Final Report
Healthy Thailand Project

GLOBAL EXPERT TEAM
PUBLIC SECTOR PERFORMANCE

Country Development Partnership on Governance and Public Sector Reform

Healthy Thailand & Public Sector Modernization

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GLOBAL EXPERT TEAM
PUBLIC SECTOR PERFORMANCE

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I. Executive Summary

The aim of the Healthy Thailand Project is to review the role of the state in society, with a view to determine what government should or should not be involved in and to engage with actors in the private sector and civil society. Leading this task is the Office of the Public Sector Development Commission (OPDC) which has been supporting this research initiative in collaboration with academics from Thammasat University and Chulalongkorn University, and the Thai Health Promotion Foundation. Under the project, three teams have been established to explore: (a) problems in the bureaucracy, (b) ways to develop collaborative governance, and (c) how to redesign the new system.

This report addresses questions raised following a two week fact finding mission and a one day workshop conducted by the Office of the Public Sector Development Commission (OPDC) of the Prime Minister's Department in collaboration with the World Bank's Public Sector Performance Global Expert Team (PSP GET) and academics held on September 20, 2010 in Bangkok, Thailand.

Prior to the workshop, the team held meetings with officials from the OPDC and academics to explore the objectives of the project, its current status, and what the outputs of the project intend to achieve. The main output of the Healthy Thailand Project will be a white paper submitted to cabinet in April 2011.

The Healthy Thailand Project team is still in the initial phase of developing the conceptual framework and key aspects of the project and this note reflects the diversity of opinions and ideas under consideration. As such, the report is structured to address questions raised during discussions, which warranted further examination. These include questions about the interaction between bureaucrats and politicians, how bureaucrats can engage with citizens, and ways of thinking about the role of the state. Observations by the GET team on the overall development of the Healthy Thailand project are also raised, as a way to help guide further progress and conceptual refinement.

The material in this report was compiled by a team led by William Dorotinsky, Sector Manager, Public Sector & Governance, in his role as leader of the Bank's Public Sector Performance Global Expert Team (PSP-GET). Other members of the team were: Joanna Watkins, Public Sector Specialist, and Ms. Miki Matsuura, Public Sector Specialist. Additional support was provided by the Public Sector Team in the Bangkok Office: Mr. Shabih Ali Mohib (Senior Economist), and Ms. Nattaporn Triratanasirikul (Economist). The team would also like to acknowledge the role of the World Bank's EAP team, in particular Mathew Verghis, Lead Economist.

The work was carried out pursuant to a technical assistance with the Office of the Public Sector Development Commission (OPDC) under the Thailand Prime Minister's Office.

II. Healthy Thailand Project

This section provides a brief overview of the Healthy Thailand Project and the main objectives and problems addressed by the project. The second section summarizes the observations of the Public Sector Performance (PSP) Global Expert Team (GET) on the project.

A. OVERVIEW

In the context of recent civic unrest in Thailand, concerns about the equity of public services and how the government delivers services to its citizens have been raised. Within this context, the aims of the Healthy Thailand Project are to define the main problems facing the state and develop solutions which touch on the role of the government in terms of what the government should/should not do, including the possibility of downsizing the government and collaborating with the private sector and civil society. The Healthy Thailand Project team is divided into two groups: one group is composed of core staff from the OPDC, while the other is composed of individuals from the private sector and civil society. The team is still in the initial phase of developing the conceptual framework for the Healthy Thailand Project and this note reflects the diversity of opinions and ideas under consideration. As stated in presentations by the Healthy Thailand Project team, the conceptual framework of the project is to:

1. "Restructure Public Administration at each level;
2. Establish rules and regulation of Public Administration for bringing about fairness in society;
3. Develop monitoring mechanisms to ensure good governance; and
4. Bring about social equality."[1]

Historically, the Thai bureaucracy has had tight control over the Government, but since the 1990s, politicians have begun to play a larger role in policy development and in other aspects. A lack of clarity of roles and trust and understanding between elected and appointed politicians and bureaucrats has created tensions between politicians and bureaucrats. In addition, there is a noted lack of interactions and feedback mechanisms between the Government and citizens.

Defining the problems

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[1] Presentation by the OPDC on the Healthy Thailand Project, September 20, 2010.

The team is still in the initial phase of defining which problems the Healthy Thailand Project will address. At the onset of the Healthy Thailand project, forums were held with officials and members of the public in and outside the capital to develop an understanding of the problems facing the Thai public sector. A number of problems emerged from the forums and discussions, including: i) lack of collaboration between agencies, ii) the intervention of politics in the bureaucracy, iii) lack of attention to the public, iv) low efficiency of public services, and v) corruption. In some cases, as a result of decentralization, politicians have interfered extensively in procurement leading to inefficiencies. Based on internal discussions of these problems, one stands out in particular - income inequality in society. The sources of this problem were identified as incoherent policy development and ineffective implementation. If this problem becomes a focal point of the Healthy Thailand Project, then a more detailed study on the sources of the problem needs to be undertaken.

A number of possible 'solutions' to some of the aforementioned problems are currently under consideration from participatory budgeting to a hybrid approach to senior civil service appointments. The Healthy Thailand Project team is in the process of collecting case studies on best practices from the 75 provinces to find the key success factors for promoting collective governance.

B. OBSERVATIONS

The development of the Healthy Thailand Project (HTP) represents a significant effort on behalf of the Government to respond to the internal and external challenges facing the Thai public administration. Drawing on the expertise of academics from top universities in Thailand and international experiences with reforming the state, the OPDC is reaching outside the traditional domain of Government to foster innovative solutions to some of the state's key challenges. Although the HTP is still under development, the team was able to gather information on components under consideration for the project. General observations on the HTP are grouped along the following dimensions: i. project framing, and ii. specific issues raised during discussions.

i. Project framing:

(1) *Narrowly define problems:* The team has uncovered a broad set of problems facing Thailand's Public Administration – some of which are internal to government administration and others which involve non-governmental actors. From international experience, the reform will have greater impact the more specifically defined problem (who is effected, how they are effected etc..). This will help to narrow the scope of the project to address the realistically achievable and priority problems. At the moment, the long list of difficult problems and accompanying solutions poses a risk to the efficacy and success of the overall project. In the UK, the Prime Minister's Delivery Unit (PMDU) was tasked with developing performance measures for government programs and realized that defining performance measures ex-ante, prior to program implementation, was critical.

(2) *Developing best-fit solutions to problems:* A number of possible solutions to the myriad problems facing the state are currently under consideration- many of which are used extensively in modern parlance. These range from solutions to address internal bureaucratic problems to innovative ways of engaging citizens through participatory budgeting. As these various solutions are debated it will be useful to clearly articulate the relationship between the problem and solution and the level at which the solution is intended to work (local, regional, central etc..), as well as the intended scope, potential limitations, and measure of success of these solutions.

(3) *Keep solutions practical, measurable, and realistic:* The problems and solutions under consideration may be usefully refined by adding in practical considerations, such as timing (e.g. what is the timeframe in which the Government seeks results – short, medium, long term), available budget to address tasks, the capacity of key actors, and the level of inter-ministerial collaboration needed, among other considerations.

ii. Specific issues raised during discussions:

(1) *Clarify the steering vs. rowing functions in Government:* The problem of who is setting policy direction is not uncommon. In general, policy direction is set by politicians (steering), but policy development and implementation (rowing) is more administrative. Chapter four addresses this point more comprehensively.

