Department of Economic and Social Affairs

Division for Public Administration and Development Management

Towards Participatory and Transparent Governance:
Reinventing Government

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DESA

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Foreword

> "In our efforts to strengthen the contributions of States, civil society, the private sector, and international institutions to advancing a vision of larger freedom, we must ensure that all involved assume their responsibilities to turn good words into good deeds. We therefore need new mechanisms to ensure accountability – the accountability of States to their citizens, of States to each other, of international institutions to their members and of the present generation to the future generations. Where there is accountability, we will progress; where there is none, we will under-perform."

> *Kofi A. Annan*
> *Secretary-General (1997-2006)*
> *"In Larger Freedom: Toward Security, Development,*
> *and Human Rights for All"*

The development community is in the midst of an unprecedented era of accountability, affirmation, and action. Accountability for its performance, with respect to international commitments like the United Nations Millennium Summit Declaration which calls for the respect for human rights, the promotion of democracy, and good governance. In particular, it stands accountable for its performance in achieving the development targets embodied in the Millennium Development Goals (MDGs), which 189 Heads of States committed to achieve by 2015. To date, progress on achievement of the eight MDGs – eradication of extreme poverty and hunger, universal primary education, promotion of gender equality, reduction of child mortality, improvement of maternal health, combating of HIV/AIDS and other diseases, ensuring environmental sustainability and promoting a global partnership for development – is limited. If current trends continue, many countries may only achieve a few MDG targets, while others will miss all.

Affirmation relates to the overall consensus and to specific commitments that constitute the development agenda. We stand, more or less, mid-way to the target year, 2015, for achieving the MDGs. With little progress in many countries, re-affirmation and renewed commitment with a stronger "political will" has become essential, if the development agenda is to be successfully implemented in the remaining period.

Action to adjust and accelerate is needed in order to transform those commitments into reality. Achieving the MDGs requires a shift in the development paradigm with new, focused and coherent strategies which prioritize the MDGs, and new development partnerships based on shared responsibilities among major stakeholders. It requires many combined and complementary efforts from rich and poor countries, international agencies, national governments, local

authorities, civil society organizations and the private sector. Putting countries on track to successfully meet the MDG targets, among other things, would require systematic removal of the key impediments of financial and human resources. There is a growing realization that the key overarching causes for the gap in achievement of the MDGs are lack of economic growth, inequality in the distribution of income, governance failures and policy neglect. Consequently, there is growing emphasis on improving governance, not only as an end in itself, but also as one of the principal means to achieve the MDGs.

Furthermore, the need to improve governance capacity and trust in government is widely recognized as essential to cope with the challenges and opportunities of globalization. The rapid pace of globalization has forced States to undertake a closer examination of the interdependence, and need for partnerships among governments, civil society and the private sector. Global and national markets have emerged without the necessary economic, political, and social institutions to enhance, sustain and evenly distribute the benefits. This has led to a reassessment and re-evaluation of priorities and need for interaction among groups, requiring in particular the public sector to respond quickly and efficiently to society's evolving needs. Furthermore, easier access to information and knowledge and greater awareness has led to intensified demands from the people for increased participation in public affairs and for improved and inclusive delivery of services. Therefore, governments in developing countries, in particular, are under pressure to re-think and re-invent their role and to do things differently. Both governments and international development partners are increasing their efforts and support to strengthen and encourage governance systems and processes to be more participatory, transparent, and accountable.

In addressing the complex challenges of governance, the Global Forum on Reinventing Government provides a unique platform for governments, representatives of civil society, the private sector and international organizations to exchange, share and learn from each other. I hope that you enjoy the present publication, which examines many of the findings from this ongoing effort.

Guido Bertucci
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Executive Summary

This publication emerged from the presentations, discussions, and conclusions of nine capacity development workshops, which examined the theme of participatory and transparent governance as part of the 6th Global Forum on Reinventing Government. In May 2005, the United Nations Department of Economic and Social Affairs (UNDESA) organized these workshops in cooperation with the Institutional Partners Group (IPG), which comprises members of the UN system and external organizations. The Government of the Republic of Korea hosted the Forum with the support of UNDESA.

Since 1999, the Global Forum on Reinventing Government has provided a platform for the exchange of best practices, innovations, and strategies to improve governance and public administration. Between 24 to 27 May 2005, nearly 9,000 international participants attended the 6th Global Forum. Participants included Heads of State and Government, ministers, parliamentarians, other senior officials, civil society representatives, international organizations, and members of the private sector. On the final day of the Forum, participants endorsed the Seoul Declaration on Participatory and Transparent Governance, which contained key areas of consensus and conclusions which resulted from this event. The Seoul Declaration was then presented to the United Nations General Assembly in October 2005.

Participatory and transparent governance was selected as the theme for this event and its workshops, due to its role and potential for improving the living conditions of world citizens. Participation entails the access of people, as groups or individuals, to all stages of the policy process, including policy formulation, implementation, and review. Effective participation has positive implications for efficiency, resource allocation, and governance. Transparency enables this participation by encouraging all stakeholders to act as informed, active, and productive contributors to the policy process. Together, participation and transparency are closely related themes, which are essential for effective democratic governance.

Toward Participatory and Transparent Governance explores both the theoretical and practical implications of this theme within the context of its impact on nine distinct topics: (i) public sector ethics and trust in government, (ii) governance-oriented innovations to enhance state capacity, (iii) access to services for all through participation and accountability, (iv) e-government as a tool for participation and transparency, (v) auditing for social change, (vi) representative

democracy, participatory methods, and capacity development for responsible politics, (vii) corporate governance, market economy, and accountability, (viii) decentralization and local autonomy for participatory democracy, and (ix) the role of civil society organisations in localising the Millennium Development Goals. These nine inter-related topics were each the subject of debate and discussion within the capacity development workshops.

While no single model can be uniformly applied across countries and regions, this publication encourages policy makers, businesses, and citizens to seek ways of improving participatory and transparent governance through measures which are compatible with and complementary to their countries and communities. It explores and examines a broad range of measures which successfully accomplish this goal within different contexts for their potential transferability, adaptation, and use. As such, there is ample opportunity to inspire and promote the future development of good practices within Member States.

Part One

Overview of the 6th Global Forum on Reinventing Government

Background

The 6th Global Forum on Reinventing Government: Towards Participatory and Transparent Governance took place in Seoul, the Republic of Korea, from 24 to 27 May 2005. It included an opening ceremony, plenary sessions, nine concurrent capacity development workshops, a wrap-up session, closing ceremony, as well as a series of side events, which included the International Innovation Exhibition, the Ministerial Round Table on Innovation, a Gubernatorial and Mayoral Round Table, and the ASEAN+3 Ministerial Meeting on Creative Management for Government.

The objective of the 6th Global Forum was to provide a platform for ministers, senior government officials, parliamentarians, mayors, and representatives of civil society, international organizations, and the private sector to discuss key issues and experiences in government reinvention. The Forum further aimed to promote cooperative efforts at the local, national, and international levels to cope with the challenges of globalization, while facilitating the development of future innovations in governance, particularly for achieving the Millennium Development Goals (MDGs). The purpose was also to lay the foundation for a "Global Network for Governance Reinvention" which will interconnect the key players in governance, while identifying potential areas of South-South and North-South cooperation to enhance the capacity of countries to achieve more participatory and transparent governance. The 6th Global Forum followed previous events hosted by the Governments of the United States (1999), Brazil (2000), Italy (2001), Morocco (2002), and Mexico (2003).

The plenary sessions were organized by the Government of the Republic of Korea with the substantive support of the United Nations. The workshops were organized by members of the Institutional Partners Group (IPG), led by the United Nations Department of Economic and Social Affairs (UNDESA) and composed of global and regional institutions, with the financial support of the Government of Italy. The Institutional Partners Group includes the

United Nations Development Programme (UNDP), the United Nations Human Settlements Programme (UN-HABITAT), the United Nations Children's Fund (UNICEF), the Ministry of Public Administration of the Republic of Italy, the Ministry of Government Administration and Home Affairs of the Republic of Korea (MOGAHA), the Ash Institute for Democratic Governance and Innovation of the Kennedy School of Government at Harvard University, Board of Audit and Inspection of Korea (BAI), the Formez Study and Training Centre of Italy, the International Institute for Democracy and Electoral Assistance (IDEA), the International Institute of Administrative Sciences (IIAS), the Korea Institute of Public Administration (KIPA), the Korea Development Institute School of Public Policy and Management (KDI), the Korea Research Institute for Local Administration (KRILA), the Korean Association for Public Administration (KAPA), the National Computerization Agency (NCA), the Organisation for Economic Co-operation and Development (OECD), Transparency International (TI), the World Alliance for Citizen Participation (CIVICUS) and the World Bank Group.

