

Chair:

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Panellists:

Dr. Mechthild Ruenger, Mechthild.Ruenger@gtz.de
- *Good Governance, Introduction to Categories of E-governance*
George Molaski, President, E-Associates; Principal, Council for Excellence in Governance, Governmentum Partners LLC, GMOLASKI@GOVERNMENTUM.COM
- *E-governance and the Council for Excellence in Government*
Lorenzo Grant, Managing Director, Fiscal Services Ltd., Jamaica, lorenzo@fiscal.org.jm, and Leroy Cooke, Department Head, Customs, Fiscal Services Ltd., Jamaica, lcooke@fiscal.org.jm
- *The Jamaica CASE: Best Practice on Transparency and Increased Revenue from Customs*
Michael Geertson Jr., Casals & Associates, Senior Associate, mgeertson@casals.com
- *The World's Premiere of Anti-corruption Website: RespondaNet - Empowerment of NGOs through Web Sites and Peer Assistance*
Atty. Jose Luis C. Syquia, Program Director, Procurement Watch Inc., Philippines, jlsyquia@pacific.net.ph
- *NGO-Government Partnership for Better Governance in Procurement*
Valeria Merino Dirani, Executive Director, Transparency International Ecuador; E-voting, Viviendo la democracia, Ecuador, vmerino@cld.org.ec

Discussant:

Dr. Orapin Sopchokchai, Ph.D., Director, Civil Service Commission, Public Sector Reform, Thailand, orapin@ocsc.go.th

B. Shadrach, Head, Knowledge and Information Services, Transparency International-Secretariat, Berlin, Germany, bshadrach@transparency.org

Linda Mugisha Tumusiime, Department Director Legal, Office of the President, Directorate Ethics and Integrity, lmtum@hotmail.com

Contribution by Dr. Mechthild Ruenger**Good Governance, Introduction to Categories of E-governance**

Dr. Ruenger introduced the theme by presenting different **categories of e-governance**, emphasising the five distinguishable functions and perspectives that would be exemplified in the presentations of the workshop:

1. E-administration is understood as the more efficient government processes and procedures to cut costs, deliver services more speedily, etc. (see also contribution by Molaski)
2. E-citizens and e-services as a form of rendering better services to citizens, supporting democracy through transparency, electronic forms of voting (e-voting) - transparent services cut out especially petty corruption for small administrative information or services that are legally free of charge. (see also contribution by Virani)
3. E-society, beyond government supporting co-operation with business, community development, building civic society. Transparency, and especially market knowledge, insight into registers of all kinds, allows for information flows that in manual systems were often sold. (see also contribution by Moreno)

Beyond these three categories, one could look at e-governance from a civic society perspective to be able to monitor corrupt practices by the government:

4. E-empowerment of civil society to be informed and empowered by information to act accordingly, detect forms of manipulation, fraud etc. (see also contribution by Geertson)
5. E-control of government by civil society, i.e. monitoring government action, in allocation of resources, awarding of tenders, etc. - the corruption-prone areas of government (see also contribution by Syquia)

Issues of information ethics that arise are: political accountability by all three powers to provide

- comprehensive information and communication

- complete sets of data for informed decision-making by the users
- quality and reliability of data through proper design of information flow and quality standards
- data protection of users

The line-up of presenters was organised accordingly: **Mr. Molaski** to give an overview of the government processes and the range of government services, while **Mssrs. Grant and Cook** would detail the best practice in a specific corruption-prone field of showing how e-technology would render the processes more transparent and at the same time would lead to an increase in government revenue. **Mr. Geertson** would show the empowerment of NGOs in the region of Latin America and the Caribbean through information flow and peer assistance for organising and establishing new like-minded NGOs. **Mr. Syquia** would demonstrate through a concrete example how the Government-NGO partnership would turn into a win-win-situation in procurement.

Contribution by George Molaski

E-governance- and the Council for Excellence in Government

Mr. Molaski in his powerpoint presentation gave a broad overview over the use of the internet for improving government services. The Council for Excellence is a 17 year-old national, non-profit, non-governmental organisation, with the mission of improving government performance at all levels and to reconnect citizens with their government. It is an IT Leadership Consortium, a public/private group committed to the use of information technology as leadership tools, with big names in its ranks. More information can be found at www.excelgov.org.

The Council for Excellence has a vision for the ethical conduct of governments and for the essentially democratic power of access to information and services through e-technology. It is shaping the government of, by and for the people, inclusive in encompassing services, information, exchange, expression of will, including e-voting. It has a principled approach to developing e-governance. Its dynamic intents are driving the government's transition from the Industrial Age to the Information Age. The steps to success are a broad horizon, starting small and scaling up fast. It needs vision, leadership, political will, commitment to deliverables, accountability for results and a sense of urgency.