(2) *Feedback mechanism must be carefully designed to be a constructive force:* What, where and how you allow the participation of citizens and other non-public sector actors is important. The design/structure of the participation process can create inefficiency or slow down the process if not carefully designed

(3) *Exploring trust between citizens and government:* An interesting overarching concept which may be worthwhile to consider is how to improve trust between citizens and government. Has any analytical work been done on what the specific problems are for the rural poor/urban rich? Does it differ by income level? One can also look to analytical work on the relations between government and citizens in terms of compliance (tax revenue) as reflected in the low level of revenue to GDP in Thailand. How different are they depending on the income level? Many countries use surveys to measure trust in government. It will be important to try and determine what the causes of a lack of trust are, disaggregated by sector, income, geography etc... This may help to determine what interventions should be appropriate.[2]

[2] For interesting references see: *Building Trust in Government*, Brookings. Available from: http://www.brookings.edu/press/Books/2010/buildingtrustingovernment.aspx & World Bank "Results, Performance Budgeting, and Trust in Government, 2010."

C. CONCEPTUAL FRAMEWORKS/ LESSONS

In the process of designing the Healthy Thailand Project, it is worthwhile to step back for a moment and keep in mind the lessons of change management from similar reform programs elsewhere. The process of change resulting from reform implementation has both technical and organic elements. Over reliance on one element rather than the other may induce some failures. One way of considering this is with reference to Matt Andrew's approach to managing change.[3] In this approach, three factors affect the space that exists for reform. These blend management and political economy concepts:

- *Acceptance* - combining belief and commitment;
- *Authority* - focusing on formal laws, procedures, informal political and relational influences; and
- *Ability* - emphasizing financial, personnel, information, infrastructure and time limits.

This approach suggests that reform space exists: (a) where reforms are introduced to solve specific challenges (not just to introduce best practice solutions), (b) when the authority to implement the reform exists among the key actors, and (c) when those managing and implementing the reform process have the human, financial and other resources needed to deliver and/or support the reform effort.

From different starting points and at different speeds, countries embark on public administrative reforms – at one spectrum comprehensive and at the other spectrum narrow.[4] However, many countries and donors share a frustration with large scale, comprehensive public sector reforms that fail to achieve results. In the light of experience, some reform programs entail efforts to create specific, focused activities with clear objectives and responsibilities that focus on specific "deliverables" to foster greater coordination, introduce a

Box 1: Lessons from New Zealand's Public Sector Reforms

- Recognize the problem
- Solve a sequence of real problems
- Political commitment is necessary at key points
- Leaderships from heads of departments is essential
- Do not relax central controls too soon
- Managers will welcome change
- Create incentives for change
- Communicate the objectives of change
- Decentralize technical accounting issues
- Be sure to allow for the allocation of senior manager time to change
- Manage transitional risks carefully
- Managing change at the department level is critical for success

Source: Scott, Graham C., 1996, *Government Reform in New Zealand*, IMF.

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http://issuu.com/worldbank.lac/docs/results_performance_budgeting_final/1?zoomed=&zoomPercent=&zoomX=&zoomY=&noteText=&noteX=&noteY=&viewMode=magazine

[3] Matthew Andrews, "Authority, Acceptance, Ability, and Performance-Based Budgeting Reforms," The International Journal of Public Sector Management, vol. 17, no, 4, 2004 (332-344)

[4] See (Arizti et al., 2010)

'smarter' operating model, and provide a means for holding people to account for following activities through to delivery. This can be done in the context of a logical framework which links objectives with activities and outputs, as well as indicators. [5]

In effect they want to focus their reform efforts on the smallest possible set of reforms that will resolve the upstream, downstream and coordination challenges necessary to achieve some of their key priority objectives.

A good example of this is New Zealand's government reform program, started in the late 1980s. Key lessons emerging from this program of relevance for the development of the Healthy Thailand Project are shown in Box 1.

Through the Healthy Thailand Project, the government has the opportunity to design a program which focuses and brings to light a narrower set of objectives, with clear accountability for delivering on the results. Once the project is more clearly framed and focused, the "Key Performance Indicator (KPI)s" from this project should emerge more clearly.

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[5] For samples of logical frameworks, please see the Logical Framework Development Guide (Kellogg Foundation): http://www.wkkf.org/knowledge-center/resources/2006/02/WK-Kellogg-Foundation-Logic-Model-Development-Guide.aspx or the Innovation Networks: http://www.innonet.org/index.php?section_id=64&content_id=185

III. Bureaucrats & Politicians

This section addresses issues surrounding the relationship between bureaucrats and politicians. Specifically, a number of important questions are raised:

- *What is the appropriate balance between the administrative and political considerations in influencing policy and program choices?*
- *How do you limit political interference in public decision making?*
- *How do you create space for politicians to exercise judgment in the working of Government?*
- *What roles should politicians and bureaucrats play– steering versus rowing?*
- *How can the ethical standards of public officers be improved?*

A. APPROACHES

Theory and practice suggest that there is not a one-size-fits-all approach to the balancing of two important values: first, fair and non-partisan public service delivery and second, the responsiveness of public servants to the policies of an elected executive.[6] These two underlying values may be in some tension and various countries have developed different institutional arrangements to balance them within their cultural and historical traditions.

A useful metaphor of the roles of politicians in "steering" and bureaucrats in "rowing" as described in Osborne and Gaebler's *Reinventing Government* (1992) suggests that the power to set the direction (goals, objectives) in government lies with politicians ("steering"), while the power to advise and implement programs and projects lies with bureaucrats ("rowing").

> "Steering requires people who see the entire universe of issues and possibilities and can balance competing demands for resources. Rowing requires people who focus intently on one mission and perform it well. Steering organizations need to find the best methods to achieve their goals. Rowing organizations tend to defend "their" method at all costs. Entrepreneurial governments increasingly divest rowing from steering.[7]"

Within this framework, politicians are given the appropriate political space to set policies and plans and allocate budget resources accordingly. Without such space, they may find

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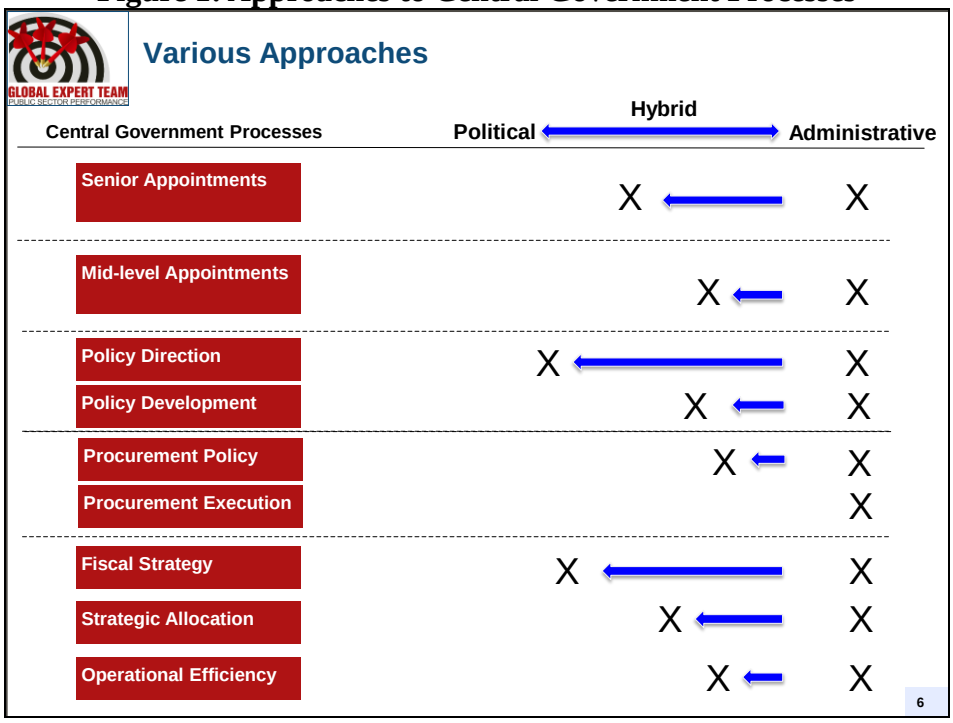
[6] Ibid.

