Public Private Partnership Model in Saudi Arabia

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Part A  Saudi eGovernment Program (Yesser)
- Plans
- Achievements
- Direction

Part B  PPP Methodology & Practice
PART A

Saudi e-Government Program (Yesser)
Kingdom of Saudi Arabia

• Birthplace of Islam and home to two holiest mosques (Makkah and Madinah)
• Founded in 1932
• ~ 26.5 million people (July 2012)
• Young population and dynamic urban growth
• Largest country in Middle East
The main goal of the **Kingdom of Saudi Arabia eGovernment** offering is to increase **productivity and efficiency** of the public sector and their services by providing **easy-to-use, timely accurate services.**
The Structure
Saudi eGovernment & Yesser

Guiding Principles:

- Created in 2005
- First 5-years Action Plan in 2006
- Coordinated Decentralized Approach
- Unified Vision and Action Plan
- Shared Infrastructure
- Common Standards and Practices

- Ambitious vision as a catalyst for e-government initiative with clear and specific goals to guide implementation and follow-up
- Provide common applications for improving the effectiveness and efficiency of government.
- Provide a refined level of government services for individuals, businesses and government
- Build infrastructure with high reliability (data + technical) to provide state-of-the-art services
- Establish enabling programs to facilitate e-government advancement in effective and needed ways
Regulatory Framework
Regulatory Framework

Plans, Legislations & Regulatory Frameworks

- e-Government Implementation Rules
- e-Transactions Law
- Cyber Crime Control Regulations
- PPP Governing Rules for eGov. Projects
- National ICT Plan
- Telecommunications Act
- ....

*For a more comprehensive list, please visit [www.yesser.gov.sa](http://www.yesser.gov.sa)*
Regulatory Framework

Guiding Standardized Specifications for Application of e-government (YEFI)

YEFI - A unified framework to enable cross - government integration for facilitating transactions & data sharing using;

• Core Data Standards
• Technical Standards and Policies
• YEFI Portal

Currently YEFI Documents **Release 1.1** available online ([www.yesser.gov.sa](http://www.yesser.gov.sa))

• Data Standards Catalog
• Technical Standards
• Header & Metadata Specifications
• XML Schema Naming and Design Rules
• Consultation and Version Control
eGovernment Data Center:

Government Secure Network (GSN):

87

Total number of agencies are currently linked to the Secure Network GSN
Government Service Bus (GSB)

15+ Million Electronic Transactions
SAUDI e-Government National Portal

Infrastructure

1200+ e-Services
140+ Gov. Agency Providers
464 Acts & Bylaws

24 Mar 2012
The Single sign-on (SSO) for Enterprises and individuals is considered one of the significant regulations of implanting the e-Government transactions issued within the Cabinet's resolution.

49,000+
Establishments

105
Employees

39
Offices
eServices
Ministry of Labor – “Hafiz”
The Ministry of Labor has called on unemployed Saudi jobseekers to apply for unemployment benefits, or Hafiz, by sending their names and identity card numbers via short message service (SMS), or by registering on the ministry’s website.

Civil Service - eRecruitment "Jadara" Program
Ministry of Civil Service Jadara Program for eRecruitment, recording those who want and are willing to be recruited through its new "Jadara", a recruitment program for male and female citizens in the public sector.
e-Services - first choice for government services

*selected examples of eServices from 1200+ available ones on the National Portal*

**Extend Return Visa Application - Ministry of Foreign Affairs**

This service helps individuals and corporations to apply electronically for extending a re-entry visa.

**Ministry of Higher Education - Foreign scholarship**

Only through the e-Channels
(SADAD) was established by the Saudi Arabian Monetary Agency (SAMA) to be the national Electronic Bill Presentment and Payment (EBPP) service provider for the Kingdom of Saudi Arabia (KSA).

Customers pay bills through SADAD using all the available banking channels, and they are:

• Bank Branch
• Automatic Teller Machine (ATM)
• Online Banking
• Phone Banking
• Short Message Service (SMS)
• Mobile Banking

The number of Governmental billers through SADAD out of 116 connected billers
Change Management
(Capacity Building & Communications)
Change Management

Initiatives Training and Awareness Community

- E-training Caravans
- Dissemination Of Digital Culture And Knowledge Lectures
“Training for All”

Citizen Training and Awareness

E-training Caravans

~6700 public trained on computer usage training in one year
Initiative Objectives

- To encourage people in rural areas, villages and hamlets on learning the use of computers and the internet, by giving them basic skills in this area.

- Identifying the multiple uses of communications and information technology.

- Conducting training for the targeted groups to equip them with basic skills on the use of computers and the internet.