Main Theme

The 6th Global Forum on Reinventing Government was held at a time when United Nations Member States were preparing for a review by the General Assembly of progress in implementing the Millennium Declaration and its specific development targets, the Millennium Development Goals (MDGs). The resulting outcome document of the 2005 World Summit emphasized the central role of good governance in achieving progress toward development. Effective implementation of development strategies requires transparent, accountable, equitable, inclusive, efficient, responsive and participatory systems of governance, based on the rule of law.

Since its inception, the Global Forum has aimed to improve governance and public administration. Each gathering has generated concrete efforts to strengthen institutions, build public sector capacities, and improve service delivery at different levels of government. Each Forum has explored a slightly different theme. The focus was on democratic institutions in Brazil, e-government in Italy, partnerships for democracy and development in Morocco, and governance innovation and quality in Mexico. The theme of the 6th Global Forum was based on the increasing international realization that many challenges facing developing countries cannot be adequately addressed using

traditional approaches. Innovative responses and creative partnerships must be employed to reach people who have not always had the means or the voice to be an effective part of civil society. At the same time, expectations for government have grown, in terms of how it should operate, what it should accomplish, and the role that citizens would like to play in decision making processes that affect their daily lives. Consequently, the focus has shifted from government to governance.

Simultaneously, governments of developing countries increasingly recognize the need to improve governance capacity and trust in government to cope with the challenges and opportunities of globalization and e-government through interactions of the state with the private sector and civil society. To achieve the goal of people-centred development through improved governance, two central issues are popular participation and transparency, which require innovations in the current operation and modalities of the governance system. This is why "Toward Participatory and Transparent Governance" was selected as the main theme of the 6th Global Forum.

Participatory governance provides citizens with access not only to information, but also to decision-making and power to influence public choices. It means access not only for a privileged few, but for all, including those who are still too often excluded from the benefits of development, particularly the poor, the marginalized, and vulnerable groups. At the national level, it means expanding the very concept of governance, recognizing that protection of the public interest is a responsibility not only of the government and the political process, but also of civil society and the private sector.

Participation so defined is an essential and basic right. It entails the close involvement of people in economic, political, cultural, and social processes that affect them. It facilitates the access of people as individuals or groups to a wide range of opportunities which, in turn, promote the responsiveness of governance actors towards people-centred development. It includes three main forms of participation: (i) economic participation, which provides opportunities for people, including women and marginalized groups, to use their capabilities and endowments to avail opportunities and gain income to increase their choices; (ii) political participation, which includes the freedom of speech and association, a guarantee of human rights, free and fair elections, multi-party system, and rule of law; and (iii) social and cultural participation, which implies the rights of all people and their communities to shape their own social and cultural

environments including expression through language, art and music. These forms of participation are complementary. Progress in one area can reinforce progress in another.

Many recent trends have improved the environment for participatory governance. These trends include the rapid pace of democratization in developing countries through the holding of regular elections; evolution of multi-party systems representing different interests; and new institutions for protecting basic human rights; dismantling of state controls and the provision of new opportunities for participation in economic activities; the information revolution through radio, television, the internet, and news media which has dramatically increased the access of the people to the information about national and global events; and the expansion of non-governmental organizations, which work in sectors such as poverty eradication, primary health care, education, and shelter. These developments contribute to the enhancement of governance capacity. Despite the progress made in participatory governance, some segments of society continue to be excluded from the benefits of development including the rural and urban poor, ethnic and religious minorities, women, and children.

Transparent governance implies openness of the governance system through clear processes and procedures enabling good access by citizens to public information. High levels of transparency stimulate awareness of responsibilities and standards in public service through information sharing, which ultimately ensures the accountability of individuals and organizations that handle resources and/or hold public office for their performance. There are three dimensions of accountability: financial accountability through the use of power and authority to report on intended and actual use of resources; political accountability through a system of checks and balances among the executive, legislative, and judicial branches; and administrative accountability through internal governmental controls, which include civil service standards, incentives, administrative reviews, and oversight. A lack of transparency increases inefficiency and corruption in governance. The three dimensions of accountability eventually contribute to trust building in government.

Accountable governance requires the independence of the judiciary, effective systems of checks on the executive power, freedom of the media, and a strong and vibrant civil society. It also requires institutional mechanisms at the national and local levels for holding public officials accountable, effectively functioning parliaments that provide mechanisms for the representation of different

segments of society, oversight and anti-corruption bodies, and free and fair elections held at regular intervals.

Increasing transparency and the scope and quality of participation by all in the governance process starts with vision and leadership from the public sector, with special emphasis on the effective management by public officials as an indispensable public resource. Whether at the local, national, or global level, there is need to work towards a public service that exhibits the highest level of competence, efficiency and results orientation; limits corruption; functions in an impartial, professional and responsive way; and draws on the skills and resources of the civil society and private sector.

Major Areas of Focus

The 6th Global Forum focused on a number of interconnected areas related to participatory and transparent governance through five plenary sessions and nine workshops, devoted to different sectors such as government, business, and civil society. The five plenary sessions covered the following themes and issues:

Government Innovation and Governance:
Changing Role of the State in the Governance Paradigm

In recent years, governments have had to modify the ways in which they have traditionally operated and defined their role within society. The causes of this phenomenon are multiple and include market liberalization, globalization, democratization, and the spread of information and communication technologies. Each of these processes has accelerated the rate of change within and between societies, increasing inter-dependence between peoples and entities. As a result, the spheres of activity and interest of government, civil society, and the private sector have increasingly come to overlap. Within this new governance paradigm, the role of government has had to become more transparent and participatory in order to work cooperatively with civil society and the private sector.

This challenge is not easily accomplished. Entrenched bureaucratic processes and limited capacities can make it difficult to produce broad-based change within organizations and the public sector as a whole. Consequently, there is the need to examine a wide variety of possible solutions and strategies that will enable governments to meet the increasing demands of citizen expectations. Within this context, the session dealt with three sets of issues:

(i)   Government innovation strategies for good governance: including redefinition of the role of government; regulatory reform, privatization and outsourcing; the establishment of performance-based management systems, human resource management, financial management and policy evaluation; expanded public participation in policy-making process through information disclosure, prior administrative notices and the incorporation of suggestions made by the general public; strengthening of partnerships with civil society; and change management.

(ii)   Trust in government and public service ethics: including promotion of public service ethics; elimination of state-business collusion; curbing corruption through institutional reform, regulations, and improved inspection systems; enhanced transparency and accountability in public service through information disclosure, transparent human resource management, accounting and procurement systems; verification of identity of policy makers, improved national archive management, online procedures enhancement for civil applications system and control in administration; and the setting up of an Ombudsman mechanism.

(iii)   Transparent and participatory e-government: including discussion on improvements to the work process through information technology applications in administrative processes, information sharing and integrated management of information resources; improvements to the public service delivery system through on-line disclosure of all service processes, increased e-services, public portal service, and one-stop e-service for the business sector; higher popular participation online; online disclosure of administrative information; adoption of online forums and e-voting systems; and the establishment of privacy protection systems.

Democratic Governance and Social Integration:
Democratic Capacity Building for Societal Partnership

Democratic governance is central to participatory governance. It is expected to foster social integration through partnership, which requires capacity building processes and mechanisms for social cohesion and conflict resolution. The three key themes in this segment were as follows:

(i)   Democratic politics and governance: focusing on limitations of representative democracy and governance as an alternative; political

leadership, transparency of political institutions, and power structures with checks and balances; and the reform of election systems, political parties, and parliament.

(ii)   Social cohesion for sustainable development with: focus on reducing disparity between the rich and the poor; participatory welfare and promoting quality of life; growth and distribution; cooperative labour-management relations; and social cohesion through reducing discrimination and strengthening the social safety nets.

(iii)   Resolution of social conflicts: including discussion on conflict prevention and the establishment of early warning systems; creation of a favourable environment for conflict solving through participation and cooperation; conflict settlement based on law and principles; conflict mediation in government vs. private and private vs. private scenarios, and establishment of regulatory organizations to settle conflicts within the government, including those that occur between the executive branch and the parliament.