[7] David Osborne, Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*, 1992, Penguin Books, pg. 35.

other off-budget ways to implement their priorities. This distinction manifests itself in the various functions of government, with processes falling along different points on the continuum between political and administrative.

Both in law and in administrative procedures countries often spell out the division of responsibility between politicians and bureaucrats. Figure 1 takes central government processes in human resource, planning, procurement, and budget management and notionally maps this onto the political/administrative continuum to illustrate trends among most developed countries. Of course, constraints on the exercise of political influence vary with constitutional type and administrative history. Senior appointments are generally either hybrid or more political, as compared to mid-level appointments, which tend to be almost entirely merit based. In the case of setting the direction of policies, as described above, political influences are usually weighted more heavily, than in policy development. Similarly, with procurement policy you might see more political involvement in the overall policy setting, but with procurement execution, this should almost always stay purely administrative (to avoid conflicts of interest). In the case of budget process, political concerns are usually taken into consideration at the level of overall fiscal strategy, while with strategic allocation and operational efficiency; which tend to be more administrative. In response to shifting demands, countries often move along this continuum and therefore Figure 1 should not be interpreted as a static or precise picture.

Figure 1: Approaches to Central Government Processes



B. LESSONS FROM INTERNATIONAL EXPERIENCE: SENIOR APPOINTMENT PROCESSES

In some countries, there is a clear line between politically appointed senior staff, and others appointed through an administrative procedure. In other countries, senior staff are appointed through a "hybrid" procedure in which administrative selection criteria like merit and experience are combined with political considerations. In this report hybrid systems are defined as a procedure in which administrative selection criteria like merit and experience are combined with political considerations for the appointment of senior staff.[8]

With hybrid systems, there tends to be greater external oversight of the recruitment process through a code of ethics and restrictions on the political activities of public servants. Examples of this include, legislative oversight/ confirmation hearings, a limited and transparent processes of hybrid appointments, financial and non-financial information disclosure, coupled with strong audit and inspection functions.

This section focuses on lessons from international experience with hybrid appointments for staffing.
For an overview of OECD countries with hybrid appointments, the "Study on the Political Involvement in Senior Staffing and on the Delineation of Responsibilities Between Ministers and Senior Civil Servants" (2007) contains detailed information on country processes for senior appointments. The survey covers Belgium, Denmark, France, Italy, Korea, Mexico, New Zealand, Poland, Sweden, the United Kingdom, the United States and South Africa. Countries fall across the spectrum of less politically controlled and more politically controlled appointments. However, this spectrum is dynamic and countries are prone to change, as evidenced by Box 2.

Box 2: Perceptions of Changing Political Control [9]

Countries moving towards less political control for executive Senior civil service positions	Neutral	Countries moving towards more political control
(Poland, until 2005) Mexico New Zealand United Kingdom	Belgium Denmark France Korea Sweden	Italy (since 2000) United States

The cases presented below in more depth – the United States, Brazil, and Belgium- were selected based on feedback from workshop participants.

[8] Matheson, A. *et al.* (2007), "Study on the Political Involvement in Senior Staffing and on the Delineation of Responsibilities Between Ministers and Senior Civil Servants", *OECD Working Papers on Public Governance*, 2007/6, OECD Publishing.
[9] Ibid.

United States

In the case of the US, the principle of political neutrality is spelled out in Constitution and Administrative Law places limits on political involvement in public service administration. Historically, the impact the Watergate scandal in the US opened up a larger discussion on the involvement of political actors in the US government. As a result of the scandal, new institutions were created – the Office of Government Ethics, the Inspector General, and the Office of Special Council. Over time, different Presidents have allowed space for more or less partisan political influence.

According to the 2007 OECD survey, the top three levels, as well as special political advisors, are purely political appointments, while the fourth and fifth levels are political-hybrid, since political appointments coexist with administratively appointed Senior Executive Service appointments. As compared to other countries in the 2007 survey, the US stands out for a more politically driven senior appointment process. However, it should be noted that the Federal Bureau of Investigation (FBI) does conduct a background check on each candidate, and in exceptional circumstances where a conflict of interest arises, the Office of Government Ethics might be involved. This highly political process of appointments exists with a highly restricted environment. The US has one of the most comprehensive restrictions on the rights of civil servants to engage in political activities. As a result of this approach, the turnover of staff following elections is high.[10]

Belgium

As with the US, in Belgium the principle of political neutrality is spelled out legally and administrative law places limits on the political involvement in public service administration. More recently, following two scandals (the Dutroux and Dioxine affairs) Belgium undertook a reform in 2001 to strengthen cooperation between ministers and their senior civil servants in order to recover from the scandals and regain public confidence in the public service. A key aspect of this reform was to introduce the 'mandate system' for senior civil service positions to increase their accountability and more clearly define the functional responsibilities between politicians and bureaucrats.

According to the 2007 OECD survey, most senior level appointments (e.g. Chairman of the Board, Director General, Director etc..) are hybrid, with the exception of special political advisors outside of the normal hierarchy. For example, the selection process for the chairman of the Board combines administrative selection criteria like merit and experience with a final political decision. Generally, there is first an administrative selection procedure made by the *Bureau de Sélection de l'Administration Fédérale* (SELOR) which establishes a shortlist of suitable candidates from which the minister makes the final choice. All such appointments have limited term contracts and reasonably well-defined roles (to 'steer' the ship). For example, the operational aspects of policy implementation are "not subject to ministerial

[10] Ibid.

oversight," but ministers do have oversight on strategic questions. Other interesting aspects of Belgium's approach include that no high-level appointments are made in the lead-up to an election. Belgium also has generally low restrictions on the political activities of public servants and on the administrative activities by politicians. For a detailed case study on Belgium, please see Annex 3 in the 2007 OECD Survey.[11]

Brazil

In Brazil, there is a permanent corps of Federal civil servants (Servidores Públicos – Public Servants) who staff the ministries and agencies and a large cadre of political appointments who staff the top management posts in the Ministries and the autonomous agencies, appointed through a centrally controlled process. The Commission for Senior Administration and Expertise (Comissão de Direção e Assessoramiento Superior – DAS) is the government's system for making political appointments for managerial and advisory positions at the sub-ministerial level. The system of political appointments has legislated ceilings on numbers and covers six levels below minister. The minister proposes a number of appointees and the Presidency vets. Behind this, the administration helps to ensure that appointments are qualified and appropriate. There is no tenure or pension for political appointments, however civil servants can become political appointees, but may also return to old jobs.[12] DAS positions are occupied by a relatively equal mix of private sector and Public-Servant appointments at the top three levels. Overall, Brazil's political appointment process seems to work well to provide effective senior public servants with limited abuse of patronage. For a more detailed discussion on the Brazil case, please see Appendix 1 in Shepherd 2000.

In conclusion, Box 3 presents the five key high level findings of the 2007 OECD Survey.

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[11] Ibid.

