

# **INSTITUTIONAL REFORM IN THE PUBLIC SECTOR AND CAPACITY BUILDING OF DECENTRALISED UNITS**

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## **1. Introduction**

### **1.1 Mandate**

*The Administrative Reforms Committee (ARC) has been appointed by the Cabinet with a mandate to:*

- *formulate a programme of administrative reforms with the objective of making the government administrative machinery a citizen centric, efficient and effective instrument of governance for the rapid development of the country and for the fostering of national harmony, operating in an environment of accountability, transparency, equity, meritocracy and non-partisanship and respect for democratic institutions and the law,*
- *have such reforms implemented throughout the governmental system*

*A practice now appears to be developing, for the Cabinet to refer to the ARC for report, certain matters relating to the functioning of the administration. Two such matters were referred to the ARC recently.*

### **1.2 Composition**

*The Committee is chaired by the Secretary to the Prime Minister and consists of several ministry secretaries and a few other knowledgeable persons including a senior representative of the private sector.*

### **1.3 Organisational arrangement**

*The ARC functions in the following manner:*

- *Policy decisions on the reform measures to be launched are taken by the Committee. It also monitors progress.*
- *A Directorate of Public Management Reforms (staff of 3) assists the ARC in formulating detailed reform action, communicates ARC decisions throughout the governmental system and functions as a first level monitor.*
- *The Directorate of PMR works through a network of Management Reform Cells (MRCs) established in the Ministries. These Cells are headed by*

Ministry Secretaries with a Convenor at Additional Secretary level. Similar cells are promoted at departmental level, as also operational level reform groups in the form of Quality Circles or Work Improvement Teams.

## **2. Work Plan**

*The ARC has adopted a Work Plan comprising 17 items at present. The Work Plan would be modified or expanded from time to time according to perceived needs. The work items come under the following broad categories:*

- Re-examination and rationalisation of the content of work of government agencies
- Re-engineering of the business of government agencies
- Human Resources Development
- Creation of a working environment conducive to continuing productivity enhancement.

## **3. Institutional Reform in the public sector**

*The following institutional reform action initiated by the ARC has been completed or is in progress:*

### **3.1 Functional Review of government agencies**

*This was the first reform initiative of the ARC, launched in October 2004. The objectives were (a) documenting functions performed by government agencies; (b) subjecting the documented functions to critical review; (c) eliminating duplication of functions; (d) shedding irrelevant/outdated functions; and (e) adding functions necessary for fulfilling organisational missions more fully.*

This was designed as a participatory exercise to be implemented throughout the governmental system. Commercially oriented public enterprises were left out. A set of Guidelines finalised at a workshop with the participating ministries provided guidance for the exercise. The exercise was to be concluded in the case of central government entities at the end of December 2004.

As at the date of this paper, 26 Ministries (along with departments, institutions under them) have concluded the exercise. The late entry of a few ministries to the ARC network (in spite of the original request to all

ministries) and involvement in tsunami work in the case of a few others has delayed the completion of this reform measure in these ministries.

The conducting of this exercise in Provincial Councils was launched in February 2005, in a planned second phase. It is expected to be concluded by the end of May 2005.

The final phase of the exercise will be the subjecting of the reports of central and provincial agencies to a consultancy review in order to identify any remaining areas of duplication and current irrelevance. **On the basis of this final review, ARC will be in a position to recommend the further streamlining and re-structuring of government agencies.** In order to facilitate this final exercise, the reports have been obtained in a common format as electronic records.

### **3.2 Improvement of Work Processes of Government Agencies**

The second reform initiative of the ARC is another system wide exercise for improving the work processes of government agencies. This exercise was launched on 15<sup>th</sup> January 2005 with the finalisation of a set of Guidelines at a workshop held with the participating ministries.

The objective of this exercise to make the work processes of government agencies efficient, speedy, cost effective, client friendly and transparent. Wherever appropriate and feasible, work processes will be automated. This reform activity will also be a participatory exercise conducted under the guidance of the Guidelines issued.

The exercise will be supported by a training programme conducted by Sri Lanka Institute for Development Administration (SLIDA) for the Convenors of Ministry Management Reform Cells and others who will lead the exercise in their organisations. 'How to ..', advise in respect of each element in the will be provided under this programme.

Information and Communication Technology Agency (ICTA) has been requested to develop software programmes for common tasks such as recording attendance and leave, inventory control, HRM and certain payment systems like Public Assistance. (This is supplementary to ICTA's own substantive business re-engineering project relating to about 20 selected agencies)

### **3.3 Other current reform action**

- *Two other activities that ARC has requested all Ministries to launch in their organisations are:*

- improving the physical environment of their work places to create an environment that is conducive to work and which is pleasing to clients.
  - initiating a courtesy drive in order to provide a more acceptable and pleasant service to clients as well as to foster harmonious working relationships internally.
- The ARC has made its recommendations in regard to the revision of the Sri Lanka Administrative Service Minute with a view to the long term upgrading of this premier management group. It is expected that a revised draft Minute which incorporates these recommendations will come before the government shortly, for approval. Similar action will be taken in regard to other important services.
- The ARC has identified the need for streamlining the selection processes for critical administrative appointments in order to ensure that competent persons are appointed to these posts on a transparent and equitable basis. It has formulated a scheme of selection for one such critical group of appointments and will be forwarding it to the relevant authority shortly. Schemes of selection for other critical posts are under consideration.

### **3.4 Future action**

**The major reform measures that the ARC has in view for the immediate future are:**

- Improvement of public service training programmes. At present the ARC is paying attention to the institution of proper schemes of training and re-training for members of the newly constituted Management Assistants Service (former clerical and allied grades.) The next area of focus will be the training of managerial grades. This will involve a study by a training expert and subsequent institutional reformation and strengthening.
- Introduction of practical Performance Appraisal Schemes (this involves a study and the formulation of schemes on the basis of the study, by an expert/s in the field)
- The compilation of a Manual of Best Practices, for general guidance (in hand)

### **4. Capacity building of decentralised units**

*The ARC has appointed a Committee (in November 2004) chaired by a senior officer of the Ministry of Public Administration and Home Affairs and consisting*

*of a selection of District Secretaries and Divisional Secretaries, to identify current problems relating to the district and divisional administration and to make recommendations for their revitalisation.*

*Additionally information has been gathered in respect of the functioning of divisional secretariats, including good management practices adopted by many, through discussions, visits and reports obtained.*

Once the report of the Committee referred to above is received the information already gathered will also be made use of and an action plan will be prepared to revitalise the district and divisional secretariats.

In the meantime, the Moneragala District has been selected for a pilot office improvement project. This project will make use of the model set by the Tanamalwila Divisional Secretariat of that district (a prize winning office), to improve the functioning of the other Divisional Secretariats in the district as well as other important offices.

The lessons learnt from this pilot project will also be useful in formulating and implementing the proposed Action Plan referred to above. While formulating the Action Plan, the results of the earlier mentioned (vide Section 3) Functional Review, which has been completed in respect of a sample of District and Divisional Secretariats, will be used to rationalise the functions of these offices. The Guidelines now being used in the Work Process Improvement exercise by central organisations (referred to earlier in Section 3 above) will also be made use of.

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