Market Economy and Corporate Governance: Fairness and Transparency for Sustainable Growth

Market Economy and Corporate Governance was chosen as the third major theme for the plenary sessions. The importance of corporate governance has come to the forefront following the financial crisis of the late 1990s and recent corporate scandals in the developed world. Three broad subjects were covered as follows:

(i)   Free and fair market order: including structural reform, market reform, regulatory reform, and financial reform; the promotion of competitiveness and investment; protection of stakeholders; and the elimination of collusions between government and business; establishment of sound business cultures; ownership reform of private corporations and State-owned enterprises (SOEs).

(ii)   Transparent and accountable corporate governance: including transparency and accountability in management; transparency in financial and accounting systems; and effective internal and external audit systems.

(iii)   Corporate ethics and social responsibility: focusing on entrepreneurship, societal contributions of the business sector; government-business partnerships; sustainable growth; corruption elimination; and multinational corporate ethics.

Local Governance and Participatory Democracy:
Making Local Governance Work

The continued lack of access of the poor and the marginalized to even basic services has highlighted deficiencies in traditional delivery mechanisms and strengthened the case for bringing government closer to the grass-roots level. The segment on making local governance work covered three areas as follows:

(i)   Decentralization, innovation and regional development: relating to local autonomy system reform; strengthening local capacity; building foundations for local finance; informatization promotion; local government reinvention through readjustment and effective performance management; balanced growth and regional development; the promotion of local industry, revitalization of local universities; and improvements to the quality of life of residents.

(ii)   Cooperation and partnerships in local governance: including revitalization of local politics through local election and assembly system improvements, strengthening the political rights of residents; and building a cooperative governance system by vertical and horizontal governance, constructing RIS and activating civil society.

(iii)   Holding local governance accountable and transparent: focusing on reinforcing the accountability of local governments; reinforcing democratic control over local governments through internal controls; control by the central government, market, and citizens; enhancing an evaluation system of local governments; and public service ethics.

Civil Society and Accountable Governance:
Challenges and Prospects

There is growing consensus in the development community on the need for all socio-economic actors to coordinate their efforts in order that each may contribute to the policy process. The fifth session dealt with the challenges and prospects of the role of civil society in the governance paradigm. The focus was on three areas as follows:

(i)   State, market, and civil society: including productive cooperation and tension, state and civil society: monitoring public administration through information disclosure and public participation; conflict management; representative democracy and public participation; democracy and civic movement; role of civil society in the process of democratization; political participation and limitations of NGOs; monitoring market and corporate action and regulating speculative capital; promoting social capital; obtaining economic justice through reform of the financial system, real estate policy, and the tax system.

(ii)   Capacity and responsibility of civil society: NGOs and civic movement: including civil society ethics and desirable civic culture; ethics and responsibilities of NGOs; responsibilities of the press, religious organizations, and other groups; and NGO governance.

(iii)   Global civil society, challenges and prospects: including the theme of globalization, informatization and civil society; regulating and monitoring multinational corporations and speculative capital; global solidarity of civil society; global issues such as peace, environment, human rights, labour, women, poverty, education, people with disabilities; informatization; and global governance (sovereignty vs. human rights).

Format of the 6th Global Forum

The 6th Global Forum took place over the course of four days from 24 to 27 May 2005. It included an opening ceremony, presentations and discussions in five plenary sessions, nine capacity development workshops, a wrap-up session, closing ceremony, and a series of side events, which included the International Innovation Exhibition, the Ministerial Round Table on Innovation, a Gubernatorial and Mayoral Round Table, and the ASEAN+3 Ministerial Meeting on Creative Management for Government. The agenda can be reviewed in Annex 2.

The Forum began with an opening ceremony, in which Heads of State and Government related efforts at the national level to achieve participatory and transparent governance. Over the remainder of the first two days, five plenary sessions explored the following topics: Government Innovation and Governance: Changing Role of the State in the Governance Paradigm; Democratic Governance and Social Integration: Democratic Capacity Building for Societal Partnership;

Market Economy and Corporate Governance: Fairness and Transparency for Sustainable Growth; Local Governance and Participatory Democracy: Making Local Governance Work; and Civil Society and Participatory Governance: Challenges and Prospects. A special plenary "Korea Session" was also held by the host government during the afternoon of Tuesday, 24 May to introduce specific experiences in government reinvention. The purpose of the plenary sessions was to provide a broad overview of key issues related to each of these themes. Each session was composed of two panels in which world-renowned speakers delivered keynote speeches and case presentations. The sessions were held sequentially to enable the attendance of all participants.

Over the following two days, the United Nations held nine capacity development workshops, which were organized by members of the Institutional Partners Group (IPG). In contrast to the plenary sessions, the workshops examined selected sub-themes in more depth and took place concurrently. Selected topics of the workshops included the following: Public Sector Ethics and Trust in Government; Governance-Oriented Innovations to Enhance State Capacity; Access to Services for All through Participation and Accountability; E-Government as a Tool for Participation and Transparency; Auditing for Social Change; Representative Democracy, Participatory Methods, and Capacity Development for Responsible Politics; Corporate Governance, Market Economy, and Accountability; Decentralization and Local Autonomy for Participatory Democracy; and The Role of Civil Society Organisations in Localising the Millennium Development Goals. Participants were able to select the workshop that was most directly relevant to their interests and fields. Each workshop scheduled discussion time to encourage interaction between participants and enable the contemplation of different experiences and points of view.

Alongside the plenary sessions and workshops, the Ministerial Round Table on Innovation brought together the participating ministers to interchange their respective experiences and strengthen bilateral/multilateral cooperation on issues of mutual interest. The Gubernatorial and Mayoral Round Table also allowed the heads of local governments to exchange ideas and strategies on reinventing government at the local level and to forge stronger cooperation.

The International Innovation Exhibition (IIE) showcased examples of innovative practices in public service, civil society organizations, and the private sector. Receiving an estimated 40,000-50,000 people over the duration of the Forum, the IIE included exhibits, stands, and publications from a wide

range of organizations that included many Global Forum presenters, coordinating institutions, and participating entities. Transparency International (TI), the United Nations Human Settlements' Programme (UNHABITAT), the United Nations Economic Commission for Africa (ECA), the International Institute for Democracy and Electoral Assistance (IDEA), and the Latin American Center of Administration for Development (CLAD) counted among the exhibitors. The United Nations Department of Economic and Social Affairs (UNDESA) also managed an exhibit at the IIE, which was run by representatives of the United Nations Online Network in Public Administration (UNPAN) and offered a series of publications.

At the conclusion of the workshops, all participants returned to plenary for the Wrap-up Session, which consisted of two parts. In the first part, country representatives presented the conclusions from each of the five Regional Forums. These events were held in preparation for the Forum to examine region-specific issues in Africa, the Arab States, East and South East Asia, Latin America, and the Pacific Islands related to the overall theme. In the second part of the wrap-up session, rappoteurs presented the conclusions and key discussion points from each workshop to the Forum as a whole. The final reports and individual presentations from these workshops are available online on the United Nations Public Administration Network (UNPAN) at www.7thglobalforum.org and contributed to the present publication.

For the closing ceremony, delegates endorsed the Seoul Declaration on Participatory and Transparent Governance, which outlined specific policy measures to improve governance and public administration, while stressing the need for mutually beneficial partnerships between government, civil society, and the private sector. Heads of Government and Vice Presidents provided closing statements.

International Participation

Both the number of individual participants and the diversity of countries represented have increased greatly since the start of the Global Forum initiative. At the first Global Forum held in Washington D.C. in 1999, approximately 45 countries took part. In subsequent years, the number of total participants and representation by country has gradually increased to current levels at 148 countries, up from under 90 countries represented at the 5th Global Forum. Numbers of participants have increased as well, from several hundred at the first Global

Forum in Washington D.C. to 8,717 in 2005, making the 6th Global Forum the highest attended international conference on governance to date. In addition, interest in attendance at Global Forums continues to increase. A large number of participants from the 6th Global Forum signaled their interest in attending subsequent events and increasing attendance, as well as presentations, from their respective countries.

Participation in the 6th Global Forum significantly surpassed the expectations of organizers. One of the most noteworthy aspects of the event was the participation of senior officials. Heads of State and Government from across the world participated and made presentations to international colleagues in the opening and closing ceremonies.