[12] Shepherd, Geoffrey. "Civil Service Reform in Developing Countries: Why Is It Going Badly?" paper presented at the 11th International Anti-Corruption Conference 25-28 May 2003, Seoul, Republic of Korea. Available from: http://unpan1.un.org/intradoc/groups/public/documents/un/unpan010813.pdf

Box 3: Key Findings from OECD Survey on Political Involvement in Senior Staffing

1. While principles of public service neutrality in the sense of non- partisanship are espoused by all countries in the survey, this does not equate to an apolitical process for senior appointments. Most systems are intermediate systems.
2. Countries have a range of laws, conventions and procedures which spell out the division of responsibility between ministers and civil servants, and in some cases by prohibiting politicians or civil servants from being involved in certain areas.
3. There are a variety of institutional oversight arrangements for enforcing limitations on political involvement in staffing matters and in complying with restrictions on functional roles.
4. Informal arrangements and particularly long-standing popular conventions are significant.
5. Constraints on party political influence on the public service vary with constitutional type and administrative history.

Source: Matheson, A. *et al.* (2007), "Study on the Political Involvement in Senior Staffing and on the Delineation of Responsibilities Between Ministers and Senior Civil Servants", *OECD Working Papers on Public Governance*, 2007/6, OECD Publishing (30).

IV. Bureaucrats & Citizens

This section addresses some of the key questions surrounding the relationship between bureaucrats and citizens. In particular:

- *Are there effective participatory governance approaches that improve the link between politicians and citizens?*
- *What tools can the government use to gather information and feedback from citizens?*
- *What are the lessons from international experience with such tools?*
- *What are examples of citizen monitoring and evaluation?*

A. TOOLS

There are a number of different tools and techniques that governments use to engage citizens, depending on the objective, the scale of interaction desired (e.g. community & local government, sector specific and national), and the level of complexity involved. At one end of the spectrum are initiatives at the national level, such as the online publication of internal government data (e.g. the US websites data.gov or expectmore.gov) for public use, laws to improve public access to information, or even the online publication of quarterly and annual performance reports. At the other end of the spectrum, are tools and techniques used at the local level, such as citizen report cards to help monitor water projects or municipal participatory budgeting. The underlying objective for pursuing such initiatives is to help increase accountability between the government and citizens through processes of empowerment, inclusion, and assessment. Through these initiatives,

governments hope to address issues of trust, tax compliance, equity, and quality of service delivery. Such initiatives are often framed under the banners of "collaborative governance," "demand-side governance" or "social accountability." For clarity, this report adopts the term "demand-side" tools.

Various 'demand-side' tools engage a wide range of actors, from individual citizens, civil society organizations, communities, government agencies to congress or the media and employ a range of strategies from research, monitoring, planning, civic education, media coverage to coalition building.[13] Examples include participatory policy-making, participatory budgeting, public expenditure tracking surveys (PETS), citizen monitoring and evaluation of services, such as community scorecards. More broadly, it also includes efforts to enhance citizen knowledge and use of conventional mechanisms of accountability (for example, through public education about legal rights and available services).

Given the variety of tools, this report adopts a classification framework based on the intended function of the tools:[14]

1. Transparency and Information- (Tools to promote and create access to, disclosure, and dissemination of information)
2. Consultation and Participation - (Tools to encourage and facilitate input from multi-stakeholders in government policies, public spending and project planning)
3. Monitoring and Oversight - (Tools to provide methods and promote incentives to hold actors to account through monitoring and oversight of programs and services)
4. Enhancing capacity – (Tools to strengthen the organizational, human and financial capacity for stakeholders to engage in policy, planning, and decision-making)

Table 1 provides a listing of tools grouped according to the four categories listed above.

[13] Robert Chase, Anushay Anjum, "Initiatives Supporting Demand for Good Governance Across World Bank Group Sectors and Regions," 2008. Available from: http://siteresources.worldbank.org/EXTSOCIALDEVELOPMENT/Resources/244362-1193949504055/DFGGstocktakingReport.pdf

[14] Ibid.

Table 1: Overview of demand-side tools by type

Types	Tools
Transparency and Information	Citizens rights campaigns
	Community outreach
	Disclosure boards (e.g. Bangladesh Public Procurement Reform Project)
	Transparency and Information Laws
	Improved public access to information
	On demand information provision (e.g. India Orissa State Roads Project)
	Publication of performance data
	Social Contracts (e.g. Paraguay Roads Project)
Opportunities for Participation and Consultation	Citizen councils (e.g. Mongolia Sustainable Livelihoods Project)
	City development strategies
	Consultation workshops (e.g. Papa New Guinea Mining Sector Institutional Strengthening)
	Multistakeholder Commercial Dispute Resolution
	NGO Code of Conduct
	Participatory planning and budgeting (e.g. Brazil Porte Alegre Participatory Budgeting)
	Structured consultation processes for government projects
Monitoring and Oversight	Public Expenditure Tracking Surveys
	Citizen report cards
	Civil society oversight committees
	Community Scorecards (e.g. Andhra Pradesh Rural Poverty Reduction Project)
	Doing Business Indicators
	Multistakeholder Service Provision
	Public Accounts committee
	Social audits
	User groups complaints mechanisms (e.g. Yemen Water & Sanitation Project)
Enhancing Civil Society Capacity to Participate	Capacity building of community radio stations
	Coalition building (e.g. Honduras Education Sector Capacity Enhancement Program)
	Community of Practitioners
	Formation of networks of paralegals
	Public education to improve budget literacy
	Self-assessment program improvement plans
	Training modules

Source: Adapted from Robert Chase, Anushay Anjum, "Initiatives Supporting Demand for Good Governance Across World Bank Group Sectors and Regions," 2008. Available from: http://siteresources.worldbank.org/EXTSOCIALDEVELOPMENT/Resources/244362-1193949504055/DFGGstocktakingReport.pdf (pg. 18-19)

There is a growing literature documenting the experiences countries and donors have had using these tools. For detailed World Bank case studies on examples of the various mechanisms used in different countries at different levels (at the local, regional and national

levels), see Chase & Anjum (2008).[15] However, formal evaluations of their effects are less well documented. As such, it will be important to investigate further which countries have used what tools, for what purposes, and to what effect. There also areas in which such tools are explicitly not used –for example, fiscal policy and strategy.

Budget mechanisms for improving the connections between government and citizens include Budget Transparency Initiatives (Open Budget Index, Citizen's Budget Visualization Tools), Participatory Budget Planning, Monitoring of Budget Execution (primarily at the local level), and Public Expenditure Tracking Surveys to document monetary flows. While the list of tools presented here is not exhaustive, a useful starting point is to understanding the underlying problem which the tool is intended to address. From that point, narrowing the relevant universe of tools is necessary.

B. LESSONS FROM INTERNATIONAL EXPERIENCE

First and foremost, 'demand-side' tools are not a magic bullet; evidence of their effects is mixed, and as such one must use caution and tailor the approaches to a given context. Lessons from the World Bank's experience with implementing 'demand-side' tools suggests that some of the underlying foundations needed to support such tools include the availability, accuracy, and usability of information for stakeholders, the enabling environment (in terms of access to information laws, laws governing NGOs or the media etc..), the structure of incentives used to encourage stakeholders to interact and the government to respond, and finally, the financial and personnel capacity of stakeholder groups.

In addition, Box 4 describes general lessons from the World Bank's experience with implementing demand-side/social accountability tools, of which many are highly relevant for Thailand. At the selection phase a detailed understanding of the problem the tool is intended to solve will drive the design of the tool in terms of its ultimate objectives, the principles that will guide its use and who should be involved in implementation. Once that is in place, a detailed understanding of the implementers dedicated resources to the effort – in terms of time, money, and expertise is required. Ultimately, the success of these initiatives depends on the context in which the tools are used, the principles and values that guide their use, and who is involved. [16]

In determining the level (local, sector, region, national etc..) at which 'demand-side' tools will work, one key lesson is that approaches that try and work at all levels are at best, overly

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[15] For examples of World Bank specific World Bank experience, please see Table 2, page. 18 in Robert S. Chase and Anushay Anjum, "Demand for Good Governance Stocktaking: Initiatives Supporting DFGG Across World Bank Group Regions and Sectors," 2008, World Bank. Available from: http://siteresources.worldbank.org/EXTSOCIALDEVELOPMENT/Resources/244362-1193949504055/DFGGstocktakingReport.pdf

[16] Source: World Bank. 2007c. Social Accountability Sourcebook. World Bank. Washington DC. – as quoted in Scaling-up Social Accountability in World Bank Operations."

complex and difficult to execute, and at worst, end in negative effects. Generally, most of the 'demand-side' tools described above are used at the local level. For example, participatory budgeting will ask citizens to help determine priorities and therefore, could work at municipality level, but at the central level the effects of this would be counterproductive. The next section turns to international experience with citizen monitoring and evaluation tools.

