

**Report on the USAID Supported
Stability Pact eSEE Initiative Workshop on eGovernance
Skopje, September 25-26, 2007**

Workshop Objective: To provide a cooperative venue to enable senior eGovernance officials from those governments participating in the Stability Pact's electronic South East Europe Initiative (eSEE) to benefit from an active exchange with counterparts from the region and from governments with advanced eGovernance programs.

Participants: Some 90 eGovernance leaders and specialists, including representatives from the ePrograms of Albania, Bosnia-Herzegovina, Croatia, Macedonia,, Moldova, Montenegro, Romania, Serbia, UNMIK/Kosovo; eGovernance practitioners from the United States, Austria, Italy, Switzerland, Slovenia, EU FP-6 programs (We-Go, RAC-WEB, and Ellectra-WEB), the World Bank, and stakeholders from the proposed regional eGovernance Center project. Stability Pact Deputy Special Coordinator Mike Mozur served as lead moderator.

Program Elements: Plenary sessions to present the strategic need for a broad, integrated vision for successful eGovernance program development and implementation and to outline major sources of external support to the region; separate break-out sessions on eLeadership, eProcurement/eCustoms, eEconomy/eBusiness, and eEducation; a concluding plenary review of break-out session reports and workshop wrap-up.

Welcoming Remarks: Stability Pact Deputy Special Coordinator Mozur and eSEE Chairperson Marijana Vidas offered introductory remarks to a general audience of ninety. They stressed the opportunities offered to the governments of the region by progress on the broader regional Information Strategy as conveyed in the proposed eSEE Agenda Plus program document, to be endorsed by a regional Ministerial meeting in Sarajevo on October 29. Macedonian Minister without Portfolio for Information Society Ivo Ivanovski highlighted the significant role eGovernance can play in promoting government transparency and in combating corruption in the region. USAID Regional Competitiveness Initiative head Steve Eastham recapped USAID engagement on eGovernance throughout the region, pointing in particular to the economic development aspects. USAID Macedonia Economic Growth Director Marcia Wong focused on in-country USAID programs, noting the successful USAID eGov project, which was serving as a co-sponsor to the Workshop.

Session One - Strategic Overview: Presentations by Richard Burk, the Chief Architect and Manager of the U.S. Federal Enterprise Architecture (for eGovernance) and by Dr. Klaus Gschwendtner, the coordinator of the EU We-Go FP6 Project provided a broad overview of eGovernance, drawing on the experience of the U.S. and the European Union member states.

- Mr. Burk emphasized the critical need for a comprehensive understanding of the overall architecture of an effective eGovernance Program to ensure that decision

on solutions and hardware fit into a consistent overall strategy and program. He pointed to the US experience, where a central policy office in the Office of Management and Budget, a part of the President's Executive Office, had the authority to approve or disapprove the respective architectures of the ePrograms of the respective Cabinet Departments and government agencies. Command of budget resources was not always necessary; but authority to assure coordination and standards was critically important to overall progress and success.

- Dr. Gschwendtner provided a European perspective, reviewing progress within the EU with special attention to the factors contributing to success. Organization and structure were particularly important. The European leader in eGovernance, Austria, achieved its breakthrough in 2003 when its architecture and leadership allowed it to move quickly ahead and to achieve the leading position as the EU leader.

Session Two - Support to eGovernance: The opening session on September 26 sought to provide regional representatives with an overview of existing and pending donor support to eSEE participants' eGovernance programs.