This vision is shared by a number of countries, e.g.:

- e-Government Programme (France)
- Society of Information (Portugal)
- Electronic Government Action Plan (the Netherlands)
- Government On-line Strategy (Australia)
- Modernising Government (UK)
- Basic Guidelines for the Promotion of an Advanced Information and Telecommunications Society (Japan)

Naturally, it requires commitment and accountability, in order to fight corruption, or, as expressed in the Findings and Recommendations of the Third Global Forum - Fostering Democracy and Development through e-Government, March 2001, with 122 nations present: "*At the core of good governance lie the principles of accountability and transparency. It was agreed that **nothing is more powerful in combating corruption** than conducting a transaction openly and with public knowledge of the rules and criteria to be applied.*"

Mr. Molaski provided a framework with various examples with the many functions and relationships that e-governance can cover from fostering citizens and constituent participation in the process of governing to Government-Customer, Government-Business and Government-to-Government relationships.

Critical Success Factors were discussed, and some interesting functional portals of the FirstGov Portal of the US were mentioned to provide user-friendliness for persons who do not know the administrative jungle words. Examples for functional portals are to be found at: www.students.gov; www.workers.gov; www.seniors.gov www.medicare.gov.

Naturally, there must be a number of considerations that may be different for different countries, such as security, privacy, digital divide, pushback, and, last but not least, funding.

Contribution by Lorenzo Grant and Leroy Cooke

The Jamaica CASE: Best Practice on Transparency and Increased Revenue from Customs

Messrs. Grant and Cooke of FSL, a company established for the computerisation of the government of Jamaica's revenue departments and other government agencies, made a powerpoint presentation on CASE online = Customs Automated Services Online in Jamaica, the Customs Department.

The tasks of the customs department is to:

- facilitate the importing and exporting of goods to the island
- the collection of government revenue at the points of entry
- to monitor and control the movements of goods at Jamaican ports

The benefits of automation can clearly be shown in the development of the revenue of the Jamaican government: from below 300 million US\$ in 1998 the revue climbed to just below 600 million US\$, i.e. it clearly doubled within a period of 3 years.

While the manual, paper-based processing with no reconciliation generated a prime environment for corruption, the **benefits of use of e- technology** are:

- i. for the Customs department:
 - accountability and transparency
 - efficient clearance of goods
 - increased revenue for the government
 - eliminate duplication of effort
 - simplification of procedures
 - predictability - maintaining consistency in procedures
 - reduce corruption of customs officials
 - rise in customer confidence
 - boost the government's credibility
- ii. for the brokers:
 - capture and store Import Entry information more effectively
 - send entries and receive a response at their offices
 - process twice the number of entries
 - reduce their error rate - less forms used
 - save on overtime for processing entries
 - lodging entries 24 hours per day
 - 98% of Jamaica's customs brokers now use the system

Risks of e-technology are:

- security concerns
- hackers
- internal grievance - employee sabotage
- user dissatisfaction
- literacy of users

In terms of accountability and transparency there is an automatic entry allocation, a better audit trail of entries and a query feature to check entry status. This leads to the effects of reducing corruption of custom officials by means of

- Automatic allocation of entries
- Documentation presents auditors with unbiased evaluation.
- Disciplinary action will now be justified and unbiased.
- Less human intervention in customs procedures
- Better reconciliation

Contribution by Michael Geertson Jr.

**The World's Premiere Anti-corruption Website:
RespondaNet - Empowerment of NGOs through Web Sites and Peer Assistance**

Mr. Geertson Jr. gave an overview of the AAA project (Americas' Accountability/Anti-Corruption Project), with a powerpoint presentation focusing on the Respondanet web site and the project entitled "Anti-corruption without Borders".

The web site is one of the most frequently visited web sites in the world (ranked 12th world-wide, according to the presenter), and serves as a tool for the empowerment of civic society (not exclusively) through quality information.

In fact, **RespondaNet**, the AAA website at www.respondanet.com/english (or e-mail for more information to jimwes@casals.com; webmaster@casals.com) provides a comprehensive library and on-line information related to anti-corruption in the LAC region. The Net further provides databases of country laws related to financial management, auditing, ethics codes and national anti-corruption plans. With the focus on Latin America, it offers a compendium of national efforts to combat corruption and it carries out a list of current activities in the Americas in conformance with the OAS Inter-American Convention Against Corruption.

In addition, NGOs and civic society are supported in this framework to adopt ethics codes for members and develop programmes that advocate increased government accountability and transparency. **Anti-Corruption without Borders** (www.responanet.com or e-mail for information: acwb@casals.com) offers a regional web site with communication facilities for NGOs.