- Provide appropriate training environment to learn the basic skills on use of computers to people in the areas that large institutes and training centers are not available in.

~ 110,000 attendees in Awareness Lecture Sessions

http://www.mcit.gov.sa/arabic/initiatives/m1/
Change Management

Launching YCG Services for Government Agencies

- Assess the readiness and maturity of government agencies
- e-Government Transformation Strategic Plan Development (Enterprise Architecture)
- e-Government Transformation Strategic Plan Development (Service Architecture)
- RFP Development & Tendering
- RFP Response Evaluation and Award
- Improving the quality of e-services and websites
- Providing agencies with qualified experts to play key roles
- Knowledge Transfer

60+ Government Agencies

135 Consultant Services
<table>
<thead>
<tr>
<th>Track</th>
<th>Program</th>
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<tbody>
<tr>
<td>First Track</td>
<td>Basic skills in Computer Applications and eGovernment</td>
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<tr>
<td>Second Track</td>
<td>Chief Information Officer Program (CIO)</td>
</tr>
<tr>
<td>Third Track</td>
<td>Executive Education for Leaders</td>
</tr>
<tr>
<td>Fourth Track</td>
<td>Specialized Certifications in ICT</td>
</tr>
<tr>
<td>Fifth Track</td>
<td>Future Experts Program</td>
</tr>
</tbody>
</table>
Change Management

Events & Workshops

- Training Workshops
- Workshops for Gov Agencies
- National & International Conferences
- Introductory lectures @ Universities
- e-Government National Conferences
Change Management

Advertising Campaigns & Publications
Change Management

Saudi e-Government Achievement Award

- 2nd Round in Progress (2012)
- Designed to “inspire and reward change”
- Public involvement
- Effective “lever of change”
Indicators of Transformation
Levels of achievement for all government agencies involved in both stages of e-government Transformation in 2010

**Availability Stage**, 95 governmental entities

- Distinct Achievement: 64.41%
- Good Achievement: 27.12%
- Modest Achievement: 8.47%
- Form not received: 1.00%

**Building Stage**, 95 governmental entities

- Distinct Achievement: 43.16%
- Good Achievement: 33.68%
- Modest Achievement: 9.47%
- Form not received: 12.70%
Indicators of Transformation

Customers’ satisfaction survey results on e-Government customer satisfaction indicators in Saudi Arabia:

- **Awareness**: 82% (G-B) 78% (G-C)
- **Usage**: 58% (G-B) 66% (G-C)
- **Satisfaction**: 55% (G-B) 46% (G-C)
- **Trust**: 92% (G-B) 92% (G-C)

**Sample**
- G-B (500)  G-C (5000)

**Coverage**
- Male & Females Citizens and Residences between 18 - 80 years old
Awards and international presence

Awards:

- UNPSA
- futureGOV Awards 2010
- [Image of an award from 2009]
- [Image of an award from 2009]
Indicators of Transformation

Validation Points ...

2012
E-Government Survey 2012
(E-Government for the People)

2011
Global Information Technology Report (GITR)

2010
Indicators of Transformation

Continued Progress in UN Survey

The Kingdom ranked out of 193 UN member countries:

12th – Online Service Index

9th – eParticipation
Second Action Plan: Maturing of Strategies and Actions
2012 - 2016
“Enabling everyone to use effective government services, in a secure integrated and easy way, through multiple electronic channels”

**22 Objectives to be accomplished through 48 Initiatives as per the “2nd Strategy & Action Plan”**

Vision for e-government

Strategic Themes (4)

Strategic Objectives (22)

Values (5)

Workstreams:
- Human Capital Communications and Change Management Initiatives (10)
- e-services Initiatives (5)
- National Shared Systems Initiatives (8)
- Infrastructure Initiatives (14)
- e-participation Initiatives (2)
- Institutional Framework Initiatives (2)

* *indicates number of items

Initiatives (46)
PART B
Importance of eParticipation in Second Action Plan
E-GOV PPP FRAMEWORK
WHY & HOW?
PPP Definition

PPP is a contractual agreement (partnership) whereby a private partners performs part or all of government services or function. Such a partnership are characterized by sharing of investment, risk, responsibility and reward.

The essentials of PPP agreements are:

- Focus on the service to be provided, not the assets to be employed.
- Shift of the risk and responsibility to a private provider.

PPP = investment + long-term provision of services
Rational

To establish a framework that will help government to achieve the best outcome of PPP, which is driven by increased need of efficiency and quality of E-Gov services delivered.

Secondly, the need for cost saving, access to advanced technologies and resources and minimizing the risk.
Framework Objectives

Developing a comprehensive framework to govern the use of public-private partnerships (PPP) for e-government in the Kingdom of Saudi Arabia.

