THE LITHUANIA/CANADA PUBLIC ADMINISTRATION REFORM PROJECT

by Gord Evans

Whether the Lithuania/Canada Public Administration Reform project will serve as an exemplary case study or a cautionary tale will be the subject of a future article, perhaps in Spring 2001. For now, measured optimism rules.

The project’s central objective is to “facilitate public administration reform in Lithuania by implementing an effective planning and accountability system.” The primary vehicle, to be introduced over the next eighteen months, is business planning. That the jury is still out in Canada on whether business planning heralds a bold, out-of-the-box approach to public service reform or is just dressed-up Management By Results (MBR) is moot. The challenge of this project is to implement the basic building blocks of strategic planning, not esoteric variants of ASD.

Getting Started

In June 1997, Prime Minister Vagnorius officially requested Canadian technical assistance to support public administration reform in Lithuania. Like most projects, the true origin predates the official request. In Lithuania’s case, the relationship with Canada evolved through a series of exchanges and continuing efforts by Canada’s Lithuanian community to support democracy in Lithuania.

Following the Prime Minister’s request, two senior officials from the Ministry of Public Administration Reform and Local Authorities (MPARLA) and the Office of the Prime Minister visited Ontario to determine the applicability of the Ontario Public Service (OPS) model to the Lithuanian context. This visit, co-ordinated by the Institute of Public Administration (IPAC), culminated in an official request by the Minister of MPARLA to IPAC to lead and co-ordinate the Lithuania/Canada Public Administration Reform project based on the Ontario model.

IPAC co-ordinated two fact-finding missions in Winter 97/98. The Prime Minister, key Ministers, and senior officials were consulted. The teams observed disconnected central processes, incremental budgeting, and a poorly supported Cabinet decision-making system. The Committee on Government Productivity encountered these same problems in Ontario in the 1970s. Accordingly, the resulting proposal to CIDA recommended a significant shift in focus.
Project focus shifted from…

- determining structure, legal framework for civil service
- rationalizing functions

To…

- improving the processes and structures supporting Cabinet decision-making
- strengthening planning and accountability systems, through introduction of business planning
- building central agency capacity
- piloting business planning in Ministries of Economy and Justice
- implementing Ontario’s one-stop business registration system

Starting Over

Approval gaps are endemic to international development ventures. The project team, assembled on the assumption of imminent project approval, cools its heels, tries to sustain momentum, and exchanges numerous, hopeful e-mails with its prospective client. Finally sanctioned to spend, the project’s first challenge is to determine the continuing relevance of the project proposal. The Lithuanian example is instructive.

The initial perception that Lithuania’s systems were trapped in 1970s stasis proved simplistic. Changes, albeit uncoordinated changes, were rapidly occurring on all fronts.

- the Ministry of European Affairs, the project’s client for the business registration component no longer existed --now an agency

- program budgeting introduced service-wide --to the surprise of USAID which had just been contracted to develop the system

- an RFP for management audits of the Ministries of Economy and Finance, two of the project’s participating ministries, on the verge of being tendered

- EU Phare contracted to develop an implementation plan for the Civil Service Act (still stuck in the legislature) --recall that the original motivation behind the request for Canadian assistance was to use the OPS as a model for civil service reform

- The Prime Minister’s Office representative, designated as the key contact to work with the resident Canadian adviser, appointed as the Minister of the Interior

- Management training in London, funded by the British Counsel and involving the chair and several members of the project’s steering committee, arranged during the same week as the planned Lithuanian/Canadian workshop.

Logistical challenges resolved, the workshop proceeded with senior officials from all participating areas of the Lithuanian civil service (Office of the Prime Minister, Chancellery, Ministries of Finance, Public Administration Reform, Economy and Justice) and a Canadian team drawn from the senior ranks of the OPS, including a former Secretary of Cabinet. The workshop achieved its two primary objectives: the first (unstated) objective being that the
workshop serve as a successful team-building exercise; the second (stated) objective being that agreement be reached on the principles and critical success factors for a “made in Lithuania” business planning approach; that is, one with no restrictions other than an adherence to a set of first principles.

### First Principles

- clear lines of accountability within government
- strengthened public accountability
- transparency
- appropriate levels of delegation
- defined roles and responsibilities
- performance assessed by results
- rewards and sanctions based on merit
- continuous improvement

### Critical Success Factors

- senior-level commitment --throughout the project
- Lithuanian accountability --for the process and products
- effective co-ordination --between all project participants
- sustainability --the system will endure long after the Canadians leave
- proactive communications strategy --both to the civil service and the public

Coming out of the workshop, the sense was that the project’s challenge would be not so much one of ground-up design as connecting the dots. Accordingly, the project’s scope broadened to include any initiative, foreign-assisted or not, involving policy planning, budget planning, or civil service management.

### Challenges Ahead

Promising start notwithstanding, the project will confront serious challenges en route:

- Remnants of Soviet-style bureaucracy persist - only act when told to act
- Impenetrable, hardened silos - not only inter-ministry but intra-ministry
- Serious morale problems - low pay, too many high fliers moving to the private sector
- Phenomenal pace and scope of change - only six years since Soviet occupation
- Expectations may disappoint - European Union aspirations may be a long way off
- Overloaded political agenda - difficult to sustain focus on public administration
• Integrating a Canadian British Cabinet system, an American budget system, and a Franco-
Spanish civil service structure will provide a true test of whether those who preach the
principles of co-ordination can apply them in practice

That having been said, the project is able to draw upon a wide-range of senior OPS expertise to
deal with anticipated and unanticipated challenges. There are motivated champions of change
within the Lithuanian public service --we are working with several. And the current turmoil in
the Soviet Union reminds that complacency is not a viable option.

On Friday, September 4, 1998, the project’s Steering Council adopted the official work plan.
This sets in motion a series of commitments to bring proposals on Lithuania’s planning and
accountability systems to decision-makers’ attention. The first Cabinet Submission, on
establishing a Cabinet Committee system and introducing fiscal planning and priority-setting, is
slated to be reviewed by Cabinet in December.

<table>
<thead>
<tr>
<th>Key Project Components</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Structure</strong></td>
</tr>
<tr>
<td>• Cabinet committee system</td>
</tr>
<tr>
<td>• establishment of organization to deliver civil service management functions</td>
</tr>
<tr>
<td><strong>Process</strong></td>
</tr>
<tr>
<td>• priority-setting exercise, linking priority options to the fiscal plan</td>
</tr>
</tbody>
</table>
| • Cabinet procedures manual, incorporating improvements to Cabinet decision-
making system |
| • Budget manual, integrating business planning principles and methodologies |
| • Ministry business plans |
| • public accountability framework |
| • performance evaluation system linking government and ministry priorities |
| **Capacity** |
| • strategic planning --all project participants |
| • fiscal planning --Ministry of Finance |
| • policy analysis --Chancellery |
| • policy and business case development --Ministries of Justice and Economy |
| • training strategy to deliver the above needs |

The project time frame is reasonable: through to April 2000. The political climate is favourable:
the next election is Fall 2000. Stay tuned.