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Injecting International Good Practices into Policy Reforms: The importance of Study Tours

In policy reform Advisory Services (AS) projects the concept of “good practices” often floats around, not knowing when or where to land on a “project runway.” So the question here is how and when do you inject good practices into regulatory reforms so they yield maximum impact?

Whenever terms like “international expert” and/or “study tours” are mentioned, projects become vulnerable to criticism of wasted money and shopping sprees. The experience from IFC Advisory Services in the Middle East and North Africa’s (AS MENA) “Alexandria Business Start-up Simplification” project in Egypt stands out as a good example of a project that used international good practices both at the right time and in the right way.

Identifying the Problem

In October 2006, the government of Egypt asked IFC for assistance in streamlining the issuance process for building permits. The construction industry in Egypt was saddled with the burden of a process that took on average 195 days and 43 separate procedures. As a preliminary step in the streamlining process, and to gather data for the corresponding Doing Business (DB) indicator, the project mapped the process of issuing building permits inside a pilot district in the Governorate of Alexandria, Egypt. Here are some lessons we learned:

1) Choosing the right time to insert international good practices in an AS project is extremely essential.

The mapping exercise was a real eye opener for the various government bodies involved (process owners). It not only showed them how lengthy and complicated the process was, but also highlighted the wide gap between Egypt and top reformer countries. The result was a consensus that every effort had to be made to narrow this gap. The project team responded immediately. Using working groups and workshops, we began exposing the government bodies to different ways of approaching the issuance of building permits. Our goal was to assist in building their capacity to develop a process that was investor friendly

while, at the same time, protecting public health, welfare, and safety.

2) Assessing good-practice countries and experts should start as early as the project approval stage.¹

After three months of real effort on the part of the Ministry of Housing’s Agency for Technical Inspections on Buildings and the Governorate of Alexandria’s Housing Department, the number of days to obtain a permit was reduced to 156 and the number of procedures to 35. Our clients were not satisfied with these results. Very early on in the project cycle, we had made them aware of the top-ranked countries in building permit issuance according to the Doing Business reports. So now they said, “There must be something unique about those countries that are way ahead of us that is worth exploring.”

Anticipating such an inquiry, the project team had done its homework ahead of time. We immediately provided process owners with information on the reform experiences of Canada and New Zealand. We also presented them with options for experiential learning, based on our discussions with the expert practitioners that designed and participated in the reform process in those countries. The

¹ The process of identifying and assessing international good practices for use in the project started as early as the project approval stage. Canada and New Zealand were mentioned as potential good-practice countries with which the project team would establish contact in order to benefit from their success stories.

team was careful to focus its attention on identifying and securing the assistance of public servant experts because our thinking was that, despite being from different countries, public servants speak the same language. Experiential learning between these experts and their Egyptian counterparts would therefore be easier and potentially more beneficial.

Introducing the Experts: Welcome to Egypt

3) Familiarizing the expert with the local context prior to a potential study tour is a must.

Some might think that benefiting from international good practices is as easy as copying and pasting successful legal and operational models. However, as we all know, the one-size-fits-all approach is a one-way ticket to failure. We wanted to avoid this pitfall. So in November 2006 IFC invited the expert practitioners from Canada and New Zealand on a four-day study tour to Egypt.² Our objective was twofold: First, we wanted our clients, Egyptian public officials, to get exposed to ways of thinking that made the difference for countries such as Canada and New Zealand. Secondly, in order for the expert practitioners to propose good-practice reform solutions, they had to familiarize themselves with the local context and understand how the system in Egypt functioned.

As a result, the experts spent a good amount of time observing operations and processes, meeting with the process owners, private players in the construction industry, and other stakeholders. Their study tour was concluded with the presentation of a report to the government of Egypt. It did not try to prescribe one model of good practices for streamlining the building permit issuance process. Instead the report offered various options with recommendations, tailored to the specific factors and considerations pertaining in Egypt.

Seeing Is Believing

4) Setting the right agenda for the tour should be a joint effort between IFC, the clients, and the consultants.

