Overview of Capapcity Building Programs of DA Project

"Towards the Arab Horizon 2030: Enhancing Integrated National Development Planning in the Arab Region".

2nd Regional Meeting of DA Project Focal Points. 19 - 20 September 2019 – UNESCWA, Beirut

A. INTRODUCTION

The main objective of ESCWA capacity development work is to develop the technical and institutional capacities of member countries to plan and deliver more effective policies and programmes in support of inclusive and sustainable development. In this effort, the various sub-programmes of ESCWA develop training programmes, tools and other platforms to help member countries increase their institutional capacity to address development challenges as well as share technical knowledge in order that Arab region fulfill its commitments under the 2030 development agenda.

The Economic Development and Integration Division is currently implementing a 3-Year Development Account project entitled "Towards the Arab Horizon 2030: Enhancing Integrated National Development Planning in the Arab Region". The project aims at supporting member countries in their national planning processes and identifying challenges for an integrated, strategic and better-coordinated development planning that will contribute towards putting the countries in the region on a more inclusive development trajectory toward the achievement of the 2030 Agenda.

An integral part of the project is directed towards addressing capacity issues for all relevant stakeholders involved in the national development planning process in member countries. The training and capacity building programs designed in the project will demonstrate how integrative planning concepts can be used effectively to achieve national objectives, as well as to integrate the SDGs into the national plans. They also aim at addressing the difficulties, challenges and approaches of development planning and improve the abilities of national stakeholders to work together and understand each other's roles and tasks, and eventually positively influence the effectiveness of planning and the quality of the political dialogue.

Within this perspective, ESCWA offers capacity-building programs in two substantive areas related to national development planning (National Development Budgeting and Regularity Reforms)

The language of the trainings are in Arabic and English. Speakers and facilitators are experts in the field including trainers from different international and leading organizations, they offer several dedicated substance matter. In result and besides being a thorough substantive learning experience, the training programs will also provide a platform to reflect, review, revisit and, if necessary, reconsider some planning perspectives based on the country's specific experience. The workshops include a mixture of lecture and integrative and dynamic format such as breakout sessions and working groups that support the processing of the material and formulation of recommendations and results tailored to the specific situation in each country.

B. REGULATORY REFORM TRAINING PROGRAM

Regulatory reforms are the core of efficient markets and effective governments, they are necessary for successful national development planning towards establishing healthy competition, innovation and sustainable growth that benefits all people. To use the definition of the OECD, "regulatory reform reduces barriers to competition and market openness, and fosters market dynamics, while ensuring essential social and environmental welfare. Incorporating practices for consultation, transparency and access to law, regulatory reform also contributes to reduced corruption". Consequently, and noting the challenges of implementation Agenda 2030 and the achievement of the SDGs in the region, acting on addressing this need is necessary.

The training program on Regulatory Reforms is a comprehensive five-day training workshop facilitated by Triangle, a leading international organization in altering policy paradigms and setting agendas to progressive reform. The training programme includes substantive lectures that mainly aim to:

    i.   Reflect best practices in international and regional regulation;
    ii.   Map the current regulatory framework of the country

A detailed agenda of the programme may include but is not limited to the following substantive components:

Session 1: Strategic Management for Better Impact

(1) Objectives and components:
    a.   Being strategic in governing
    b.   The importance of communicating
    c.   Achieving impact
    d.   Changing behavior

(2) Key notes include:
- Almost all OECD countries have now adopted broad programmes of regulatory reform, which also establish clear objectives and frameworks for implementation.
- Experience from across OECD countries has illustrated that a more coherent approach to policy and regulatory formulation requires not only high-level and cross-governmental support, but also the capacity to lead and develop a pro-active approach.
- In strategic management, achieving administrative simplification, involves cutting red tape.
      a.   Red tape originates from excessive regulation that can be redundant or bureaucratic, and thus hinder action or decision-making.
- Advantages in cutting red tape:
      a.   Encouraging innovation.
      b.   Promoting entrepreneurship; better allocation of recourses.
      c.   Better more public governance, due to the allocation of more effective tools.
- Communicating a strategy's objectives and elements, lead to better enhance transparency.
      a.   Transparency fosters co-ordination inside the administration, which eases communication with stakeholders and promote a cultural change in administration's approach on administrative simplification.
      b.   Communication assist in breaking the following barriers:
      c.   Resistance to change
      d.   Lack of understanding administrative simplification