Box 4: Lessons from the World Bank's use of demand-side tools (2007)

1. ***It is more than just the tools*** – it is a political, rather than a technical process. Methods and tools are important but success depends on the context in which the tools are used, the principles and values that guide their use, and who is involved.

2. ***Know your stakeholders*** – when designing, stakeholder analysis can help identify all the relevant players; it can also be helpful to assess accountability and power relations between those players.

3. ***Identify supporters and build coalitions*** - In most developing societies, citizens have no say in delivery of public services. Demand-side tools attempt to break this status quo which often triggers resistance. Building partnerships and coalitions between stakeholders can help reach the tipping point where change becomes inevitable.

4. ***Use both sanctions and incentives*** – Combining incentives and sanctions is often effective. This is done by offering rewards for accountable behavior (e.g. public recognition, positive feedback, bonuses, or promotion) based on client assessment, as well as by sanctioning unaccountable behavior (e.g. public shaming, legal actions, demotion).

5. ***Use access to information and media*** - The quality and accessibility of public information and data is a key determinant of success. Initially, social accountability may be strategically used to promote freedom of information by addressing the lack of political will to disclose, as well as by strengthening the technical capacity of public institutions to record, manage, and disclose information. Independent media—often including community radio—also helps inform citizens and monitor government performance.

6. ***Put the weakest first*** - Monitoring of service providers is subject to elite capture. Reaching out to the marginalized and empowering the weak requires a special effort. It is helpful to have explicit strategies with dedicated resources for inclusion of women, youth, poor, and other marginalized groups in social accountability.

7. ***Demand-side approaches require time, money, and expertise to implement and be accepted*** - It can be useful to ensure long-term funding.

8. ***Manage expectations: Integrated approaches that work at all levels are complex and difficult to execute*** - There are only few cases where an integrated approach—encompassing local, sector, and national level demand-side governance in both state and non-state institutions—has been adopted. Expectations for the scale of demand-side approaches need to be reasonable.

9. ***Pay more attention to M&E*** - While there are now many examples of incorporating demand-side mechanisms into projects and programs, far too few rigorous impact evaluations have been undertaken and those that exist find mixed results (se. Anecdotal evidence cannot substitute for robust impact evaluation; its absence means it could potentially stand in the way of more widespread acceptance of demand-side approaches.)

Source: Adapted from, World Bank. 2007c. Social Accountability Sourcebook. World Bank. Washington DC. – as quoted

Citizen Monitoring and Evaluation

Many countries have implemented mechanisms and processes for citizens to directly monitor and/or evaluate public service delivery, providing useful input to government monitoring systems. Typically, formal monitoring and evaluation assessments are conducted by external experts, such as independent consultants or auditors using a set of standard procedures and tools. Occasionally, governments establish M&E offices to handle the tasks. The involvement of citizens in monitoring and evaluation differs from the conventional approach because it relies directly on the perceptions of those receiving the services and attempts to foster a sense of ownership, accountability, and transparency around public service delivery. These are often supplement to formal M&E systems, rather than substitutes. Most citizen monitoring and evaluation occurs at the local level and assessment processes range from periodic to routine feedback. The underlying principles of this approach are that:

- the main stakeholders are active participants or service users – not just sources of information;
- it requires building the capacity of citizens to analyze, reflect and sometimes exert influence;
- it involves an iterative feedback process for stakeholders at various levels; and
- it has the potential to catalyze the commitment of service providers to take corrective actions (for example, through the publication of reports in the media).

As presented above in Table 1 there are a number of tools which may be used for engaging citizens in monitoring and oversight. Examples of these tools and approaches and selected case studies include:

- *Participatory budgeting and monitoring*
  The first full participatory budgeting process was developed in the city of Porto Alegre, Brazil, starting in 1989.[17] Since its emergence in Porto Alegre, participatory budgeting has spread to hundreds of Latin American cities and municipalities, and dozens of cities in Europe, Asia, Africa, and North America. To date, more than 1000 municipalities are estimated to have initiated participatory budgeting. Participatory budgeting and monitoring is generally conducted at the local/municipal level.
- *Direct citizen feedback on local services*

[17] For a detailed case study on participatory budgeting in Porto Alegre see World Bank, "Participatory Budgeting in Brazil" Available from: http://siteresources.worldbank.org/INTEMPOWERMENT/Resources/14657_Partic-Budg-Brazil-web.pdf . See also the World Bank's source book on social accountability, available from: http://www.worldbank.org.kh/pecsa/resources/3_social_accountability_and_local_governments.pdf

Box 5: Citizen Report Cards, India

Background: The Citizens' Report Card in Bangalore (Southern India) was a civil society initiative undertaken in 1993 to monitor government services in terms of efficiency and accountability. The exercise gathered citizen feedback on the performance of public agencies and disseminated the findings to the citizenry, thus exerting public pressure on the agencies to initiate reforms. A seven-point rating scale of citizen satisfaction levels with regard to service delivery dimensions of corruption, staff behavior, and so forth was used.

Impact: The report card exercise was repeated in 1999, to provide a comparative assessment of the progress since 1993. A partial improvement in some areas was noted. Four out of eight public agencies surveyed had initiated steps to resolve customer dissatisfaction.

Source: World Bank, "Citizens' Report Cards on Public Services: Bangalore, India," Available from: http://siteresources.worldbank.org/INTEMPOWERMENT/Resources/14832_Bangalore-web.pdf

Government agencies often collect data on client satisfaction, and in some cases report publically in a standard format, via report cards or balanced scorecards. A good example on the use of Citizen Report Cards is from Bangalore, India. Repeat surveys conducted over a six year period demonstrated that four out of eight public agencies responded to the report card by instituting reforms. See Box 5 for details.[18]

- *Local Boards of Oversight*
  Usually comprised of non-government actors and citizens, examples include the establishment of advisory boards, vigilance committees, and steering groups, among others. The case of "Bogota How are We Doing?" in Colombia illustrates this approach. See Box 6 for details.

Other examples include:

- Citizen policing
- Third party verification of data (through external verification and/or publication). An example would be the involvement of local NGOs in independent verification of project execution.
- Procurement Monitoring - Cambodia, Indonesia, Mongolia, and the Philippines have implemented projects in this area. A notable example is that of school construction monitoring in the Philippines' Education sector involving the use of Boys Scouts and Girl Scouts called Bayanihang Eskwela 2 (Community Spirit for Schools).[19]

[18] World Bank, "Citizens' Report Cards on Public Services: Bangalore, India," Available from: http://siteresources.worldbank.org/INTEMPOWERMENT/Resources/14832_Bangalore-web.pdf

[19] For details on Community Spirit for Schools Project, as well as other procurement monitoring projects, see this website: http://www.ansa-eap.net/about-us/our-thematic-portfolio/procurement-monitoring/

Box 6: Colombia, "Bogotá How are We Doing"

Background: The Bogotá Cómo Vamos project consists of a coordinating team comprised of actors outside of the Government tasked with examining and disseminating evaluation findings in the areas of health, education, housing and utilities, environment, public areas, traffic, citizen responsibility, citizen security, public management, public finances, and economic development. The work of the coordinating team -- data collection from the District Administration, preliminary analysis of findings, drafting of evaluation reports, consultation with experts, and the commissioning of an annual opinion survey—is supported by a Technical Committee and the Steering Committee. The process is supported by working meetings with experts and findings of the annual survey of public perceptions. The final evaluations are targeted toward citizens in order to make more information available to them concerning changes in quality of life.

