

COMMUNICATION AS A TOOL IN POLICY REFORM: GETTING THE MESSAGE THROUGH IN EGYPT

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At the end of 2005, the recently appointed reformist government led by Prime Minister Ahmed Nazif started to engage in drastic reforms of the business environment. Building on the momentum created by a successful tax reform, the government, through the General Authority for Free Zones and Investment (GAFI), took a very active role in the establishment of one-stop-shop facilities. But despite some visible progress, GAFI was still baffled by the difficulty of re-engineering administrative processes and achieving an effective delegation of authority from central line ministries to their local authorities. One obvious constraint faced by GAFI in Alexandria was the limited knowledge and understanding of the reform process by Egypt's civil servants. Equally, GAFI suffered from a lack of effective recognition and support from the private sector for the government's genuine commitment to turn Egypt into a more transparent and predictable place for start-up investors.

How Could IFC Help?

In late 2005, IFC teamed up with GAFI and the Governorate of Alexandria to create a coordinated simplification effort of all start-up procedures through a pilot project based in Alexandria. An intensive communication campaign was set at the very heart of the Project and proved crucial to motivating the middle management in government institutions, particularly at the local level, to participate in the reform process. The communication and PR strategy also focused on turning the private sector into a pro-active partner taking part in the technical re-engineering of procedures and fully investing itself in measuring the longer-term impact of the reform process.



GAFI's one-stop-shop service center has contributed to a significant reform effort of business start-up procedures in Egypt since early 2005.

Getting Everybody on Board: Using a Communications Strategy

Egypt had a particularly complex regulatory environment for business start-ups. The initial diagnostic carried out by IFC found that the registration and licensing of new businesses involved more than 220 days and 132 processes across 18 institutions having different goals and objectives. Facing so much complexity and institutional fragmentation, the reform process clearly showed one central challenge: How to reach out to all major groups having a stake in the reform? What messages were important to link them in a joint effort to simplify business start-up processes for new investors?

Carefully choosing our communications objectives and our target audiences is how we started off.

Choosing Our Objectives

The communication strategy was developed only after the release of an IFC report showing a comprehensive technical diagnostic of business start-up procedures, three months after the effective start of the Project. The technical diagnostic consisted of process maps of business licensing requirements showing the actual complexity of the procedures and was illustrated with detailed facts and figures. As all the institutions involved in business licensing having a stake in the reform process were identified, it was now possible to define target audience groups and conceive a well-targeted message for each of them.

The communication strategy was jointly developed by the IFC Project team and the Communications Officer as an integral part of the project. The strategy was then discussed with our main partners and clients, particularly with the Policy Advocacy Unit of GAFI.

The strategy focused on three main communications goals:

1. Raising awareness of the private sector about the new services of the One-Stop Shop center of Alexandria
2. Increasing the visibility of GAFI, the Industrial Development Authority (IDA), the Ministry of Housing, and the Alexandria Governorate and their efforts in reforming business start-up licenses
3. Increasing the civil servants' awareness of and commitment to the ongoing reform process.

Segmenting the Target Audience

The strategy focused on three particular target or audience groups: (i) the private sector, (ii) our direct counterparts in the public sector and (iii) the broader population of civil servants having a stake in the reform process. While other groups such as NGOs or the public at large could also have been targeted, we decided to stay more focused, given the relatively short life span of the Project (18 months).

A Communication Plan was developed defining the required media tools and activities, designating the responsible person or client institution, and outlining a budget for each activity. Communications activities included a mix of mass media coverage (i.e., a national conference organized in Alexandria), and a series of workshops and events.

The private sector. The message for this target audience was to encourage the private sector of Alexandria to turn into a constructive pressure group in the reform process and seek the active participation of private sector key figures in the re-engineering process of business licensing procedures. This was important, since the Project wanted to set up and moderate working groups on industrial licensing and building permits. These working groups are composed of individual members from both public and private institutions.

An important milestone in the Project was the signing of a Memorandum of Understanding (MoU) with the strongly established Alexandria Business Association (ABA). In late 2006, the MoU formalized the private sector cooperation with GAFI and IFC in organizing a joint monitoring effort of business licensing reforms, based on a selection of indicators to be measured on a semiannual basis. Overall, the MoU pursued the objectives of building the policy advocacy of our private sector partner as well as using ABA as an active player in the detailed re-engineering of business start-up procedures. IFC is now facilitating the creation of a reform monitoring capacity to enable the ABA to disseminate to the media simple, accurate, credible, and concrete information on the state of business regulatory reforms in the region. Through such media coverage, information will reach out to the Egyptian private sector at large in a more systematic and organized way. It will also adequately convey to the government sensitive messages on the pace of reforms and the remaining bottlenecks.

