAL EVIDENCE OF A PROBLEM	INSTITUTIONAL ARRANGEMENTS NECESSARY TO ACHIEVE THE DESIRED OUTCOMES	HOW STRONG ARE THOSE INSTITUTIONAL ARRANGEMENTS?
<b>1. Sub-national governments have development plans which identify the main development challenges for their territories</b>			
<p><i>The SNG manages available and reliable information on areas related to its roles and function, and it has in place the organizational arrangements required to use that information in the identification of development challenges</i></p>	<ul style="list-style-type: none"> <li>• Lack of reliable statistics on key development challenges.</li> <li>• Development Plans are not based on an analysis of the SNG's main development challenges.</li> <li>• Investment Plans do not address key development priorities as established in the Development Plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Official data and statistics are collected and regularly updated by the authorities responsible for planning duties.</li> <li>• The SNG has access to all inputs required to collect, maintain and assess reliable data.</li> </ul>	<ol style="list-style-type: none"> <li>1. Does the SNG have access to data on poverty rates, education, health, infrastructure, competitiveness, as well as other information related to the functions under its responsibility?</li> <li>2. Does the SNG have official access to data and statistics from the national statistics department?</li> <li>3. Are there budget resources allocated to assure access to accurate and updated data?</li> <li>4. Are there personnel responsible for this function?</li> </ol>

**PUBLIC MANAGEMENT BACK OFFICE / SERVICE DELIVERY FRONT LINE  
PROCESSES ARE ASSESSED USING PROCESS MAPPING AND BUSINESS  
PROCESS RE ENGINEER TOOLS**



## Barranquilla (2008-2012)

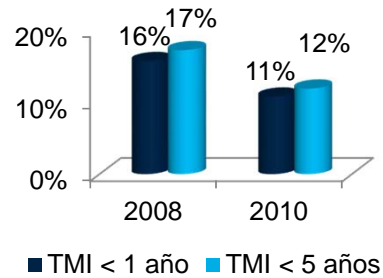
Diagnostic	Back-Office Reforms	Results
<ul style="list-style-type: none"> <li>Outsourced tax-collection cost accounting for 7.5% of overall collection.</li> </ul>	<ul style="list-style-type: none"> <li>Recovery of in-house tax collection capacities</li> </ul>	<ul style="list-style-type: none"> <li>In-house tax-collection cost accounting for 2% of overall collection</li> </ul>
<ul style="list-style-type: none"> <li>Suboptimal tax collection</li> </ul>	<ul style="list-style-type: none"> <li>Data cross-referencing with DIAN/Cadaster. Focus on high-income taxpayers.</li> </ul>	<ul style="list-style-type: none"> <li>Own revenues increased by 52% in 3 years.</li> </ul>
<ul style="list-style-type: none"> <li>Central transferances' mismatch with number of beneficiaries of services</li> </ul>	<ul style="list-style-type: none"> <li>Better protocols for users registry in health/education</li> </ul>	<ul style="list-style-type: none"> <li>Transfers increased by 66% in 2 years</li> </ul>
<ul style="list-style-type: none"> <li>Pensions payments accounting for 40% of operating costs</li> </ul>	<ul style="list-style-type: none"> <li>Cleansing of pension beneficiaries datasets (one pension per worker).</li> </ul>	<ul style="list-style-type: none"> <li>In 3 years, pension expenditures at inflation rate.</li> </ul>
<ul style="list-style-type: none"> <li>One bank account per expenditure/income item</li> </ul>	<ul style="list-style-type: none"> <li>Shifting from 150 accounts to just one TSA.</li> </ul>	<ul style="list-style-type: none"> <li>Drastic reduction of financial intermediaries</li> </ul>
<ul style="list-style-type: none"> <li>High variance in performance across workers</li> </ul>	<ul style="list-style-type: none"> <li>Alignment of individual and department performance evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>In 2010, 75% of goals achieved.</li> </ul>

## After implementing RAAP reforms the City improved its performance ...

- Ranked 25<sup>th</sup> out of almost 1,2000 municipalities in fiscal performance in the country
- Between 2007 and 2010, the levels of tax collection doubled and operating costs dropped from 7.5 to 2% of collection.
- Legal Defense area reorganization led to a reduction in contingent liabilities by more than 50%.
- Merge of 150 bank accounts into a TSA improving efficiency of resources management.
- Public investment in 2011 was twice the size of public investment in 2007, and a large portion of the increase was used to improve and expand health services
- Risk ratings for investment purposes improved to BB+

## Impacts in the Delivery of Public Services

- ❑ Infant mortality rate fell 5 percentage points



- ❑ Surgical procedures doubled, and primary medical attention increased by 123%
- ❑ Consumers' satisfaction surveys indicated that 92% of the population believed health services as either "good", "very good", or "excellent"







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