In compliance with the Council of Ministers resolution No. 110 dated 5/4/1425.
Challenges

- Globalization
- Consumer / Customer Expectations
- Limited Resources / Skills
- Technology Innovation

Government
New Formula

Globalization +
Customers +
Technology -
Resources / Skills =

Pressure ...

... on governments to change

E-Government + PPP = Government Innovation
Scope of Work Track

Yesser PPP Framework development Project

Major Project Stages

- Readiness assessment
- PPP Policy framework
- PPP Manual
- PPP Templates
- Gap analysis
Major Projects Components

- Conducting needed interviews
- Review relevant documents
- Draft a PPP readiness assessment
Scope of Assessment

A team of consultants collected information from a variety of sources. This Readiness Assessment is based upon the team’s access to:

- Materials publicly available, including laws, regulations and examples of standard contracts;
- Interviews with selected Gov stakeholders, interviews for example included (MoF, SEC, E Gov Program, EDI);
- Interviews with selected private stakeholders, interviews included international and national companies.
- International best practices for PPP.
Major Projects components con.

- Capture of international best practices
- KSA drivers
- Draft a PPP policy framework
Major Projects components cont.

- Module definition
- Input from PPP project and contract management experts
- Draft a PPP Manual
- Draft a PPP Quick reference Manual
- PPP lifecycle Card
Major Projects components con.

- Develop templates/tools
  - Business Case
  - Feasibility assessments
  - Risk assessment
  - RFI
  - RFP
  - Standard contract
  - SLA
  - Public consultation
Major Projects components con.

- Report to MCIT/Yesser identifying gaps and recommendation on legal framework as they impact PPP
- Report to MCIT/Yesser/CITC identifying gaps and recommendation on institutional framework as they impact PPP
Next Steps

- Public Consultation on the Framework
- Stakeholders workshop
- Revision of Policy, Manual, and Templates
- Communicate the Framework to stakeholders
Next Steps con.

- Develop and distribute additional materials and case studies based on PPP projects in KSA as part of regular updating of PPP Manual.

(Ongoing role)
What's missing

• Communication Plan
  A national communication strategy should be put in place to ensure that local authority officials are aware of the potential benefits of PPP and of the main issues involved in implementing them. Also, the strategy should have a similar part for the private sector.

• Training Plan
  Proper training for local authority staff is essential for PPP success. For example:
  - Project feasibility and business case
  - Project management
  - Contract conditions and negotiation
  - Risk management
  - Contract management
  - Performance and SLA management
## PPP vs. Traditional Procurement

**PPP ≠ Traditional Procurement**

<table>
<thead>
<tr>
<th>PPP</th>
<th>Traditional Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on services</td>
<td>Buying products / assets</td>
</tr>
<tr>
<td>Performance-based payment</td>
<td>Payment based on specifications</td>
</tr>
<tr>
<td>Long duration (3-20 years)</td>
<td>Shorter contracts for delivery of assets</td>
</tr>
<tr>
<td>Bigger role (and risk)</td>
<td>Private sector is contractor delivering a product</td>
</tr>
<tr>
<td>for private sector</td>
<td></td>
</tr>
</tbody>
</table>
Types of PPPs

Private Sector participation

Traditional Procurement

Service contracts
(Pub $, Prv Op of discrete tasks)

Operation & Maintenance
("Outsourcing")

Design, Build, Operate
(Pub $, Prv DBO)

Build, Operate, Transfer
(Prv $ and BOT)

PPPs

Increasing risk transfer to private sector

Privatization

Relationship & Trust = PPP

C = Contractual Management
R = Relationship Management

\{ = The Partnership

C = Contractual Management
R = Relationship Management

++ PPPs

Business Value

Complexity & Trust

Relationship Management Dominates

Contractual Management Dominates

Technical Support

BPO

O&m
PPP for e-Government

PPP Models

• Fee-based funding
• Shared cost savings
• Shared revenue
• Full service delivery
## PPP for e-Government

<table>
<thead>
<tr>
<th>PPP Model</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee-based funding</td>
<td>Encourages customer-centric focus</td>
<td>Customers will not accept new charges so agency owning service will</td>
</tr>
<tr>
<td>Shared cost savings</td>
<td>Results in more efficient Gov operations</td>
<td>Cost hard to measure; requires BPR (not easy)</td>
</tr>
<tr>
<td>Shared revenue</td>
<td>No impact on existing ops; may result in higher compliance</td>
<td>May not produce more efficient Gov</td>
</tr>
<tr>
<td>Full service delivery</td>
<td>Shifting services to new org. encourages innovation &amp; efficiency</td>
<td>Loss of control / authority</td>
</tr>
</tbody>
</table>
PPP Drivers / Benefits

Why are governments using PPP?