Meanwhile, more than 150 civic organisations are members of the network linked through a listserve (acwb@egroups.com). It allows newly formed civil society organisations to access experiences and advice from like-minded activists, receive institutional and organisational advice, etc.

Contribution by Jose Luis Syquia

NGO-Government Partnership for Better Governance in Procurement

Achieving e-procurement in government is not a goal in itself, but merely a tool - a tool that could be used to either fight corruption or amplify it. Mr. Syquia emphasised that technology can be used effectively as a tool in fighting corruption and how NGOs can use technology to monitor public procurement. Procurement watch has been actively assisting the Philippine government in procurement reform; the task was to share with the other participants what must be taken into consideration for such reforms, which is an ongoing process, and fight to get them advanced.

Reform may be achieved, assuming that the incorruptible ethical person is the rare exception, by fixing government processes to address operational inefficiencies and lessen opportunities for corruption. Procedures need to be reformed to lend themselves more easily to automation. Hence, identifying loopholes in Philippine procurement procedures that were subject to abuse had to be addressed even before thinking about going electronic, such as

1. excessive discretion
2. unnecessary delays
3. opportunities for collusion
4. lack of transparency

Reforms needed to be institutionalised in a Procurement Reform Bill covering the procurement of goods, infrastructure projects and consulting services; it applies to the national government, its agencies, government-owned or -controlled corporations and local government units.

The Fundamental Procurement Reforms entail "non-negotiables" in revolutionising government procurement, the most important of which are:

1. A shift of emphasis from the common pre-qualification to a simple ELIGIBILITY CHECK, and the introduction of POST-QUALIFICATION. This feature addresses the problems of delay, collusion, the abuse of discretion during pre-qualification, and lack of competition. Under conventional pre-qualification procedures, all prospective bidders underwent detailed and

subjective evaluation, whereby the contents of each document were validated and checked for veracity.

To verify and validate all documents submitted by an eligible bidder and to ensure that they can meet all the requirements of the contract, a detailed post-qualification shall be conducted only by the bidder who submits the lowest calculated bid. If all the documents of this bidder are verified and validated, then he would automatically be declared the winner. Otherwise, the process shall continue unto the bidder with the second lowest calculated bid, and so on until the lowest calculated responsive bid is reached.

2. A shift from the Lowest Evaluated Responsive Bid to Lowest Calculated Responsive Bid as criterion for award. This feature addresses the problems of discretionary criteria and lack of transparency. Under the conventional process, determination of the winning bidder was done through an evaluation using a "Merit Point System". In contrast, the new procedure involves the ranking of bids from lowest to highest in terms of their corresponding calculated prices. Any adjustment to correct minor deviations shall be calculated in monetary terms to determine the prices.
3. Removal of bracketing in evaluating bid prices, and the use of the approved budget for the contract as the ceiling for bid prices. This addresses the problems of a lack of transparency and collusion. With the reforms in place, the bid floor has since been removed because it inhibits the government from taking advantage of potential savings, and it presents opportunities for collusion between corrupt agency officials and private contractors. At any rate, the problem of nuisance bidders is addressed during post-qualification, or even during the evaluation of technical documents.

E-Procurement: The Electronic Procurement System of the Procurement Service

Having laid the groundwork, it was to determine how to actually go about automating the entire government procurement process. However, the EPS in the Philippines only currently features the following:

1. Public Tender Board - which is a posting of all agency bid opportunities, awards and decisions
2. Suppliers' Registry - which is a database of registered suppliers
3. Electronic Catalogue - which is a reference guide of agencies for purchase of goods and services

In short, although private sector participation in the development of a government e-procurement system is not a matter of debate, the government has to resolve one basic issue: *Whether or not it should have a single and centralised electronic portal for all its procurement activities.* This unresolved issue presented commercial e-procurement service providers with the opportunity to offer their facilities to the various agencies of the government, some even going to the extent of offering the use of their portals for free, thereby shifting the charges to the suppliers - with a number of unwelcome features.

The efforts of procurement watching bore fruit because the final version of this executive order mandates the use and development of the EPS as the single and centralised electronic portal for all government procurement. It should be noted, however, that the word "centralised" is still open to several interpretations.

It is regarded as best practice by Procurement Watch that the consolidated executive order also provides that the EPS shall allow authorised observers to monitor the procurement proceedings on-line. This could usher in the development of an audit trail and an "observer" or "oversight" facility in the government's e-procurement portal.