To ensure that the client was willing and committed to go the extra mile, our next step was to organize a reverse study tour for Egyptian public officials to go to Toronto, Canada.

The main aim of the trip was for process owners in Egypt to understand policy and gain practical experience of how a streamlined building permit process functions. The hope was that the resulting broadening of perspective and increase in knowledge would be put to use by participants when developing the right model for Egypt. It usually takes more than tailored recommendations to undergo bold reforms. It takes will, dedication, and commitment on the part of everyone.

The tour's agenda was carefully thought out. A great deal of attention was given to striking a balance between

² Because the two experts (one from New Zealand and one from Canada) were public servants, this made things much easier because public servants at the end of the day do speak the same regulatory and procedural language, so they interacted smoothly with their Egyptian counterparts.

meetings with both central and local authorities so participants were exposed to the various aspects of how an efficient permit system functions. We also gave thought to choosing the right system in Canada for in-depth study. Because the project pilot in Egypt was in Alexandria and



Our visit to the city of Kitchener construction department.

not Cairo, everyone agreed that the focus should be on a city-level system. As a result, we chose the cities of Kitchener and Toronto.

But Who Should Be On Board? That Is the Question

5) Choosing the right combination of people to participate in the tour is key. Aim for a mix of high-level policy/decision makers and management who can ensure implementation on the ground.

Once the agenda and date (July 2007) were set for the trip, the question of who should get on board came up. Despite understanding the key role that study tours can play in facilitating successful reforms, public servants often are inclined to use them to reward or incentivize employees.

The team made clear to the client that it was critical to choose the right people for the tour. We advised a mix of senior decision-making representatives and implementers from both the central (Ministry of Housing) and local (city of Alexandria) authorities. Maintaining the balance between central (three senior policy makers) and local (three mid-management implementers) delegation members was essential. For effective reform in a highly decentralized process such as the issuance of building permits, the need for political will and vision is equally as important as practical knowledge of the processes on the ground.

We did not ask the client to make a contribution to the cost of this tour. With hindsight, we probably should have asked them to bear some of the cost because we believe that client contribution is a must, no matter how justifiable your study tour spending is.

Wrap-Up... The Last Day of the Tour

6) Don't leave the discussion of next steps until participants return home.

"Let's discuss the results and agree on our next steps when we get back to the home country" is the traditional approach in planning study tours. In our case, however, IFC moderated a one-day workshop in Kitchener with the support of the experts in Canada. The outcome of the workshop was the outline of an action plan for the government of Egypt, developed by delegation members. The plan also consolidated the best practices that the delegation witnessed on the ground.

The workshop could have been even more effective if we had convened daily wrap-up sessions to facilitate reflection. This would have generated more ideas for discussion during the workshop.

So Did the Trip Really Pay Off?

It's been nearly 18 months since we went on this study tour and, if you're wondering why it took me so long to write this smart lesson, my response is simple: Most of the best-practice recommendations are legal in nature, and we all know that legal reforms usually require more time to be implemented.



A visit to a construction site in Kitchener.

Below are the main outcomes of the trip reflecting good practices from the Canadian system that were tailored and adapted to the Egyptian context:

- *A new set of construction issuance procedures has been introduced and will be enforced by law for all districts nationwide. The new system resulted in a reduction of the time and procedures necessary to obtain a permit to 141 days and 31 procedures, accordingly.*
- *The new construction law was also modified to include streamlined building permits for low-risk, low-rise buildings in alignment with a new fast-track system. This was a direct application of a system operating in the city of Toronto, where an applicant can get a permit in a shorter time frame if the construction activity falls under certain risk and height criteria.*
- *The concept of private-sector engineering firms reviewing and approving designs was also introduced both in the law and its executive articles.*
- *Members of the delegation developed strong and continuing relationships with their Canadian counterparts. Egyptian officials consult directly with their Canadian colleagues as issues arise. This bodes well for the sustainability of the reform efforts after the project ends.*



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