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Date: 2013/04/04

Subject: OECD Strategy on Development

The OECD Strategy on Development highlights that strong, agile and accountable public institutions, government effectiveness, as well as transparent and fair management of public resources are central to stable and well-functioning markets, efficient public service delivery and to long-term economic and social development. Building more effective institutions is a critical link in terms of supporting development goals and defining the actions that need to be taken. The Busan Partnership on Effective Development Cooperation and the resulting Effective Institutions Building Block signed by various stakeholders including OECD and partner countries, NGOs, bilateral and multilateral institutions also emphasise the need to continue strengthening core state functions.

Governance issues should be more prominent in the development agenda beyond 2015. Too often, the emphasis has been on the choice of policy measure, rather than on who would implement the policy and how. With this in mind, OECD organised the 2012 Global Forum on Public Governance to identify the priorities in the field of governance. The Forum brought together policy-makers, academics and civil society organisations from 63 countries around the world. The wide-ranging discussions underlined the role of institutions in providing a level-playing field for all stakeholders, generating evidence on which to build good policies, guaranteeing reliable and fair laws and regulations, and ensuring effective and responsive public services. Participants identified a number of policy conclusions that relate to important on-going areas of OECD work:

- Efforts to strengthen public sector institutions need to be undertaken within broader governance systems, including the legislature, judiciary, independent oversight institutions, civil society and media. All of these are fundamental to ensure sustainability, effectiveness and sound functioning of the public sector.
- Building a strategic state is crucial to ensure longer-term preparedness of governments to deal with socio-economic challenges. This requires robust workforce competencies, and capacities in the centre of government to provide effective stewardship and align resource allocation with priority setting. The OECD is working with governments in OECD and partner countries, such as Colombia and Kazakhstan, in undertaking Public Governance Reviews to develop strategic state capacities to deal with increasingly uncertain environment and complex policy issues.
- Accessibility and quality of public services are essential to support inclusive growth by ensuring that they reach all groups of population. The OECD Observatory of Public Sector Innovation supports governments in identifying innovative ways to deliver public services and reach out to excluded communities. In addition, the next edition of the “Government at Glance” would support country efforts in improving public service delivery, including in such critical areas as health and education, by providing international benchmarks on key aspects of service quality.
- Inclusive policymaking is essential. Governments need to strengthen interaction with stakeholders, including through the use of ICT. E-government is helping to bridge the gap between government and citizens in many fields. For example, well-designed regulatory consultation – providing the right feedback without being captured by

interest groups -- can help ensure that regulations are relevant and that stakeholders will respect the regulations.

- Open and clean government is about regaining public trust among other things. The OECD supports such initiatives as the Open Government Partnership through the MENA-OECD Open Government Project which, jointly with the United State Government, supports countries in joining the Open Government Partnership.
- The OECD also has developed a range of instruments to ensure transparency and integrity in key functions of the government, including the OECD Principles for Integrity in Public Procurement and Principles for Transparency in Lobbying.
- Governance is not only about the central level. More and more action is sub-national. In many countries, the governance challenge today is mainly outside the capital. Effective labour markets, human capital development, environmental protection – all these elements come together in policies at the local and regional level. Good capacity is therefore needed at all levels. An exclusively top-down approach to governance cannot succeed.
- Good public governance depends on sound budgeting. This is especially so in developing countries, as the gap between public resources and potential demands on government action is far larger than in OECD countries. On the revenue side, developing countries can only count at most half the resources than OECD countries as a proportion of GDP. On the expenditure side, poverty alleviation and social development needs are far greater than in OECD countries. As such, budget management practices need to be a priority.
- Reforms are not only technical but political endeavours; it is important to understand the political economy of reform and to structure reform efforts so that they mobilize support and minimize resistance. OECD has accumulated experience in “making reform happen” that can help provide a “checklist for reformers” on what to do and what to avoid.

Overall, OECD provides a platform for constructive dialogue and exchange of country experiences and lessons learned in public governance reforms. In both OECD and partner countries, reform is a process: it takes time to accumulate experience and build upon previously constructed institutions. The Forum highlighted the demand for future OECD work in building public sector capacity and measuring governance performance. The Forum has also underscored the importance of sound governance and effective institutions for promoting sustainable and inclusive development.

Looking ahead, the OECD can support the governance for development agenda, including post 2015, through its work on:

- budget transparency to set realistic targets by assessing the comprehensiveness and the accuracy of the budget;
- parliamentary oversight and external audit bodies to strengthen accountability of public institutions;
- public procurement to ensure value for money in state purchases;
- the rule of law and security to ensure effective functioning of justice institutions and broader rule of law;
- integrity and open government to strengthen public accountability, transparency and citizen engagement;

- inclusive institutions to ensure that all groups of population can express voice and participate in a robust public debate so that the benefits of growth are spread out more equally;
- information and communications technology (ICT), human resources, and performance and results to strengthen performance and efficiency of public sector.