Outcomes: The diffusion of knowledge based on evaluations of the performance of the administrations has improved citizen's access to information. District offices have improved the quality, relevance and timeliness of their information on service coverage and quality in fulfillment of agreements signed with the project and some district offices are using information from the annual public perception survey as core performance indicators.

Source: World Bank, "Social Accountability Sourcebook" Chapter 4: Social Accountability and Local Governments, pg. 41. Available from:
http://www.worldbank.org.kh/pecsa/resources/3_social_accountability_and_local_governments.pdf

For a number of reasons, as you move from the local to the regional or national levels, it gets more difficult in terms of geography and information aggregation to directly engage citizens in monitoring and evaluation exercises. However, advances in technology are making it easier for governments to engage on a broader scale. In general, when designing processes for citizens to monitor and provide feedback on service delivery, it is imperative to keep the following questions in mind:

- Who will use the information and how?
- How are the service users defined and who would likely participate?
- What is expected to change as a result of collecting and disseminating data?
- What is the cost of collection versus the estimated benefits?
- What are the consequences of good/bad performance? Who is expected to make changes or change behavior, and do they have the tools and the authority to institute changes?
- Can the information collected be tied or matched to particular service units or organizations? Can a 'responsible' entity be identified for various aspects of performance?
- Have surveys/questionnaires been designed to make it easy for citizens to provide input? Are they user friendly and place a minimum burden on citizens?
- Have all relevant stakeholders been included, as appropriate for the purpose of the survey/feedback?

V. Role of the State

This section presents the various ways in which countries have tried to reduce the role of the state and/or improve the effectiveness of the state through market mechanisms, including through the use of Public Private Partnerships (PPPs).

A. OPTIONS FOR REDUCING THE ROLE OF THE STATE/IMPROVING EFFECTIVENESS

Many countries grapple with the question of what the appropriate role of the state is from a variety of viewpoints. With the recent financial crisis, opinions have shifted across the spectrum on what is considered an acceptable limit for government intervention. This report will not address the nuances of this on-going debate, but rather based on the discussions held during the workshop it will focus on the different ways in which governments have gone about reducing the role of the state and/or improving the effectiveness of the state through market mechanisms. These include market mechanisms, the establishment of autonomous agencies, the use of voucher and user fees etc…

Market mechanisms include contracting out or outsourcing government service delivery to the private sector (e.g. garbage collection, street cleaning) under the assumption that the private sector can achieve greater efficiencies by delivering the service. See Box 7 for the UK's experience with contracting out services. Public Private Partnerships, described in detail in the next section, have also been undertaken to help share the financing and risks associated with large scale public investment projects. In addition, public-private competitions have been undertaken to help determine whether an activity should be performed by a government entity or under contract with the private sector. Box 8 describes the US Office of Management and Budget (OMB) Circular on private-public competition. In addition, the adaptation and adoption of performance management techniques used in the private sector for government entities is now quite common. Examples of this cross-fertilization include

Box 7: Market Testing in the UK

Market testing was introduced in 1991 in the UK to determine the feasibility and efficiency of contracting out services. It can be compared with make-or-buy decisions in business used to leverage cost-savings, innovation, and quality. Ministries were required to review their activities to identify which ones should be put to tender for bids from both public and private sector sources. They brought in private sector help to analyze the most promising areas for privatization and contracting. The questions asked include:

1. Is this function essential? What are the implications of not doing it, or of doing it in a reduced or combined way elsewhere?
2. Can the function be performed more economically by other means?
3. What is the full cost of the service level currently provided and of that considered necessary?
4. Is the function organizationally discrete?
5. What are the work methods, organization, and use of capital assets?
6. What are the plans for utilizing existing staff and assets?

Source: http://www.partnershipsuk.org.uk/uploads/documents/OTF_Benchmarking%20Pack%20v1.pdf

Balanced Scorecards, lean manufacturing techniques, business analytics, and business process re-engineering, to name a few.

Another example of a market mechanism is the use of contestability. By definition, contestability describes a situation where a provider faces a possible and credible threat of competition, but which does not require the individual service to be competed for as in the case of public-private competition.[20] Contestability might involve the creation or encouragement of an alternative provider of goods or services. The aim of using a contestability approach is to encourage monopolistic providers of public services to operate in a more responsive and efficient manner without facing actual competition. There are a number of practical policies which could be adopted to use contestability in certain public services. One example is in school choice. In this context, contestability might involve, for example, making the funding available to a specific type of school to schools of different types (e.g public and charter schools).

Privatization is a well known process and merits only touching upon here. Broadly defined as a process whereby an activity (such as a state-owned enterprise-SOE) is shifted from the state to the private sector. The underlying assumption is that privatization will increase the efficiency of the economy because private firms are effective cost minimizers and profit maximizers, whereas SOEs often face soft budget constraints and engage in other objectives, rather than the financial bottom line. There is a wealth of information and documented experience on privatization, which lies beyond the scope of this present report.

Autonomous Agencies/Quasi-governmental organizations are agencies which have either a contractual or quasi-contractual relationship with government ministry. In some cases, framework agreements cover the types of levels of service delivery expected – sometimes with ex-ante performance targets- as well as some degree of management flexibility in allocating financial and non-financial resources.[21] In general, though, there is wide variation in the arrangements

Box 8: Public – Private Competition, OMB Circular A-76

Purpose: Tasks federal agencies with identifying work that could be considered for private-public competition.

History: First established in 1966, Circular A-76 was created to provide guidelines for determining whether a commercial activity should be performed by a federal agency or under contract. However, early implementation of the A-76 process was roundly criticized as inconsistent and frequently inequitable. Over the next 3 decades, OMB made several revisions to the circular to address these criticisms.

Process: 1. Develop inventories 2. Select activities 3.Compete activities 4. Post competition accountability 5. Follow on competition

Sources:

- GAO Report on the "Implementation of OMB Circular No. A-76 at Science Agencies," 2007. Available from: http://www.gao.gov/new.items/d07434r.pdf
- Latest version of OMB Circular A-76 is available from: http://www.whitehouse.gov/sites/default/files/omb/assets/omb/circulars/a076/a76_incl_tech_correction.pdf

[20] Prowle, Malcolm J., New Development: Developing Contestability in the Delivery of Public Services. Public Money & Management, Vol. 28, Issue 4, pp. 255-260, August 2008.

[21] OECD, Distributed Public Governance: Agencies Authorities and Other Autonomous Bodies, 2001 Available from: http://www.worldbank.org.cn/english/content/OECD%20.pdf

governing and flexibility granted to autonomous agencies/quasi governmental organizations.