- eGovernance Center (eGC): Stability Pact Deputy Special Coordinator Mozur reviewed the status of plans for the creation of a regional "eGC". Discussions among potential stakeholders -- the Slovene Government, the U.S., UNDP, the European Foundation (Madrid), INA and private companies and other partners -- have progressed well. The goal: signing of the eGC MoU by the time of the eSEE Ministerial in late October. The eGC would seek to provide education, an ePortal on eGovernance programs, project development support, and workshops and training. The eGC's administrative focal point in Ljubljana, Slovenia would support activities conducted in the region (exemplified by the Skopje workshop).
- EU Programs: Ms. Joan Pearce of the EU Mission in Skopje outlined EU programs and activities in support of the Information Society and eGovernance. She expressed satisfaction with the active participation of three EU FP-6 programs in the workshop and noted the potential for significant further support via the FP-7 and CIP programs in the future.
- Italy/UNDP eLead Project: Mr. Stefano Cacciaguerra presented the Italy-UNDP eLeadership project. The project is in its launch phase through early 2008, to be followed with an active program of activities focused on developing and supporting leadership in eGovernance at various levels, including national, provincial and local in South East Europe. Drawing on the specific engagements of six regions of Italy, the project would seek to energize leaders' understanding of and commitment to eGovernance in a number of key sectors and areas.
- World Bank: Ms. Samia Shelton offered a comprehensive view of the World Bank's programs and strategy in support of eGovernance around the world. She underscored the importance of eGovernance to broader development and

explained a number of major World Bank projects on eGovernance (in Sri Lanka and India).

Sessions Three and Four – Break-Out Discussions and Wrap Up: The highlight of the workshop were the four break-out sessions on eLeadership, eProcurement/eCustoms, eEconomy/eBusiness, and eEducation. Discussion in each was animated, and the fifty regional participants conveyed key points to the group in the wrap up plenary session.

eLeadership: Representatives from Albania, BiH, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia, and UNMIK/Kosovo joined Mr. Richard Burk (U.S), Dr. Gschwendtner (EC FP-6 We-GO), Mr. Cacciaguerra (Italy), Ms. Melhem (World Bank), and Mr. Mozur (Stability Pact) for a wide ranging discussion of the challenge of undertaking government-wide eGovernance programs. Key points raised included:

- The region needs higher levels of political commitment and public awareness to move ahead with eGovernance.
- There was early focus on the importance of the role of the Chief Information Officer in leading and coordinating government wide programs. Several governments were moving toward establishing clear central leadership and control of eGovernance programs. The CiO function did not necessarily have to manage the entire government's program, but it should have program and oversight authority.
- The Italy-UNDP eLeadership program was seen as responding to this leadership need. To achieve sustainable success, there was a need for a multi-stake holder approach, encompassing governments along with communities, NGOs and the private sector, and for all to be involved at the early stages of development.
- There is a need for action plans on eGovernments and an interoperability framework that is harmonized with the EU. Governments need to be watchful of poor coordination of local programs, poor interoperability and fragmented projects. National and local governments need to be clear about respective responsibilities. Gaps in legislation needed to be addressed and eliminated.
- A good place to start on ePrograms is with citizen services involving high volume, where simple authentication mechanisms can serve in lieu of full e-signatures. Business is possibly the best target for developing eGovernment efforts. Mention was made of the need for a certifying authority for the region or perhaps a regional linked network of trust centers.
- Best practices from within the region and outside the region are very important. Romania's eProcurement program is a regional success story. The privatized approach to certification in Austria was discussed as a possible model.

- Electronic certification authorities needed to be created or strengthened. There are possibilities for programs related to integrated border management and with regard to international transport involving TIR trucks and bus transportation companies.

eProcurement/eCustoms

Officials from Croatia, Macedonia, Moldova, Montenegro, Serbia and UNMIK/Kosovo participated. The focus: best solutions to the common problems faced in implementing electronic customs procedures, tendering and auctioning. Presentations by visiting practitioners included those of Mr. Josef Makolm (Austrian Ministry of Finance) on electronic solutions in Government Procurement procedures, Mr. Rafael Koumeri of the EC FP-6 RACWeb project, and Mr. Robert Atanasoski of the EC FP-6 EllectraWeb project. Mr. Mario Apostolov of UNECE presented on UNECE efforts to promote the Single Window Application for customs and trade transactions.

All the countries represented were in the process of implementing the electronic procedures in both domains, although on various stages of development. Thus far, all mainly use mainly electronic data interchange but have future plans to develop web-based systems, both in customs and procurement procedures. Regarding legislation, some are in the process of drafting/introducing new laws on e-Procurement or amending existing ones to allow new electronic solutions in these fields.

Discussion of main problems and challenges during implementation centered on three principal issues, with a possible regional approach in solving them.