President Roh Moo-hyun of the Republic of Korea, President Lula Da Silva of Brazil, President Emomali Rahmonov of the Republic of Tajikistan, Prime Minister Lee Hae-chan of the Republic of Korea, Prime Minister Thaksin Shinawatra of Thailand, Vice President Hamid Reza Baradaran Shoraka of the Islamic Republic of Iran, Vice President Ali Mohamed Shein of Tanzania, Prime Minister Lee Hae-chan of the Republic of Korea, Prime Minister Mahinda Rajapakse of Sri Lanka, Vice President Azarias Ruberwa Manywa of the Democratic Republic of the Congo, Minister Oh Young-kyo of the Ministry of Government Administration and Home Affairs of the Republic of Korea, former Prime Minister of Australia Bob Hawke and former Prime Minister of the Netherlands Wim Kok were among speakers who made presentations at the 6th Global Forum on Reinventing Government. Their involvement helped to convey the importance of the message on participatory and transparent governance to attending delegations.

The attendance of other participants was similarly impressive. The Ministerial Round Table brought together a total of 70 government ministers to engage in discussions on innovations in governance and the Seoul Declaration. The Gubernatorial and Mayoral Round Table was the first platform of its kind to be held in the history of the conference and was the largest gathering of local governments to date at any Global Forum. This side event brought together 266 sub-national governments from 27 countries to discuss governance innovations and seek international cooperation in reinventing government at the local scale. Moreover, an estimated 40,000 to 50,000 visitors frequented the International Innovation Exhibition during the week of 23 May. These visitors included both Global Forum participants and local residents in Seoul.

**CHART 1
6th GLOBAL FORUM PARTICIPANTS BY REGION**

8%
US and Canada

11%
Latin America

18%
Europe

15%
Sub-Saharan Africa

9%
Arab States

39%
Asia and Pacific
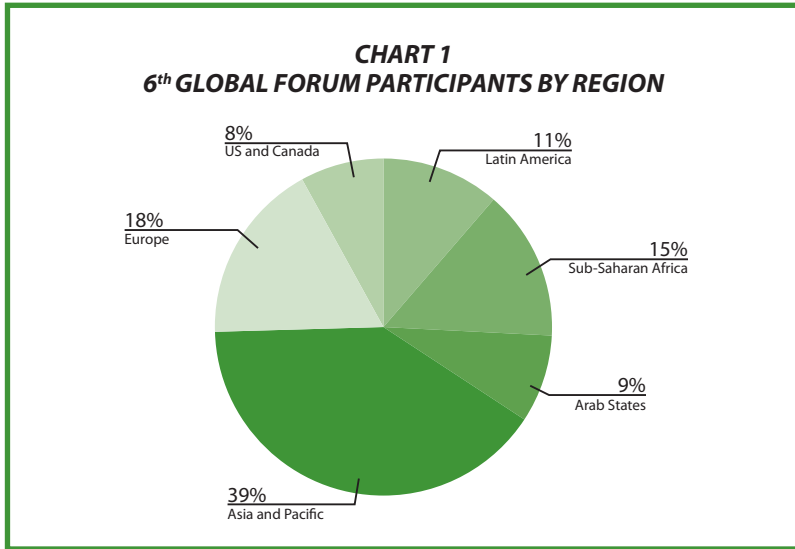
The diverse nature of participation is highlighted by Chart 1, which presents the percentage of registered participants from six distinct geographic regions – Latin America and the Caribbean, Sub-Saharan Africa, Arab States, Asia and the Pacific, Europe, and the United States and Canada. Participants included senior government officials who represented different tiers of central and local government, representatives from multilateral and bilateral agencies, academia, civil society organizations and NGOs, and the private sector. In attendance were also 1,726 foreign delegates. Participants also came from a wide spectrum of sectors including central and local governments, the private sector, academia, civil society, and international institutions. Chart 2 gives the percentage of participants by the sector to which their organization belongs.

Following the Forum, organizers asked participants in the Forum to share their perspectives, opinions, and advice on different aspects of the conference, such as content and organization and the quality, relevancy, and usefulness of the overall experience. This feedback is viewed by organizers as a valuable resource that enables continual improvements in the overall quality of future Forums. The full results and methodology of this evaluation are available online on the United Nations Public Administration Network (UNPAN) at *www.7thglobalforum.org.*

In response to the participant evaluation form that organizers circulated, an overwhelming majority of 90% of participants responded that the 6th Global

CHART 2
6th GLOBAL FORUM PARTICIPANTS BY SECTOR

13%
International
Institution

9%
Civil Society

8%
Private

5%
Academica

33%
Central/Federal Government

32%
Local/State Government
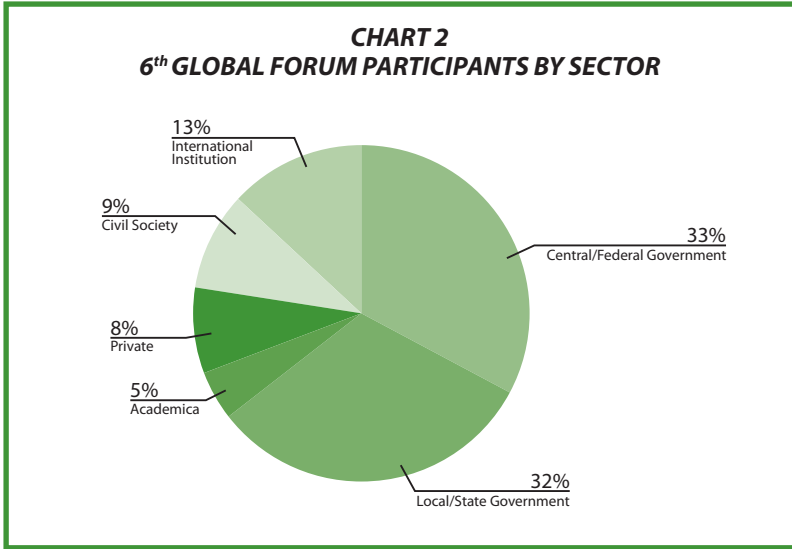
Forum was of great interest to them in their careers or governments, as the topics discussed were of immediate concern to their profession. The quality of organization of the 6th Global Forum received the highest score in any category, and participants noted that this was one of the great strengths of the forum. Relevance of overall theme also ranked high. The overall satisfaction in every category was high, as indicated by the results presented in Chart 3.

Besides the hospitality of the host country and the overall organization of the conference, the significant strengths of the 6th Global Forum included the high diversity of countries, regions, and topics represented. Respondents also expressed their appreciation for the opportunity to network and share opinions with a broad spectrum of participants. The Forum further offered a chance for participants to gain knowledge from areas of the world that do not usually get much publicity. The use of diverse languages was also noted, and the ability of participants to network with others was deemed similarly useful.

Attendance at the forum by high state leaders was encouraging to participants and provided the chance to compare different aspects of government reinvention with representatives of different countries. In particular, respondents who represented civil society organizations at the forum welcomed the chance to engage with high level officials from around the world. Other strengths of the 6th Global Forum included the timely discussion of relevant issues facing all countries today, such as increased accountability and transparency

CHART 3
EVALUATION TOPICS
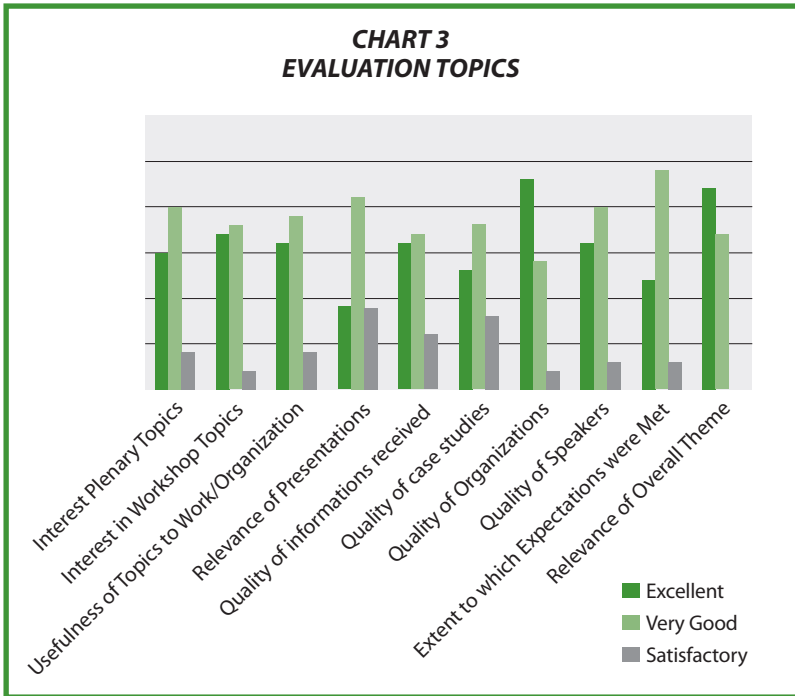
in governance, the friendly atmosphere, and the sharing of ideas which provided participants with vital contacts in numerous sectors. The high level of technology and exhibitions at the Forum were also viewed as a tremendous asset, which supported its cross-cutting messages.