Other examples of ways the state has gone about reducing its role include the divestment (or doing away of) of state functions, in particular SOEs. A notable example is the Public Sector Divestment Committee in Singapore. Another approach is the use of vouchers, commonly associated with the use of coupons which partially or fully compensate individuals for the costs of a government service (e.g access to school, clinic). A key feature is that instead of determining which service providers to subsidize the government transfers this power to individuals by allowing them to choose among providers. This type of financing has been touted as a means by which market forces can be used to compel public and private schools to provide better quality education efficiently.[22]

While this list of various approaches and mechanisms to reduce the role of the state is not exhaustive, it does present a good overview of the diversity of approaches. Ultimately, whether a government secedes some of its service delivery functions to civil society organizations or private actors, there is a need to define measurable quality standards in order to test and ensure that the functions are delivered effectively and efficiently. A note submitted to the OPDC in 2009 on Alternative Service Delivery (ASD), also touches on the notion of public interest. In Canada, the use of Public Interest Test (PIT) was developed in order to identify the key policy issues that must be addressed at the various stages of the ASD process and horizontal program and policy issues that must be considered when determining whether an ASD initiative is in the public interest.

Many countries pursue reforms to the role of the state under broader public management reform programs or spending review exercises. In the US, the National Performance Review considered ways to devolve some state authority. The review proposed increased use of private entities to deliver services. User fees and agency reorganization were advocated and/or undertaken.[23]

The UK by 1993 had largely decentralized service delivery and devolved central management responsibilities to executive agencies. Smaller ministries had fewer resources to meddle in agency affairs, focusing instead on strategic management decisions and enforcing accountability frameworks. Fundamental Expenditure/Spending Reviews were developed as a tool for ministry downsizing and realignment. The Treasury took a top-down stance in reviews to examine long-term spending trends, alternatives for more economic and effective service delivery, and opportunities to withdraw services altogether. These reviews were policy driven and did not take any element of a ministry's work arrangements for granted. The issues at stake included:

- Why is the service provided? Is it provided in the right way?
- What methods of consultation exist? What improvements are planned?

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[22] The most common example of this is in education- see Working Paper Series on *Impact Evaluation of Education Reforms* Paper No. 3 "Colombia's Targeted Education Voucher Program: Features, Coverage, and Participation,"1997. Available from: http://siteresources.worldbank.org/EDUCATION/Resources/278200-1099079877269/547664-1099079934475/547667-1135281552767/Colombia_Ed_Voucher_program.pdf

[23] Building on Strengths : Lessons from Comparative Public Administration Reforms : Country Reform Summaries by William P. Shields, Jr., Program Associate, National Academy of Public Administration with J. William Gadsby, Director, Management Studies Program, National Academy of Public Administration. Available from: http://www1.worldbank.org/publicsector/civilservice/rsUSA.pdf

- What measures are available? How does performance compare to the best?
- What competitive alternatives are available? Should new alternatives be created?

Ministries undertook their own reviews within a phased program covering major areas of government spending. Prodded by cuts in operating budgets, they were forced into asking what was worth doing and what should be divested or delegated. The Treasury itself conducted a Fundamental Expenditure Review on its running costs, including a detailed review of the senior management structure. The review resulted in revised departmental objectives, core functions based on Treasury staff's comparative advantage, transfer of remaining civil service management functions to the Cabinet Office (OPS), a streamlined top management structure, a flatter and more roles based team structure, and a reduction in senior staff posts from 100 to 75.

B. PUBLIC PRIVATE PARTNERSHIPS

Public Private Partnerships (PPPs) have grown in importance during the last two decades. In Europe, PPPs saw a six-fold annual increase between 2005 -2006 vs. 1990s. Defined broadly, PPPs can be any arrangement where the public sector works with the private sector to produce a mutually beneficial outcome. However, for the purposes of this report, we define PPPs narrowly to involve at least one government unit and a consortium of private firms/ non-governmental actors – to build large, capital-intensive, long-life public infrastructure or civic development projects. Government teams structure, negotiate, finance, design, and develop projects. Both the public entity and the private entity "share" the ownership of the project(s) – as partners. Examples of such PPPs include highways, airports, public buildings, water systems. Traditionally, PPPs are mostly done in the area of infrastructure.

A key aspect of PPPs is the sharing of risks between the public and private sectors (e.g., construction, market demand, foreign exchange, political risk, cost overruns, and performance) in accordance with each parties' capacity to manage the risk. PPP is a concept that can be adapted to individual project conditions, and as such it is essential that teams are clear on the objective(s). There is no such thing as a PPP project intrinsically, only Public Investment Projects that may or may not be procured using a PPP methodology. PPP should not be used as an accounting trick but as an efficient method of delivering a Public Investment Project. Ultimately, PPPs cannot make a bad project a good one. The strength of PPPs relies on good capital investment management program and public financial management systems.

PPPs require sound technical expertise - budgetary, legal, finance - within government to evaluate the risks and return, and manage such projects. Unrealistic expectations (affordability, timetable, development budget) will cause problems and, ultimately, disappointment. Teams must be able to accurately cost out the projects before they are implemented and ensure that reliable performance measurements are in place.

Public Private Partnerships are long term commercial arrangements for the delivery of public services where there is a significant risk-sharing between the public and the private sectors. It is this risk-sharing and the time-scale which distinguishes PPPs from more traditional service contracts and privatizations, as illustrated in Appendix D.

VI. Closing Observations

The Healthy Thailand Project is an exciting initiative and demonstrates a significant commitment to improve the performance of Thailand's public administration. If its recommendations are implemented, it holds the potential to improve the state and citizen satisfaction. Many of the tools/techniques being considered are solutions which have been tried and tested around the world - PPPs, Decentralization, Deconcentration, and performance incentives, among others. Analyzing the lessons from other country experiences with the various tools and techniques and adapting them to the Thai context is important in moving forward.

But unless the problems are more narrowly defined, it is difficult to craft the right intervention, and then difficult to measure progress and impact. The specific problems to be addressed by the Healthy Thailand Project are less clear. A few questions which need to be answered include:

- What would the key performance indicator(s) for Healthy Thailand Project be?
- How would you know if you were making progress?
- How will you know if you have succeeded?
- What is the expected timeframe for results?
- What are the top three problems you are trying to solve?

Over-engineered reforms can collapse easily. Simpler reforms, with clear actions, are recommended. Specificity in defining the problems to be addressed through the Healthy Thailand Project is critical and should be done prior to scoping solutions. For the problems, questions such as who is affected and how are they affected by some of the problems mentioned should be answered with a degree of specificity prior to selecting solutions.

VII. Appendix

A. TERMS OF REFERENCE FOR TECHNICAL ASSISTANCE

Terms of Reference for World Bank Technical Assistance to the Office of the Public Sector Development Commission (OPDC), Thailand

I. Background:

The Royal Thai Government is making a considerable effort to improve public sector performance, as reflected in the Royal Decree on Good Governance 2003, the Thai Public Sector Development Strategic Plan 2008-12, and the new Civil Service Act of 2008. This is reflected in their adoption of a Results Based Management (RBM) approach to public sector reform. The themes of the Thai Public Sector Development Strategic Plan (2008-12) focus on developing a civil service that is flexible, adaptive and responsive to the needs of citizens. Specifically, service quality improvement and developing high performing organizations are two of the plan's main themes.

Within this general framework, there are number of RBM initiatives underway throughout the public sector. These include, the Office of the Public Sector Development Commission's work on annual performance agreements across various levels of government based on the balanced scorecard approach and Public Management Quality Assurance (PMQA). It also includes the Bureau of the Budget's implementation of Strategic Performance Based Budgeting (SPBB), including its Performance Assessment Rating Tool (PART). In addition, the implementation of the provisions of the new Civil Service Act relating to the merit principle through performance management (including appraisal) of individual civil servants and the development of an HR scorecard for individual MDAs increasingly reflects a results based approach.[24]

II. Objectives and Scope of Work:

The objective of this engagement is twofold:

(i) the World Bank team will conduct two workshops on the "Healthy Thailand" project and on Results Based Management to be held between September 13 -24, 2010 in Bangkok, Thailand; and

(ii) based on the findings of the workshops, interviews with relevant authorities, and international experience, the team will present recommendations on how to sustainably implement performance reforms in Thailand.