• Faster, more efficient delivery of services / information
• Access to private sector expertise, skills, ICT and innovation
• Enabling an agency to focus on its core business
• Enhancing organizational learning / skills within public sector
• Increasing service levels or scope of e-services
• Shifting risk from agency to private sector
• Increased effectiveness of project management
• Reduce costs and increase revenues
# PPP Drivers / Benefits

## Who benefits from using PPP?

<table>
<thead>
<tr>
<th>To Government</th>
<th>To Private Sector</th>
<th>To Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Minimise capital investment and risk</td>
<td>• Unique business opportunities</td>
<td>• One-stop-shop of public services</td>
</tr>
<tr>
<td>• Faster implementation</td>
<td>• Income from government transactions</td>
<td>• Views from citizens and customers</td>
</tr>
<tr>
<td>• Tap private sector management and market expertise</td>
<td>• Income from commercial services and advertisements</td>
<td></td>
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</table>

- Minimise capital investment and risk
- Faster implementation
- Tap private sector management and market expertise
- Unique business opportunities
- Income from government transactions
- Income from commercial services and advertisements
- One-stop-shop of public services
- Views from citizens and customers
Current PPP Policies

Highlights

• PPP are intended to become a best practice in e-government implementation in KSA.

• Private sector participation in E-Gov based on principle of “shared expected revenue”

• Feasibility study and public tender (if feasible) are required for any proposed E-Gov PPP

• PPP rules apply when agencies contract private sector entity to “fund and implement“ a project
Roles & Responsibilities

**Sponsor Agencies:** Primary responsibility for their PPP projects

**MoF:**
- Oversight of budgets, pricing and revenues of all projects
- Manages National e-Government Fund
- Agencies must coordinate with MoF on financing PPP

**General Audit Bureau:** Oversight powers that apply to PPP

**Yesser:** Facilitator of e-government (and e-services) in KSA
Best Practices & Lessons Learned

Global Best Practices

- **Create** a single, dedicated entity responsible for PPP
- **Establish** clear mechanisms, rules and review criteria
- **Make** PPP decision-making is streamlined, fair, open and transparent, enabling faster “go / no-go” decisions
- **Free** PPP from overly bureaucratic approval processes
Best Practices & Lessons Learned

Global Lessons Learned

• Coordination with multiple agencies complicates (or obstruct) use of PPP

• Too much bureaucracy and too many approvals can create major problems for sponsor agencies (and projects)

• Lack of clear process leaves sponsor agencies unsure when to consult and creates inconsistencies in what different agencies do (or don’t do)
Best Practices & Lessons Learned

Global Best Practices

- Stakeholder buy-in is key to PPP success
- Identify, understand and consult your stakeholders
- Consult early, consult often
- Make stakeholders genuine participants in PPP process

Users
- Users
- Service owners
- Identity owners

Employees
- Employees
- Political officials
- Affected staff
- Financing institutions
- Other departments
- Other organizations
New Stakeholder Formula

Transparency

Buy-in

Willingness to ...push, mandate, create incentives

PPP success
## Readiness Checklist

<table>
<thead>
<tr>
<th>PPP Pillars</th>
<th>PPP Axis</th>
<th>Template(s)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Policy (Yes / No / Partially)</td>
<td>Regulation / Process (Yes / No / Partially)</td>
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<tr>
<td>PPP Principles</td>
<td>Partially</td>
<td>Partially</td>
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<tr>
<td>PPP Applicability</td>
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<td>Partially</td>
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<tr>
<td>Nature of PPP (Types of PPP)</td>
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<tr>
<td>Business Cases and Feasibility</td>
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<tr>
<td>Risk Assessment &amp; Management</td>
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<td>Governance of PPPs (PPP Organization)</td>
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<tr>
<td>PPP Stakeholders &amp; Involvement</td>
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<tr>
<td>Legal Framework</td>
<td>Partially</td>
<td>Partially</td>
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<tr>
<td>PPP Partner Eligibility &amp; Selection</td>
<td>Partially</td>
<td>Partially</td>
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<tr>
<td>Financing</td>
<td>Yes</td>
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<td>PPP Execution:</td>
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<td>Procurement</td>
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<td>Partially</td>
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<td>Project Management</td>
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<tr>
<td>Contract Management</td>
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<td>Saudization Requirements</td>
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<td>Performance Management &amp; Measurement</td>
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<td>Conflict of Interest</td>
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<td>Communication &amp; Reporting</td>
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<td>Partially</td>
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<tr>
<td>Dispute Resolution</td>
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<tr>
<td>Audit &amp; Monitoring</td>
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Thank You

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