Participants were particularly emphatic about having the opportunity to discuss, share, and learn about a number of critical governance issues that affect government and civil society at many levels. Generally speaking, participants placed high value on the interactive nature of the workshops and their ability to provide and receive feedback from experts chosen as speakers, as well as other workshop participants. In addition, participants noted the significance of round tables, such as the Ministerial Round Table and the Gubernatorial and Mayoral Round Table, for the exchange of best practices. Civil society representatives welcomed the chance to dialogue and interact with high level officials from around the world.

Overall the 6th Global Forum was considered to be highly successful, in large part due to the theme chosen "Toward Participatory and Transparent Governance," the usefulness of subjects covered, and the high quality of organization with which the forum was planned and conducted.

Part Two

The Capacity Development Workshops: Objectives, Experiences and Policy Outcomes

1. Public Service Ethics and Trust in Government

Background

The workshop on Public Service Ethics and Trust in Government was organized by the Division for Public Administration and Development Management of the United Nations Department of Economic and Social Affairs (DPADM/ UNDESA) with the Directorate for Public Governance and Territorial Development of the Organisation for Economic Co-operation and Development (OECD), and Transparency International (TI). Its objectives were to examine global and regional trends in public service ethics and anti-corruption initiatives; address both political and technical challenges in implementing national and sub-national ethics infrastructures and in building trust in government to meet basic needs, as well as development goals; exchange good practices and the latest tools to manage conflicts of interest; assess the impact of public sector ethics programmes; and provide training in ethical decision-making for public servants and journalists in investigative journalism.

This workshop covered issues which were closely linked to the theme of the 6th Global Forum as a whole. Participatory and transparent governance depends largely on the ethical behaviour of public servants, who help to ensure that reliable information on policy decisions and government performance is publicly available and can be used to engage the participation of citizens and stakeholders. In countries where public trust in government is low, citizens are reluctant to take part in governing processes. In other cases, there is participation, but policy processes are not fully transparent. Thus, public integrity and trust are fundamental building blocks for participatory and transparent governance.

Public service involves public trust. Citizens expect public servants to serve the public interest with fairness and to manage public resources properly on a

daily basis. Fair and reliable public services and credible decision-making inspire public trust and create a level playing field for businesses, thus contributing to well-functioning markets and economic growth. Public ethics underpins and is a prerequisite to public trust, as a keystone of good governance. Corruption in this context can be seen as not only an individual act, but also the result of systemic failure and indication of "weak governance." Publicized corruption cases have had a major negative impact on trust in public decision-making.

The workshop identified multiple costs that derive from corruption. First, corruption diverts resources from their most optimal uses, limits the amount of available time and resources for legitimate projects and programmes, stresses budgetary allocations, and thereby reduces the efficiency and effectiveness of existing public sector investments. Second, corruption has significant social costs. Social safety net programmes and services to the poor are often among the first investments to be eliminated in times of budgetary hardship. This social cost can also have political implications; when citizens begin to mistrust their government and representatives, due to corruption and associated cutbacks, the resulting scepticism acts to discourage them from playing an active, participatory, and productive role in their communities and society as a whole. The social costs of corruption therefore have tremendous medium and long terms costs for society, which are not always immediately visible or easily measured, but can nonetheless have a tremendous impact on the wellbeing of a nation and that of its citizens.

Global and Regional Trends

In response to increased public awareness of these costs, the international community has recognized that in order to improve governance, countries must prioritize the fight against corruption. A growing commitment to the fight against corruption has led to the approval of both binding international legislation and soft laws, or recommendations. Transparency mechanisms, such as the online processing of administrative applications and e-procurement systems have also proven to be effective instruments which promote integrity and prevent corruption. In general, demand for greater transparency has been a major driving force to increase accountability and facilitate the participation of citizens.

Several instruments are now available at the international level to help governments, public servants, businesses and citizens fight corruption. In October 2003, the United Nations adopted the first legally binding global instrument related to corruption, the UN Convention Against Corruption. Prior to this time, many

other existing instruments had been regionally-oriented or designed to operate in a more limited environment. Within this context, the Convention broke new ground by including provisions on asset recovery and prevention. It also covered both the public and private sectors. It further provided specific measures such as extradition, mutual legal assistance, preventive action against corruption at the national level, and provisions on technical cooperation to strengthen the capacities of developing countries in implementing its provisions. By May 2005, 120 countries had signed and 22 had ratified the Convention.

The OECD has also designed standards that promote integrity and fight corruption. Its 1997 Convention on Bribery of Foreign Public Officials in International Business Transactions targeted the supply side of corruption. The OECD Principles of Corporate Governance strengthened private sector disclosure, transparency, and accountability. Ethics Infrastructure in the public service provides a comprehensive approach to promote ethical standards. The OECD Guidelines for Managing Conflict of Interest further provided a means for countries to review and modernize their conflict-of-interest policies, identified as key risk area within the context of corruption.

In addition to the above, international advocacy groups have also contributed to improvements in public sector ethics. As one example, Transparency International has raised awareness of the costs of corruption and has encouraged increased public scrutiny, through the publication of a widely-used Corruption Perceptions Index (CPI). This tool uses opinion surveys and expert assessments to rank over than 150 countries in terms of perceived levels of corruption. Beyond the CPI, Transparency International also offers a Bribe Payers' Index (BPI), which assesses the supply side of corruption and ranks corruption by country and industry, the Global Corruption Barometer (GCB), the Corruption Fighters' Tool Kit, and other products that can be used by governments, civil servants, businesses, and citizens.

Several changes have also occurred at the regional level within the past few years. Despite differing geo-political and cultural situations, administrations within Africa, Asia and the Pacific, and the Arab States have faced some similar challenges in managing the conduct of public servants. The challenges frequently arise from age-old role conflicts of public servants, as they navigate between the obligations of public office and their private interests. Recent developments within the three regions include a regional convention in Africa, a regional action plan in Asia-Pacific, and a regional study involving Arab countries.

For the Asia-Pacific region, the Asian Development Bank (ADB) and the OECD launched an Anti-Corruption Initiative in 1999. This action plan consists of three pillars: developing effective and transparent systems for the public service; strengthening anti-bribery actions and promoting integrity in business operations; and supporting active public involvement. The Plan has since been adopted by 25 countries within the region.

For the Africa region, the African Union Convention on Preventing and Combating Corruption was adopted in 2003. To date, 35 out of 53 countries have signed, and nine have ratified it. The objective of the Convention is to promote and strengthen measures that prevent and combat corruption in Africa. This includes cooperation for anti-corruption measures and the harmonization of anti-corruption policies and legislation among States Parties. In addition, the Southern African Development Community (SADC) has developed a programme for the implementation of the SADC Protocol against Corruption. The provisions of these African agreements are in line with those of the UN Convention Against Corruption. Additionally, a project directed at documenting and sharing experiences in public sector reform across Africa was launched under the auspices of NEPAD and in collaboration with the African Training and Research Centre in Administration for Development (CAFRAD), the African Capacity Building Foundation and the South African Department of Public Service and Administration. The project shows that although governments have different cultural, political, and administrative environments, they face similar ethical challenges and their ethics management approaches have similar traits.

For the Arab region, UNDESA and the UNDP Regional Bureau for Arab States conducted a comparative study on transparency and accountability in public sector management, including human resource management, over the 2003-2004 period. This study showed that "core values" for the public service had been well-defined in the six countries examined. However, these same values were often not well communicated by leaders within the public sector or understood by the public in order to judge the performance of the public service employees. The study concluded that there is a significant gap between policy and practice. These gaps have much bearing on both public service ethics and resulting levels of trust in government.

Ethics Infrastructures

As a critical element of the workshop, participants explored some of the political and technical challenges in introducing and strengthening ethics infrastructures and national integrity systems. At the political level, a high-level commitment is required to take on serious cases of misconduct and corruption. Coordination must be carried out by a central and/or independent agency in order to effectively lead all government agencies. In addition, overall management reforms, the involvement of civil society, and clear guidance for public officials are also required. The following are four concrete cases which show different approaches used to establish national and subnational ethics infrastructures and integrity systems, based on the experiences of Brazil, China, Ethiopia, and the Republic of Korea.