Session 2: Better tools - Importance of Good Processes to Drive Outcomes

(1) Objectives and components:
- a. What is Better Regulation?
- b. Importance of Better Regulation
- c. Tools of Better Regulation (access to regulations, review of the stock of regulations, consultation, regulatory impact assessment, admin simplification, inspection)

(2) Key notes include:
- The following are the tools addressing the design of the policies, institutions, promoting effective compliance and the process of reforming inspection services:
  - a. Evidence-based enforcement;
  - b. Selectivity;
  - c. Risk focus and proportionality;
  - d. Responsive regulation;
  - e. Long-term vision;
  - f. Co-ordination and consolidation;
  - g. Transparent governance;
  - h. Information integration;
  - i. Clear and fair process;
  - j. Compliance promotion;
  - k. Professionalism.

Session 3: The Legislative Landscape in member country

(1) Objectives and components:
- d. Features of regulation in designated country
- e. Legislative drafting cycle in designated country
- f. Cost of the current status to business
- g. Regulatory reform attempts in designated country
- h. Designated country's experience with Better Regulation: ERRADA

(2) Key notes include:
- Assessment and analysis of the current legislations in a selected country and identifying the main challenges and recommendation for better and more efficient process

Session 4: Regulatory Impact Analysis-Defining the Problem and Objectives

Regulatory Impact Analysis (RIA) is a systemic approach to critically assessing the positive and negative effects of proposed and existing regulations and non-regulatory alternatives. It encompasses a range of methods and is an important element of an evidence-based approach to policy making

(1) Objectives and components:
- a. Overview of RIA
- b. Pre-requisites for implementation of RIA
- c. RIA steps: problem definition, objectives

(2) Key notes include:

- RIA is a process of systematically identifying and assessing the expected effects of regulatory proposals, using a consistent analytical method, such as benefit/cost analysis.
- It is based on determining the underlying regulatory objectives sought and identifying all the policy interventions that are capable of achieving them.
- RIA requires to ask the following 3 questions:
    a. What, in general terms, is the problem to be addressed?
    b. What is the specific policy objective to be achieved? and
    c. What are the different ways of achieving it?
- These questions ensures that you identify as many different practical ways to achieving the objective as possible.

Session 5: RIA- Options and Consultation

(1) Objectives and components:
    a. Identify options aimed to address the defined problem (including non-regulatory alternatives).
    b. Conduct stakeholder analysis
    c. Development of consultation plan (including method, duration and analysis and publishing results of consultations)

(2) Key notes include:
- A good quality RIA is of little value unless its outcome can be communicated effectively to decision-makers. You should try to ensure that:
    a. The results of RIA are presented in a clear and easily understandable form. Because decision-makers are rarely technical analysts, you need to ensure that the results can be understood and that their importance for policy decision-making is clear.
    b. The results of RIA are provided to decision-makers in a timely way: that is, while they are still able to have a real impact on the resulting decisions.
    c. The results of RIA are published to inform stakeholders so they understand the reasons for a particular decision and to help promote acceptance of, and support for, the regulatory choice that has been made.

Session 6: RIA- Assessment of Options

(1) Objectives and components:
    a. Impact on identified stakeholders such as SMEs, and marginalized groups
    b. Unintended consequences of options
    c. Methods of assessment of options
    d. Identify best possible option to address defined problem and meet desired objectives

(2) Key notes include:
- Once the objective of the proposed regulation have been identified then the focus should be on assessing the nature and the size of the policy problem that is intended to be solved by the regulation or policy action.
- This involves identifying:

- What groups in society are being affected;
- What is the size of each group;
- What is the nature of the impact on each group;
- How large are these effects;
- How long will these effects persist?