The public sector counterparts formed the secondary audience group and included the senior management of 18 institutions involved in business licensing in Egypt and their line ministries. This group was clearly divided into two subtiers: the “champions” and the “followers.” The message here focused on

encouraging the second tier to follow the approach and momentum of the first tier, thus to become part of the leadership “pack” themselves.

IFC created several events and opportunities with the major goal of rewarding reformers with more credit and visibility for their commitments to the reform process. Typically, these events took the form of press conferences and signature of MoUs with a few individual institutions committing resources, empowering staff, and developing detailed roadmaps to reform business licensing. For instance, such events were organized with the IDA and the Ministry of Housing. During these events, IFC and its new partner institution would provide compelling facts on the benefit of realized “quick-wins” as well as their vision on how they would streamline business procedures both in the short and longer term.

Other substantive messages targeted the “second tier” and used international best practice examples to illustrate how institutions pursuing important policy objectives could combine their traditional mandate with the additional objective of attracting new investment to contribute to new job creation and income opportunities.

The broader population of civil servants, the third audience group, was also divided into two subgroups: those who were directly engaged in the reform of business start-up procedures and those who were not. Given the time and resource constraints, IFC chose to target mainly the first group. Within the 4 months which followed the technical diagnostic, IFC focused on a group of roughly 30 “core managers” at the middle management level across five main institutions. It developed a communication strategy combining regular roundtable discussions, training from international experts, and two study tours in Europe and North America of about one week each. Systematic media coverage was organized in connection with these events, including an international media event when the Egyptian delegation reached Portugal.

IFC’s main objective was to complement the top-down approach generally pursued with the first and second audience groups with a “bottom-up” approach. The idea was to present to the senior policymakers workable, constructive, and best practice business simplification solutions emerging from their own management base so that they would be more inclined to endorse them. IFC’s other message to the “core managers” focused on accountability and the need to develop precise, measurable track records of reform efforts.

Lessons Learned

Rely on a handful of key individual government figures strongly associated with the reform process. Use their clout, personal credibility, and individual experience to connect and motivate small and large audiences.

Use the media to reward reformers. To strengthen the reform leadership, disseminate their vision and therefore induce other institutions to jump on the bandwagon of reforms.

Build up the “media management” skills of your main partners (particularly, private sector organizations) to leverage and sustain your outreach, reinforce the message to both civil servants and the private sector, and ultimately, improve the project development impact.

Closely tie advisory services on developing media activities to the development of a sound and cost-effective M&E strategy within the client institution. Facts and figures on the actual pace of reform and its bottlenecks will create a substantive message to the target audience, increase focus on reform issues, and lead to more accountability.

Develop a dual communication strategy addressing the two strategic angles of the reform process: Engaging top policymakers is a must but – equally – engaging the middle management is essential, with distinctive messages and objectives in both cases.

Educate the media to secure a strong message on the project’s partners, objectives, and benefits.

Bringing the Media Up to Speed

A national conference organized in November 2006 in Alexandria provides a concrete illustration of IFC's communications approach in this Project. A press conference was organized on the eve of the national conference. It involved several regional and three national TV channels together with the Arabic, English and French-speaking press to also reach out to the international investment community. IFC acknowledged the reform efforts of its core partners and pointed to concrete achievements of the new government team in simplifying business procedures. IFC stressed that more needed to be done and that more institutions should join the reform process.

Organizing a press conference the day before the event also served the purpose of educating the media and providing them with background information on IFC and the benefits of business simplification. This preparatory event enabled the press to contextualize important information in the next day's conference and therefore to better focus on the key messages. Within the next few days, these messages had been widely disseminated in Egypt.

The conference disseminated the results of the technical diagnostic on business start-up procedures. IFC gave the floor to international speakers from North America and New Zealand on their respective reform experience of automation and the introduction of client-oriented building permit procedures. The conference was also used to host the signing of a new MoU with the Alexandria Business Association which marked the beginning of a joint innovative policy advocacy initiative on business licensing reforms.

Conclusion

The Project is well underway and has achieved a strong visibility in Egypt. The first results were made possible by relentless communication efforts using a mix of mass media and communication tools. These efforts were at the heart of the IFC's advisory intervention.

As of May 2007, tangible results of the project included a reduction of business and tax registration requirements from 35 days to 10 days. A new IDA office was set up in the Alexandria one-stop-shop center in GAFI, and a risk-based assessment system for industrial licensing was introduced. Local staff are now entitled to process two risk categories of investment projects locally and are now able to deal with about 80 percent of new requests. Practically, for most investors in Alexandria, the time to go through this process is now reduced by 50 percent, roughly equivalent to a reduction of 35 days. Working with two districts in the Alexandria region, IFC actively engaged with the Ministry of Housing and is now aiming for a 50-percent reduction in the time and number of procedures for building permits by the end of 2007. The solutions developed by the Project are now being replicated in other parts of Egypt.

Such results are now generating new materials for an effective PR campaign stressing the benefits and the payoffs of a participative approach to reforms of the business environment.

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