In Brazil, the Public Ethics Commission of the Presidency was created in 1999 to provide effective ethical guidance for the highest positions within the federal executive branch of government. The Commission implements a Code of Conduct for Senior Government Officers, including the administration of declaration of assets. It aims to prevent ethical transgressions both during and after the exercise of a public position, to provide an advisory function and to promote pride in the public service as a change instrument to put the citizen back as the focus of services. The Commission facilitates a network for the promotion of the ethics that runs a programme of "managers of ethics," evaluates the ethics management of federal agencies, and cooperates with regional and international organizations. Its current challenges include improving administration, implementing existing international conventions, managing the expectations of society, devising an effective communication plan, increasing transparency, improving evaluation, raising ethical awareness within society, and strengthening cooperation with states and municipal districts.

In the People's Republic of China, the Ministry of Supervision reported on comprehensive efforts to restructure ministries and redesign their functions three times since the seventies. "Creative management" in government is standardized management. A new administrative law aims to simplify the approval system for licensing and promote transparency throughout government in order to facilitate access to services and provide information for public scrutiny. Improving the rule of law, keeping public servants responsible, advancing ethics, promoting citizen-centred management, upgrading the system for selection and recruitment and promotion training programmes have been approved for implementation.

In Ethiopia, an independent ombudsman was elected for the first time in 2004 for a five year term. The ombudsman is accountable to and elected by the Parliament. The main role of the ombudsman is to defend the constitutional rights of citizens, prevent maladministration and make recommendations to revise existing laws and practices. However, it cannot oversee the decisions of security bodies, elected councils, courts and national audit institutions, or the Parliament. The Office of the Ombudsman provides some training that is practically oriented, including case studies and some concrete tools. Ethiopia has already ratified the UN and African Conventions and brought several senior officials, including the prime minister to court. These actions demonstrate a high-level political commitment to fight against corruption.

In the Republic of Korea, the Korea Independent Commission Against Corruption (KICAC) has played a key role in developing an anti-corruption strategy and coordinating measures to promote integrity. Established in 2002, KICAC recently formed an anti-corruption conference, which includes all related ministries and provides recommendations on issues such as public procurement. To date, each ministry has introduced anti-corruption measures. In 2003, the Republic of Korea approved a Code of Conduct for Public Officials that delineates prohibited conduct, and prohibits cronyism and the solicitation of favours. To support enforcement of the code, the Republic of Korea strengthened requirements for the declaration of interests.

Tools for Managing Conflicts of Interest

Participating countries in the workshop also introduced several examples of practical tools that they had used to manage conflicts of interest and assessment frameworks to measure the effectiveness of their ethics programmes. Good practices were presented and discussed from Australia, Canada, and the Netherlands.

In Queensland, Australia, the OECD Guidelines on Managing Conflicts of Interest in the Public Service served as an inspiration for developing and disseminating a practical approach to the problem at the state level. The Queensland Crime and Misconduct Commission, an independent agency, and the Independent Commission Against Corruption of New South Wales jointly developed local Guidelines on Managing Conflicts of Interest in the Public Sector. These Guidelines explain why conflicts of interest are significant, define the concepts, identify conflicts of interest, show how to balance public duty with private interest, and offer specific advice to manage situations where conflicts of

interest arise. The Guidelines further emphasize transparency, accountability and the importance of maintaining the trust of citizens. Rather than treating conflicts of interest as extraordinary occurrences, the Guidelines treat them as normal situations that can and should be properly managed. The dissemination of the Guidelines includes a booklet, CD and an extension training strategy.

In Canada, a comprehensive system of legal and administrative accountability, managing conflicts of interest, and defining core public service values and ethics have been developed over the course of the country's 132-year history. Currently, the values and ethics policy framework includes guidance for ministers and deputy ministers, a conflict of interest and post-employment code for public office holders, a values and ethics code for the public service, a detailed management accountability framework, the prevention of harassment support for disclosure of wrongdoing, and a bill for whistle-blower protection. To determine whether this system is achieving its intended results, the Office of Public Service Values and Ethics is developing a measurement framework for departments and agencies to use in assessing and improving their performance. This framework will measure eight factors which affect values and ethics: trust; culture; people; leadership; risk assessment; controls; recourse and disclosures; and guidelines, standards, and frameworks. Key indicators for these factors and risk areas are being developed. Based on these, an initial random sample survey of Government of Canada employees has been proposed to track staff assessment. In addition, existing research on public attitudes towards public sector values and ethics and links to trust and confidence will be used for citizen-based performance measurement. The Office is also currently reviewing whether a further research into citizen trust and confidence is required over the long term.

In the Netherlands, civil service rules have become stricter for public officials at the central, provincial, municipal and local levels since the mid 1990s. Whistle-blower procedures have been strengthened, and abuse of office has been punished. Its integrity policy has become a permanent part of personnel policy, and all civil servants must now take an oath of office. The federal government has also announced its intention to monitor and enforce compliance at the level of local government. Based on its experience, the Netherlands prepared the Ethics Framework for the Public Sector for the European Union, which was adopted in 2004. Based on state-of-the art practices, this Framework includes four sections to guide member countries: general core values, specific standards of conduct, actions for implementing and promoting integrity values, as well as standards, methods, and procedures to report integrity related offences.

In the Republic of Korea, Transparency International Korea developed the Korean Pact on Anti-Corruption and Transparency (K-PACT) in 2004. This pact uses a coalition approach to fight corruption and promote transparency. In a March 2005 ceremony to launch K-Pact, 148 civil society leaders, as well as 120 major figures from public and private sectors, political parties and civil society publicly pledged their commitment to fight corruption. Each of these groups pledged to undertake certain activities. For the public sector, the pledge included improvement of the national anti-corruption system, institutional improvements, strengthening public servant ethics and values systems, education on the need for more transparency, and the ratification of the UN Convention Against Corruption. The presentation on K-PACT highlighted the importance of involving all segments of society to promote public service ethics, fight corruption, and build trust in government.

In addition to the preceding case studies, the workshop also presented a CD on training public servants in ethical decision-making, as well as a curriculum for training investigative journalism, which plays an important contributing role in strengthening public sector ethics. Developed by CAFRAD and UNDESA in collaboration with six francophone countries within Africa, the CD on Professional Ethics in the African Public Service was developed during a five-day workshop in 2000. It contains a training curriculum on ethical dilemmas commonly faced by civil servants on a daily basis, such as nepotism and favouritism. The structure of the curriculum includes the importance and role of professional ethics in governance, as well as the elements needed to construct an effective ethics management system and encourage ethical decision-making. These training materials place emphasis on action rather than theory.

The Philippines Centre for Investigative Journalism also presented a curriculum for investigative journalism training. This Centre aims to help strengthen democratic institutions by building a tradition of investigative journalism. Through its network, it has contributed to developing an informed public. It has increased its knowledge of corruption, lifestyle and other indicators of bureaucrats and politicians, business interests of politicians, and public sector procurement systems. The Centre presented typical cases that resulted from journalistic investigations of corruption. In one instance, for example, the press played an instrumental role in mobilizing public opinion, which eventually led to the removal from office of former President Estrada for corruption. In addition, the Centre also addresses issues related to journalistic professionalism, including sensationalism, poor skills and integrity lapses by journalists themselves.

Conclusions and Policy Recommendations

As a result of exchanges within the workshop, participants concluded that the devastating effects of corruption and misconduct cannot be underestimated. Unethical practices, bribery, fraud have a very real human cost in terms of the welfare of citizens who are denied access to quality health care, education, and other basic services. A lack of public trust can erode and even destroy political stability, while corruption remains the single most significant obstacle to achieving the Millennium Development Goals, according to participants.

Despite the many positive experiences exchanged during the workshop, many developing countries have been unable to achieve significant progress in reaching the MDG targets. Major reasons for poor performance in achieving these goals are governance weaknesses, poverty traps (false diagnoses), uneven development (distribution and access to resources) and policy gaps. Included among governance weaknesses are issues related to trust in government, social cohesion, and the existence of a national ethos and commonly shared core values. A service-oriented public sector, basic to meeting the MDGs, depends on the integrity of public institutions.

Corruption in the health sector can translate into deaths, particularly for children and mothers. Examples within the sector can be diverse. In some cases, money is simply stolen. In others, large sums are diverted into white elephant projects, which are then used for bribes, medicine is taken, patients entitled to medicines are asked to supply their own, or priority is diverted from badly needed primary care structures in rural areas to build redundant health facilities in urban areas. At the global level, large pharmaceutical companies have an incentive to focus on markets of wealthy consumers with greater disposable incomes, rather than addressing public health hazards, such as malaria. To eradicate poverty, health care delivery systems must also be rid of corruption. International systems need to be reformed, national institutional mechanisms need to be strengthened, while civil society, families and communities must mobilize to root out corruption.