Session 7: RIA - Enforcement and Compliance, Monitoring & Evaluation

(1) Objectives and components
   a. Steps to ensure enforcement and compliance with preferred option
   b. Setting roles and responsibilities of relevant entities in monitoring implementation of selected option
   c. Establishing an M&E plan
   d. Evaluate effectiveness and efficiency of selected option in achieving set objectives

Section Title	Description
1. Objective	**Clearly state the policy objective(s) and goal of the regulatory proposal**
2. Problem	**Describe your assessment of the nature and extent of the problem to be addressed by the regulatory proposal**
3. The regulatory proposal	**Explain the regulatory proposal:** **· Describe the regulations** **· Outline the legal authority to make the regulation** **· List the groups likely to be affected by the regulation (citizens, business and within government)** **· Outline the enforcement regime and proposed strategy for ensuring compliance**
4. Analysis of Benefit and Costs	**Clearly outline the benefits and costs expected from the regulatory proposal for each group;** **· Administrative** **· Economic** **· Social** **· Environmental** **· Enforcement and Compliance**
5. Compare the costs and benefits	**Include a table comparing the cost and benefits for each of the above categories, listing the monetary values of each or providing a description.**

6. Identify Alternatives	List the practical alternatives, including any non regulatory approaches that have been considered as options instead of the proposed regulatory approach.
7. Compare the costs and benefits of Alternatives .	Describe the benefits and costs for each practical alternative that was considered
8. Compare the alternatives with the regulatory proposal	Outline how and in what ways the identified regulatory proposal is superior to the alternatives that were considered.
9. Consultation	Describe the process of consultation that have been undertaken to collect stakeholder views. List all the groups that were invited to comment on the regulatory proposal and summarize their comments.

Session 8: Building Better Institutional Governance/ Establishing Sound Regulatory Bodies

The importance of institutional governance is critical in an increasingly complex world. Establishing effective institutions therefore and their governance arrangements will shape their ability to operate effectively to achieve the social, environmental and economic outcomes they are mandated to perform. And understanding their organizational behavior and drivers are key.

(1) Objectives and components:
   a. Institutional Governance
   b. Establishing effective institutions
   c. Organizational Behaviour

Session 9: Drafting a Roadmap for "better" legislation and policy in that enables resources efficiency and legislation coherence to stimulate investments and improve the business climate:

(1) Objectives and components:
   a. Prioritization and sequencing of initiatives (keeping Agenda 2030 priorities in mind)
   b. Clarification of roles and responsibilities of government actors involved
   c. Proposal for a reform timeline
   d. Monitoring and evaluation

(2) Key notes include:
   • There are five main areas of work for cutting red tape

i) regulatory management reform to improve the framework of the administrative system	*ii)* organisational reengineering	*iii)* use of information and communication technologies (ICTs)	*iv)* better information on the delivery of services and administrative requirements	*v)* co-ordination of multiple requirements stemming from the public administration

The training includes several breakout sessions and working groups with team exercises that support the processing of the material and formulation of recommendations and results tailored to the situation in the country. The case study work employed in the workshop is also employed to offer recommendations of future action points for participants on how to translate training content into their respective functional roles.

C. BUDGETING IN SUPPORT OF EFFECTIVE INSTITUTIONS AND PLANNING TRAINING PROGRAM

There has been substantial debate at global, regional and national levels on how budget processes can support national institutions to deliver the Sustainable Development Goals (SDGs), through their relations to the institutional principles highlighted in SDG 16, including effectiveness, accountability, transparency, anti-corruption, access to information, inclusive decision-making and non-discrimination. The main objective of this training programme is to formulate lessons learned on effective budgeting for national development planning and in support of implementing Agenda 2030 as well as to carve out ideas for addressing development planning related to budget planning specific to the Arab region,