The On-line Registry Requirement:

It appears that some form of registration is required, because an on-line procurement facility should protect itself from unauthorised access and intrusions into the system. A suppliers' registry is also essential because it allows an agency to do the following:

1. Build a database of suppliers authorised to access government procurement opportunities
2. Build a list of "blacklisted" suppliers that may be viewed by any interested and authorised party
3. Track supplier activity and performance
4. Develop some form of rating system

5. Feature an electronic catalogue and price list

Lessons learned:

Follow through by establishing an NGO. To ensure the implementation of continuing reforms in government procurement, a focused NGO had to be established. It was for this purpose that Procurement Watch Inc. (PWI) was created through funding from the World Bank ASEM Grant. Composed of seasoned and well-established members of Philippine society, its primary focus is reform in government procurement and the professionalisation of procurement officials.

Knowing the thrust:

Although PWI is engaged in the monitoring of public biddings; to be truly effective, it had to establish itself more as a partner of government than as a critic or watchdog, because being either of the latter would bring about the danger of having government close its doors on it - thereby leaving it on the streets.

By sitting together with procurement sensitive agencies of government and building their trust and confidence, PWI accomplished the following:

1. It identified key reform-minded officials in these government agencies.
2. It established its competence in the field of procurement - in turn, government agencies learned to rely on it for technical assistance and legal expertise, thereby allowing it to monitor their public biddings and develop diagnostic reports.
3. More importantly, it continually introduces vital procurement policy reforms through continuous dialogue with and assistance to government.

In summary, the best way of describing the thrust of PWI is that it identifies and works with reformers in government.

Luis Moreno Ocampo then presented the approach of the economic transparency of Mercados Transparentes. He can be contacted for further information.

Merino Dirani presented the activities of TI Ecuador in using e-technology. She presented Licitenet as one tool of civil society and the business sector for transparency and competitiveness of Ecuador, the CD-ROM Viviendo Democracia as an empowerment tool for political awareness and knowing the election process and candidates, and another one on the Obligations derived from the Ratification of the Interamerican Convention against Corruption, i.e. combating corruption through knowledge of legal instruments and their analysis.

B. Shadrach introduced his office with Transparency International-Secretariat in Berlin being the Head of Knowledge and Information Services (www.transparency.org).

Discussion

There was a lively discussion on a number of issues:

- What does the digital development (investment, knowledge, access) mean to the developing world, and how could good governance through e-technology be achieved? Could there be a technological leap forward? Who can assist in identifying areas of intervention in a developing country?
- How was the NGO-Government partnership (Procurement Watch) achieved, what difficulties were encountered with pushing the government, how was acceptance initially and later? Were there security concerns on the side of the staff of Procurement Watch? What were the strategic alliances for the customs department? How were the officials brought to accept the technology, losing out financially? What were the incentives? How did they deal with resistance against audit trails? Was the theory of islands of integrity successfully applied?
- How could NGOs of the advanced world like Excellence in Governance be approached for assisting NGOs in the developing world - was there a chance at all for countries suffering from digital divide to overcome it in order to benefit from e-governance and citizen-friendly

government? How big a public sector reform including salary structure would be necessary to incite government officials to agree to transparency?

Main Themes Covered

1. Government ethics, democratic values, democratic education, political self-help and control, to be enhanced by e-governance
2. Multiple applications of e-governance
3. Government efficiency, increased revenue through e-customs. Resistance of beneficiaries from corruption, creating win-win-situations
4. NGO empowerment tools, websites, peer groups and assistance, especially information as the most powerful tool to take control over public resources, political life
5. NGO/government partnership to be a win-win-situation in the fight against corruption. Procurement to be a very cumbersome, multi-faceted process and relentless effort to achieve transparency and accountability. The need to find the economic leverage for advancing the good cause

Main Conclusions

1. E-governance/technology is a very important tool in the fight against corruption on various levels. It allows the linking of efficiency gains with transparency and accountability gains, and hence it is possible, although quite thorny at times, to identify win-win-situations for strategic alliances.
2. E-governance is quite developed in advanced countries, also Asia in general. But Africa seems to have a concern about losing the chance of better government and efficient state services, as well as political transparency, although it appears a relatively cost-reducing way of administration and accountability on many levels. Hence the utmost importance to overcome the digital divide especially in authoritarian regimes, and development assistance, with its emphasis on governance should invest in e-governance, with the effect of curbing corruption.
3. It seems important to share the best practices, and especially the difficulties NGOs have encountered, when pushing issues of transparency and accountability. A number of new ideas were (intended to be) brought to the national fore of participants.
4. The economic analysis cannot be overemphasised when analysing possible levers for reform. Technology offers a number of economic advantages. Hence economic arguments for transparent markets, efficiency gains etc. need a platform for exchange, and possibly, a special forum.