Corruption in primary education infringes on a fundamental human right that was recognized by the Universal Declaration of Rights. In countries with low adult literacy rates and student-teacher ratios, corruption in primary education can significantly retard meeting the MDG of universal primary education. Even where enrolment and attendance successes have been on the rise, many irregularities and corrupt practices can occur in the implementation of education policy. These can include illegal admission fees, unauthorized subscription fees by

teachers and others, bribes, stealing grain from food programmes, and the diversion of education stipends from the poorest children to affluent households. Some of the initiatives that have been effectively used to curb corruption in this sector include: awareness campaigns through mobile theatres, parent-teacher meetings, gatherings by mothers groups, and coalitions between school management committees, district education committees, and civil society groups.

In sum, corruption undermines the attainment of the MDGs by negatively impacting policy-making, implementation, and public service delivery. Therefore, corruption reduction is not only an end in itself, but also a means to reduce poverty. This distinction is useful for policy makers who must weigh many competing priorities. Rather than creating a proliferation of institutions, governments need methodologies that clean up and renew existing ones. Much can be learned from looking at micro-level sectoral experiences in dealing with corruption.

Different countries and areas of government experience varying risks and vulnerabilities to corruption. However, while the approaches taken to address corruption are often similar, the success of these approaches has experienced mixed results. Participants agreed that there has been no lack of activity in the area of ethics and public trust. However, they expressed concern that real, sustained implementation of ethics initiatives has yet to materialize. Participants also emphasized that many new initiatives, such as the growing number of ethical oversight bodies, could draw attention away from what they perceived as the real issue: the need for significant investments in rebuilding and strengthening government institutions at the political and public administration levels. Therefore, delegates recommended that policy makers should guard against the excessive proliferation of instruments and institutions, which would then become merely burdensome and ineffective.

Instead, participants cautioned that conventions, the institution of laws, policies, and codes of conduct should only be considered the start of the journey. Real progress in the fight against corruption will only be made with a sustained commitment to implementation, beginning with a strong commitment from political leadership. This commitment must involve dialogue, training, professional development, and the willingness to address problems as they arise. It also requires the willingness to measure progress, evaluate effectiveness, and make changes for continuous improvement. Real human and sustainable economic progress will occur when governments dedicate themselves to serving public interest above all other considerations.

In addition to tools, participants advised that appropriate training is needed both within and outside of the public sector to raise awareness of the importance of public integrity and trust. Moreover, it is vital that civil society organizations also receive training in order to effectively fulfil their role as public ethics advocates and overseers. Transparency was further seen as the key to success in integrity measures, because it creates and builds public confidence. Openness gives citizens the information they need to participate in the political process and hold governments accountable, while empowering them to take responsibility for their own progress. A free press and active civil society are also part of the transparency infrastructure.

The development and maintenance of public trust must be approached holistically, as the thread that knits together all governance reform efforts. The fight against corruption has a fundamental value for all government reform efforts, and may require changes to legal and policy frameworks for the control and expenditure of public monies and improved procurement practices. It also requires attention to inculcating public service values throughout the institution through education, training and enforcement. Therefore, participants expressed the need for a new development paradigm, based on a coalition between government, the private sector and civil society, to seek a better understanding of the needs of society.

2. Governance-Oriented Innovations to Enhance State Capacity

Background

The workshop on Governance-Oriented Innovations to Enhance State Capacity was organized by the Division for Public Administration and Development Management of the United Nations Department of Economic and Social Affairs (DPADM/UNDESA) with the United Nations Development Programme (UNDP), and the Ash Institute for Democratic Governance and Innovation of the John F. Kennedy School of Government at Harvard University. Its objectives were to determine how to rapidly and effectively raise the capacity of developing countries to manage new resource flows; to explore new tools to build governance capacity to "up-scale;" and to discuss ways and means to strengthen governance capacity to address the challenges presented by globalization and meet the Millennium Development Goals (MDGs).

At the time of the 6th Global Forum, the issue of public administration reform had come to assume great importance in the international development

debate. This debate applied particularly to the role of public administration in the achievement of the MDGs. As a result, renewed understanding emerged of the need to rapidly enhance the capacity of governments in developing countries to efficiently and transparently manage current and new resource flows with more effective instruments. Already a call has sounded to strengthen the compact between developed and developing countries to achieve these important goals.

Many governments have struggled with the search for a new governance paradigm that effectively synthesizes traditional and modern principles and techniques of public administration and management. In particular, public leaders are trying to reconcile traditional civil service values – such as impartiality, integrity, and respect for public service – with the promotion of management innovations and efficiency improvements, while also encouraging more open and responsive forms of administration. Governments are increasingly expected to work effectively across sectors. In this context, effective governance is seen as embedded within society, combining the strengths of public organizations, civil society, and the private sector to address common challenges

The workshop opened with a reminder to participants that soon after the Forum, international Heads of State and Government would reconvene for the 2005 World Summit in New York to undertake a comprehensive review of the progress made toward the achievement of the MDGs. This would include the global partnership required for their achievement; commitment towards more open trade, increased official development assistance, and the strengthening of national governance capacities. This global compact to achieve the MDGs would require governments to devise new ways to improve governance systems and processes, including the ways that government functions.

It emphasized that the world is now experiencing a paradigm shift towards a more embracing notion of "governance," in which the notion of a monolithic command-and-control Weberian state is being supplanted by arrangements that rely more on networks than hierarchy. Similarly, citizen involvement is receiving new emphasis through co-production of services; a coordinated customer focus is pursued to address individual needs and problems holistically; and there is a desire to incorporate the views of citizen groups into the service delivery process. Within this paradigm, multiple forms of accountability have become especially important. As a result, the need has developed for new types of skills and leadership on the part of senior civil servants.

The Changing Role of Senior Officials

The senior civil service has a more complex and demanding role to play in the emerging model of responsive governance, which provided the conceptual framework for the workshop. In order to be effective, accountability must now be multifaceted. This change has placed new demands on the discretion and professionalism of senior officials. Hence, their leadership is essential to preserve the important values of impartiality and integrity, while furthering communication flows and consultative mechanisms for interaction with society. At the same time, senior officials are responsible for ensuring that public service delivery is well managed and responsive to customer needs and entitlements. Each of these leadership functions requires a very high skill level. While service delivery may actually be undertaken by "non-core" or non-civil service employees, the quality and integrity of this core group of senior civil servants presents the primary challenge for ensuring high-capacity public administration.

The first session of the workshop focused on the role of government leaders in promoting social justice and fairness at a time of growing marketization in most societies. Following a period of major economic liberalization, it has become more important for leaders to devote more time and resources to social issues in order to minimize future tensions between those who have benefited from economic globalization and those who have not. Accelerated change has forced governments to embrace continuous change as a way of life. The workshop introduced participants to Singapore's PS21 initiative, which seeks to equip the Singapore civil service leadership with the skills and mental outlook that will enable them to anticipate change and leverage opportunities for the benefit of the public. PS21's checklist for embracing change includes: (i) being in time for the future; (ii) harnessing the creativity of your people; (iii) never stop seeking change; (iv) not running away from the uncertain and the unknown; and (v) continually building capacity for ideas, people, and action.

Participants also discussed other experiences in establishing a senior civil service, highlighting that establishing a senior management cadre does not just mean modifying the profile of senior officials. It also requires the organization of a strategically managed separate group that is trained to cope with new demands and environmental changes. For successful implementation of such a daunting task, the central government of the Republic of Korea must cope with a number of challenges in the course of establishing the senior civil service. This explains why establishing the senior civil service is one the most important components of the Government's public service reform agenda.

Open and Responsive Government

Responsive governance raises a different set of concerns from those that preoccupy advocates of the New Public Management (NPM) and traditional public administration models. The responsive governance model emphasizes a government that is open and responsive to civil society and the private sector, more accountable, and better regulated by external watchdogs and the law. A strong role is proposed for "voice" and for civil society "partnerships" through NGOs and community participation. Governance models thus tend to focus more on incorporating and including citizens in all their stakeholder roles, rather than simply satisfying customers, a theme that echoes the notion of "creating public value."