The training is a comprehensive two-day training workshop facilitated and presented by a range of international and regional experts and stakeholders including OECD, IMF, United Nations, academia, private sector, government sector, etc.. The training programme includes many substantive lectures that mainly aims to:
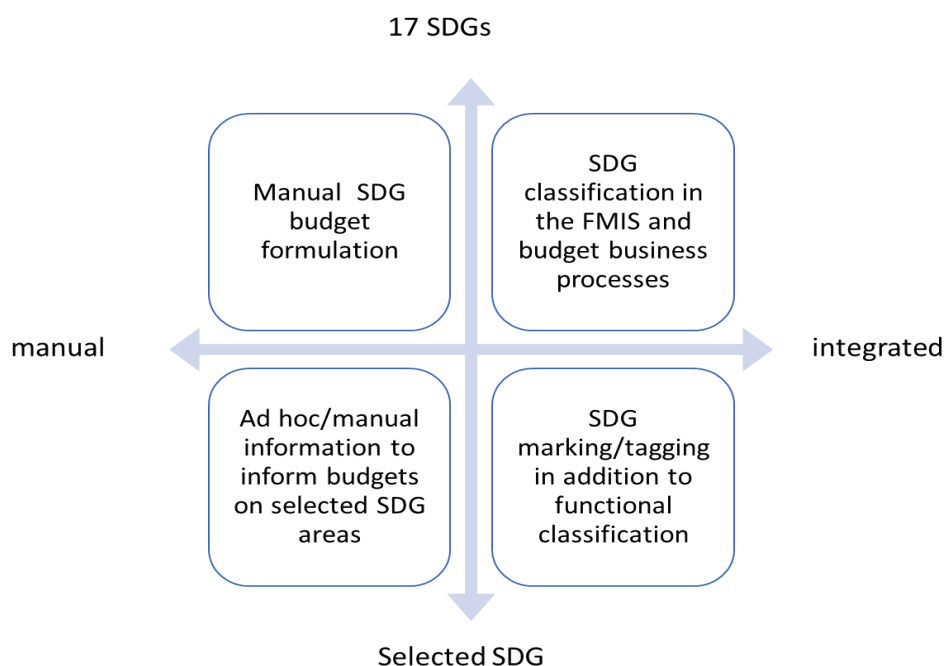
(1) review international expertise and knowledge in terms of (i) the main (recent) current of thoughts and initiatives going on in relation to the principle in question in terms of planning and budgeting; (ii) known results/ evaluations of various institutional approaches; and (iii) challenges, limitations and possible developments at the global level;
(2) draw out lessons learned and specific guidance/recommendations for policy-makers in the Arab region by consolidating the discussion after the meeting into a summary paper on key lessons learned for budgeting and planning in support of effective institutions that serves as regionally-tailored addition to the World Public Sector Report 2019.

A detailed agenda of the programme may include but is not limited to the following substantive components:

Session 1: Institutions for the sustainable development goals - Empirical views from the World Public Sector Report 2018 & 2019

(1) Objectives and components:
  a. The session will present a substantive preview on the analysis included in the 2019 WSPR report, thus giving an international perspective on national budget processes and the SDGs.
  b. Bearing relevance for Arab countries and drawing on lessons also learned in the context of the MDGs, the discussion covers a review of typology of approaches, necessary national actions to link SDGs and budgets so far in the international context as well as drivers of SDG integration into budget processes.

(2) Key notes include:
  a. Budgeting process/steps:
      i. Establishment of a system that links revenue collection with recourses allocation.
      ii. Performance monitoring of the achievements.
      iii. Integrate the SDGs into the sustainable development financing strategies.
      iv. Have classification systems that enable tracking public expenditures on specific programs or policy objectives in a detailed way
  b. Linkages of Budgeting to the SDG:

17 SDGs

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                    Manual  SDG              SDG
                      budget         classification in
                   formulation        the FMIS and
                                     budget business
                                        processes

manual  ────────────────────────────────────────  integrated

                   Ad hoc/manual            SDG
                   information to      marking/tagging
                   inform budgets       in addition to
                  on selected SDG         functional
                       areas           classification
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Selected SDG

Session 2: Budgeting processes - Case studies from the Arab region

(1) Objectives and components:
   a. The session summarizes ongoing experiences in Arab countries with respect to effective budget processes. For example, in Egypt, attention is drawn to undertake important initiatives to address: a lack of transparency, limited citizen inclusion in the budget-making process; and problematic energy subsidies, which accounted for a third of all government expenditures. The discussion of further experiences from other countries in the region will help the identification of Arab strategies towards budget formulation and of gaps in comparison to international best practice.