The following tasks will be undertaken:

1) The expert team will study any material sent by the authorities on the institutional structure and challenges to performance management ahead of their travel to Thailand.

[24] Adapted from David Shand, "Results Based Management in Thailand," Discussion Note, March 2010.

2) The expert team will engage with the authorities during a few days of fact-finding immediately preceding the workshops. This should assist in informing the team of the current institutional structure, challenges and constraints.

3) The expert team will deliver two one-day workshops to the authorities for senior Thai government officials from the central agencies (e.g. OPDC) and selected line ministries.

4) The expert team will prepare and present a 10-15 page summary report after the workshops, which will summarize the proceedings of the workshops and lay out the key recommendations.

Through the workshops and the accompanying discussions with the OPDC, BOB, OCSC and relevant agencies' representatives, the World Bank team is expected to share their experience on the following questions of interest to the authorities:

i) How can the links between politicians, bureaucrats, and citizens be enhanced to improve public sector performance? See Annex 1 for additional questions.

ii) What are the main implementation challenges countries face when implementing a Results Based Management system?

   a) Can output/outcome indicators in the budget document be combined with the OPDC Balanced Scorecard (BSC) as they relate to measuring the achievement of strategic plans and missions (Perspective 1: Effectiveness)?

   b) Can the Government link the results of performance evaluation based on the Balanced Scorecard into the annual budget allocation process/cycle?

iii) How can the Government link the Results Based Management system with performance management by cascading organizational targets (using the four perspectives in the BSC: effectiveness, quality of service, efficiency, and organizational development) to the individual level as the basis for performance appraisal? Is there any correlation between a sum of merit increase budget setting and performance evaluation based on BSC's scores? Do any other countries employ the approach that links a merit increase with performance evaluation based BSC's scores?

Note: In fact, in a Thai public sector, the amount of money that each agency receives for merit increase on each year round (every April 1 and October 1) is equal to 3% of the total amount of civil servants' salary within its agency. Noticeably, there is no relationship with the performance based on BSC's scores.

III. Expected outputs

The following are the expected outputs of the technical co-operation:

1) Two one day workshops for senior Thai government officials from the central agencies (e.g. OPDC, BOB, OCSC and relevant agencies' representatives) and selected line ministries.

2) Report on the findings of the workshops and key recommendations.

IV. Logistics

Staff: Bill Dorotinsky, Joanna Watkins, Miki Matsuura

B. WORKSHOP PROGRAM

State-Society Partnership for Healthy Thailand Workshop

Agenda

Monday, September 20, 2010

15:30 – 18:00 pm At Renoir Room, Novotel Hotel, Bangkok

15:00 – 15:30 p.m.	Registration
15:30 - 15:50 p.m.	Welcome attendees and present an overview of the State-Society Partnership for Healthy Thailand Project *– Associate Professor Dr. Thosaporn Sirisumphand, the Secretary General of the Office of the Public Sector Development Commission*
15:50 – 16:20 p.m.	Presentation of preliminary findings from the State-Society Partnership for Healthy Thailand Project • Problems of bureaucracy that cause injustice in society *Assistant Professor Panaros Malakul Na Ayudhya* • Collaborative governance among government, local government, private sector, civil society and community *Associate Professor Dr. Nakharin Mektrairat* • Governance system for creating fairness *Professor Dr. Chartchai Na Chiang Mai*
16:20 – 17.00 p.m.	International experiences of improving governance in various countries *– Bill Dorotinsky, Joanna Watkins, and Miki Matsuura from the World Bank*
17:00 – 18.00 p.m.	Discussions
18:00 – 19.00 p.m.	Dinner at the Square, 2nd Floor

C. WORKSHOP PARTICIPANTS

Government Officials

no.	Name	Position	Organization
1	Assoc.Prof.Dr.Thosaporn Sirisumphand	Secretary General	OPDC
2	Mrs.Vunnaporn Devahastin Suthapreda	Director of Change Management and Innovation Development Bureau	OPDC
3	Ms.Monvadee Juntima	Public Sector Development Officer	OPDC
4	Dr.Chotima Sanguanphant	Public Sector Development Officer	OPDC
5	Ms.Kritsana Kaewduang	Public Sector Development Officer	OPDC
6	Ms.Thanaporn Tengratanaprasert	Public Sector Development Officer	OPDC
7	Ms.Pattira Patcharaphak	Public Sector Development Officer	OPDC
8	Ms.Supawadee Toemtemsap	Lawyer	OPDC

Researchers

no.	Name	Position	Organization
1	Prof.Dr.Chartchai Na Chiang Mai	Lecturer of Graduate School of Human Resource Development	National Institute of Development Administration
2	Assoc.Prof.Dr.Nakharin Mektrairat	Vice President of Academic Affair	Thammasat University
3	Asst.Prof.Panaros Malakul Na Ayudhya	Head Of Public Administration Department, Faculty of Political Sciences	Chulalongkorn University
4	Dr.Wasan Luangprapat	Lecturer of Faculty of Political Science	Thammasat University
5	Dr.Pakorn Siriprakob	Lecturer of Faculty of Political Science	Chulalongkorn University
6	Dr.Isares Sunsaneewitayakul	Lecturer of School of Management Science	Sukhothai Thammathirat Open University
7	Ms.Chanida Arkomwatthana	Lecturer of Faculty of Humanities and Social Sciences	Valaya Alongkorn Rajabhat University
8	Dr.Kriangchai Pungprawat	Researcher	Thammasat University
9	Mr.Chai Chaiyachit	Researcher	Thammasat University

10	Mr.Thatchawut Jadbandista	Staff	OPDC
11	Ms.Achara Kalapakdee	Staff	Valaya Alongkorn Rajabhat University
12	Ms.Ployprom Thampirak	Staff	OPDC

The World Bank

no.	Name	Position	Organization
1	Mr.Bill Dorotinsky	Sector Manager (Global Expert Team)	World Bank
2	Ms.Joanna Watkins	Consultant (Global Expert Team)	World Bank
3	Ms.Miki Matsuura	Consultant (Global Expert Team)	World Bank
4	Mr.Robert Taliercio	Lead Economist	World Bank
5	Mr.Shabih Mohib	Senior Economist	World Bank
6	Ms.Nattaporn Triratanasirikul	Economist	World Bank
7	Mr.Robert Boothe	Consultant	World Bank

D. MODELS OF PRIVATE SECTOR PARTICIPATION

		Type of model	Description	Level of risk assumed by the private sector	Typical length of contract (years)	Source of capital investment	Asset ownership	Most common sectors in developing countries
		Service contract	Contract for support services	Low	1-3	Public	Public	– Water utilities – Railways
Broad definition of PPPs		Management contract	Management contract for part or whole of the operation	Low/ medium	2-5	Public	Public	– Water utilities
Broad definition of PPPs		Lease contract	Contract for management of operations and infrastructure renewal	Medium	10-15	Public	Public	– Water sector
Broad definition of PPPs	Narrow definition of PPPs	Build-operate-transfer contract	Contract for investment in and operation of a specific component of the infrastructure or service	High	Varies	Private	Public/ private	– Energy sector – Highways – Sanitation – Desalination
Broad definition of PPPs	Narrow definition of PPPs	Concession	Contract for financing, operations and execution of specific investments	High	25-30	Private	Public/ private	– Airports/ports/ rail
		Divestiture/ privatization	Contract which transfers ownership of public sector infrastructure to the private sector	Complete	Indefinite	Private	Private	– Telecoms

Source: Developed from (H.K.Yong 2010, Table 3.4, p.20)