- Data submission is usually done from various sources/agencies and needs to be harmonized in a way to reduce unnecessary repetitions. The solutions might include collecting data from one source, creating functioning networks between various agencies, or exchanging and using existing data from cross border points (this assumes strong support from ministries of interior).
- Promoting web-based systems were important to ensure their wider use. One possibility might be to use it frequently. In one case, after only 4 months of using this system, 94% of companies were sending customs declarations electronically). Innovations that help in simplifying customs procedures and creating paperless work would be very much welcomed by private sector. This could be stipulated by the law and made obligatory.
- The issue of identity validation was recognized as a problem in almost every case. Participants stated that, although most have laws adopted on e-Signature, in practice few of institutions/companies have and apply e-signature. One possible solution could be to use classical authentication (ID and password), as in the example of e-Tax in Austria where 1.5 million users apply this system for tax notices although only 6,000 have an e-signature. This has proven to be an effective system as an interim solution and was never misused.

At the end of this session participants gave short overviews on strategies and action plans to be implemented in short and mid term. Mr. Makolm invited all participating regional representatives to join the reference group in the EU CIP project (at present, only Croatia is part of the group). This would provide them with an opportunity to participate in this project by 2010 without any prior financial obligation.

Participants stressed the several benefits of introducing e-Customs and e-Procurement into e-Governance, keyed to modernization, improved transparency and efficiency, significant cost savings, reduced tendering and contract management time and effort. This will help staff professionals to focus on core, value added activity rather than on administration, allow for standardized work procedures and the adoption of best practices. The benefits to governments – better monitoring, automated control and auditing mechanism - all contribute to country competitiveness and economic growth. Workshop participants saw as added benefit the opportunity to create and upgrade the already functioning network of contacts and active communication on ICT and eGovernance between partners in the region.

eEconomy/eBusiness:

Overview presentations by Ms. Dannie Jost, external technology and innovation policy advisor to Switzerland's e-Government activities, and Ms. Teja Batagelj of Slovenia's eBusiness Project started the discussion. Participants from Albania, Croatia, Macedonia, Moldova, Serbia, and UNMIK/Kosovo reported on their respective governments' eEconomy efforts. Programs are in an early phase, but prospects are improving. Potential plusses: the region's promising young population, increasing internet penetration rates, and great potential for local software development.

There are many challenges.

- Most significant, there is low political support for the eAgenda and low awareness of the real benefits of eBusiness. There is a great need of educating business and government alike about the potential for eBusiness, given that many have had negative experiences with poorly chosen software solutions.
- Inadequate infrastructure and ineffective legislation represent further significant obstacles. In addition to a low level of standardization, the region lacks IT specialists and engineers.

However, the future carries promise.

- The mentality is changing; e-transactions are inherently efficient and can drive better business results.
- Regional cooperation can provide a boost; the region's very large diaspora represents a very strong asset that can be brought into play.

- To move forward, the region's governments need to develop true eCommerce strategies, and to look seriously at promoting specialized education in order to be competitive in the global economy.
- At the same time, business processes need to change and to see more standardization and interoperability. Governments need concrete action plans.
- Telecommunications markets should be liberalized and there is a need to attract investment and to look for public-private partnerships.
- The region needs to look to EU programs to support eEconomy/eBusiness development.

eEducation

Participants from Albania, Croatia, Macedonia, Montenegro, and UNMIK/Kosovo confirmed the fundamental importance of education in development of the Information Society with a clear role for eEducation as part of the approach and strategy.

- Focusing on the region's needs, the group stressed the basic requirement of ensuring the development of a solid base of digital context as an underpinning of eGovernment and eEducation.
- Although there is much discussion of teacher training in connection with eEducation, the real challenge is to make such training part of a broader program of the professional development of teachers.
- At the same time, it is critical that the educational hardware and computers be functional and that there are sustainable and reliable IT maintenance programs, supported by adequate financial resources. At present, in many cases, such resources fall short of minimal needs of schools and teachers.
- The lack of viable national Education ePortals was highlighted as an important shortcoming in the present situation in the region.
- There is a need to incorporate the relevant EU directives into any national strategies in order to assure a consistent and constant foundation for program development.