Session 3: Budgeting, budget credibility and accountability

(1) Objectives and components:
   a. To inform national development planning efforts in the Arab region in terms of improving transparency, accountability and participation, this session discusses the importance of the quality of reasoning in government budget documents. The quality and depth of reasoning links to the ability of understanding by public policy by stakeholders and supports clarity on linkages as well as cross-sectoral contributions. Focusing the context of Arab countries, the session
   b. To discuss the assessment criteria for judging both retrospective and prospective reasons governments give for budget choices and deviations in public budget documents.

(2) Key notes include:
   a. Transparency and Availability:

     i.   Public spending is vulnerable not only to waste and misuse, but also to fraud. "Sunlight is the best policy" for preventing corruption and maintaining high standards of integrity in the use of public funds.

    ii.   Publishing the Executive's Budget Proposal online in time.

   iii. Increasing the information provided in the Budget.

   iv. Publishing the Pre-Budget Statement and Citizens Budget.

    v.   Citizen involvement in the evaluation process.

   vi. Make the budget data easy to read for journalists and non experts.

Session 4: Overview on domestic public resources in the Arab region

(1) Objectives and components:

    a. Present the recent trends in domestic public resources in the Arab countries. Increasing domestic revenue mobilization by all possible means is a priority for most countries in the region as well as more efficient fiscal expenditures to promote the target of economic diversification and increase revenue mobilization in a long-term perspective. The session discusses some policy proposals, with a focus on raising domestic revenue mobilization in the Arab region.

(2) Key notes include:

    a. Harnessing the potential of tax revenues is key to mobilize domestic resources (Setting short and medium term fiscal rules can help)

        i.   Improving tax fairness – Increase progressivity especially in direct tax collection, harness potential tax base (property tax/wealth tax, non-wage incomes)

       ii.   Improving effectiveness of tax systems -- Administrative reforms to control tax evasion, mandatory filing of tax (at residents'/businesses' end)

      iii.   Controlling illicit financial flows necessitates strengthened international cooperation (also adjusting domestic tax laws)

      iv.   Oil-rich countries need to diversify revenues through promoting economic diversification and better public finance management, including debt and SWFs

    b. Expenditure Efficiency

        i.   Improving expenditure efficiency is essential to meeting greater social expenditure needs toward achieving the SDGs

       ii.   Enhancing progressivity in fiscal redistribution and better targeting public budgets to social development priorities

      iii.   Monitoring social expenditure and reprioritizing: ESCWA tool on Social Expenditure Monitor (SEM) is currently being developed

Session 5: Risk management for effective budgeting in Arab national development planning

(1) Objectives and components:

    a. This part of the workshop explores how transparency policies and oversight in various areas contribute to more effective planning, budgeting and implementation processes; how corruption risks affect the different stages of the planning and budget process, and how associated issues can be addressed (ie. good examples of practices and tools at the systemic and sector levels); and how budget and planning processes can be structured to promote non-discrimination and inclusiveness.

(2) Key notes include:
   a. Developing risk register – identification, assessment, response planning, management planning, monitoring and control
   b. Periodic spending review
   c. Performance, evaluation and value for money are integral to the budget process – financial and programmatic audit
   d. Risk-based programmatic and budgetary planning
   e. Financial and programmatic audit
   f. HR strategy to develop a culture of accountability for financial, programmatic and operational results

Session 6: Effective budgeting for national development planning in the Arab region:

(1) This component is an open platform for discussion to summarize based key concerns, lessons learned, best practices, etc. from the previous sessions and to draw out implications for the Arab region as well as ideas for problem-solving.

D. CONCLUSION

The above is only an overview of the training programs and their key components. ESCWA is ready to implement these programs in member countries by providing special programs that are tailored to the needs and status of each country.