The responsive governance model is also emerging from a separate, but in some ways parallel set of developments in thinking and practice, namely, the potential impact of information and communication technology (ICT) on public administration. In theory, ICT enables a more dispersed, but at the same time a more informed and transparent process of decision-making. Powerful networks of high-volume communication are at the disposal of individuals and groups, transcending boundaries and barriers, whether sectoral (public vs. private), organizational, spatial, or jurisdictional. Particular gains are envisaged through the use of ICT in handling the government-citizen interface via systems that enable two-way electronic communication and secure service-delivery transactions. ICT might also enable back-office systems integration, such that a customer with multiple needs could be handled at one point of contact – a kind of virtual "one-stop shop." All of these potential gains have numerous implications for accountability and responsiveness.

The second session discussed the changing role of the State with a particular focus on the shift "from government to governance," where the State is not any longer the primary source of power in society, but must share this power with both civil society and the private sector. The fundamental shift in the nature of governance arrangements has also been changed the role of public administration within society. For example, many public organizations in Mexico have introduced citizen's charters, which provide opportunities for citizens to hold the government accountable for services provided, can improve service standards, and give welcome incentives for public officials to excel. ICT can be an important facilitator of many of these processes, especially as their complexity and multidimensionality increases. Under the right circumstances, the new technologies can help to drive change in a beneficial way.

Social Justice in the New Governance Paradigm

Governments in developing countries, in close collaboration with national stakeholders and development partners, face the unique responsibility of ensuring the realization of the MDGs in a sustainable fashion. The design and implementation of national strategies to achieve the MDGs demands that governments examine new ways to improve the conditions of the poor and marginalized groups, including women, by reducing poverty and actively empowering civil society organizations. The global trend towards the redefinition of the role of the State has generally led to greater involvement of the private sector and civil society in service delivery and public management.

As governments face increased pressure to economize, heighten efficiency, and outsource, there is a real danger that the interests of the poor and underprivileged will be inadequately served in governance arrangements and public policies. Within the context of growing global marketization, the role of the State as the guarantor of social justice and the rights of the poor and underprivileged assumes a particularly important role. Performing this role will not only require greater attention by governments to the social agenda, but also the deepening of democracy through reform of governance institutions and processes, such as decentralization and active engagement of civil society in deliberation and policy-making processes.

As an example, panellists spoke of the challenges faced by Rwanda, a post-conflict country, in delivering social justice and how the government has sought to transform challenges into opportunities by focusing on key issues of basic social needs and building a sense of common enterprise between citizens by engaging them in the governance process. Emphasizing that good governance is imperative for achieving the MDGs, the workshop identified four critical attributes of good governance: (i) effective, efficient and accountable administration; (ii) control of corruption; (iii) scrutiny of public sector management by an empowered civil society; and (iv) decentralization. Participants were challenged to assume a human rights approach to development. From this perspective, unequal access to income originates from unequal control over both economic and political resources within society. The unjust nature of a social order that perpetuates these inequities can then be termed as "structural injustice." Such injustices remain pervasive in most societies exposed to endemic poverty. Any credible agenda which aims to guarantee sufficient income to every citizen to remove them from poverty and meet their basic needs must therefore seek

to correct the structural injustices that perpetuate income deprivation. Participants examined several sources of injustice, which deny a large number of people a basic income, as well as means to correct these injustices in order to build societies free of poverty and want.

Accountability to Multiple Stakeholders

A common theme in the recent governance debate is the importance of multiple forms of public accountability. Traditional public administration focused on hierarchical accountability within the civil service and further upward to political leaders. Public management also brought into play professional accountability of the kind that the public manager acquires through training and experience. NPM focused on the dual, mutually reinforcing accountability to the bottom line and the customer, while responsive governance depicts diverse, complex forms of 360-degree accountability in which there are multiple stakeholders in both government and society, all of whom have a claim to be heard and answered. Openness and transparency are thus part of this emerging model of responsive governance.

The workshop explored the implications of this form of responsive governance including new kinds of citizen engagement; a growing reliance on networks and partnerships and on enhanced collaboration across sectors, with the government acting as the enabler and coordinator rather than provider; more diverse and flexible forms of organization; less homogeneity and higher expectations of quality in process and product; and more diverse forms of accountability, to multiple stakeholders and "360º." Participants identified five forms of accountability and the premises on which they are based. These include the assumptions that:

    (i)   accountability conflicts will increase, such as those between "output" or performance accountability and deliberative or multiple stakeholder accountability;

   (ii)   public officials will be required to increasingly exercise judgment over which form of accountability to prioritize in a given circumstance;

 (iii)   professional and personal accountabilities will become increasingly important for public administrators – senior administrators will have new leadership roles to play;

 (iv)   political accountability will become less dominant; and

(v)   political representatives will become increasingly required to assume 'meta-accountability' roles – i.e. monitoring the 'accountabilities system' for its overall results and integrity.

The example of the Government of Cameroon was shared in which it developed an institutional framework designed to empower senior public officials so that they could play a more important leadership role in addressing the new governance challenges. It was also noted that the responsive governance paradigm entails empowerment of local authorities, senior public officials, citizen groups, NGOs as well as users. However, achieving this vision requires significant resources, which few heavily indebted countries could provide.

Conclusions and Policy Recommendations

In every country, the emerging governance paradigm must be adapted to the unique national context, culture, and history. Participants identified a number of factors that would be central to the success of this process.

First, there is a need to significantly upgrade leadership competencies in the public service. Participants agreed that leadership is moving to the centre of the new governance paradigm. The senior civil service has a more complex and demanding role to play. It will need to be both the subject of change as well as the proponent and driver of change. This will mean greater focus on the long-term capacity development of administrative leadership, as an essential part of an effective national development strategy. This will also include more focus on the recruitment and retention of high calibre talent in the public service, as well as greater attention to new types of training of senior public servants, particularly in the areas of change management, ethics, mentoring and coaching of future leaders and managers, public communications and horizontal coordination of government programmes. However, participants cautioned that as the role of senior public servants is strengthened, the role of the elected executive should not be ignored, meaning that the strengthening of administrative leadership should not dilute the role and accountability of the executive branch to citizens.

Second, it is essential to develop a culture of open and responsive government. The governance paradigm requires governments not only to be increasingly open and responsive to civil society and the private sector, but to create what can be described as tri-sectoral governance. Such participatory arrangements also demand that governments become more open, responsive and accountable to citizens and stakeholders. The customer charter concept, of which participants

examined an interesting example from Mexico, is one of the key instruments emerging in this area. Moreover, the discussion of this example underscored the importance of adapting new tools to the country context, ensuring that they are rooted in the values and structures of the existing political and administrative framework. It also highlighted the importance of establishing appropriate incentives within public administration and the benefits of South-South cooperation in the sharing of experiences. Furthermore, a key dimension of the emerging governance paradigm is its potential to provide a "voice" for civil society, through engagement with NGOs and community participation. However, participants emphasized that as the role of civil society and the private sector in governance is strengthened, the accompanying responsibilities and accountability arrangements need to be well-defined. The NGOs will need to become more transparent, democratic, and accountable to the communities that they aim to serve.

Third, the capacity of developing countries to reap the benefits of ICT must be enhanced. Participants noted that the ICT revolution has the potential to transform government as a whole and constitutes a powerful force that is significantly shaping the new governance paradigm. ICT is not only providing powerful new tools to improve internal processes and strengthen relations between government and consumers of services. It is also transforming the way in which communities and stakeholder groups are defined and how they perform their roles, enabling significantly higher levels of communication, collaboration, and networking between members of an organization or group, regardless of physical location, national barriers, and traditional community groupings. ICT thus has tremendous potential to improve relations between government and citizens through various forms of digital democracy. It also offers to enhance relations between government and businesses by enabling "e-business" opportunities in areas such as procurement. Nonetheless, participants cautioned that ICT also represents a threat to widen the gap between people who do and do not have access to basic tools, such as the internet and cell phones.

Fourth, the capacity of every government to act as the guarantor of social justice in society must be strengthened. Participants noted that the global trend towards the redefinition of the role of the State has generally led to greater involvement of the private sector and civil society in service delivery and public management. As pressures increase on governments to emphasize efficiency gains over other priorities, the interests of the poor and under-privileged may be inadequately served in governance arrangements and public policies. The role of the State as the guarantor of social justice assumes a particularly important role

in this context. Effectively performing this role will require much greater attention by governments to the social agenda, nationally and globally, and the establishment of mechanisms that promote asset creation by the poor. It also necessitates the deepening of democracy through reform of governance institutions and processes, such as decentralization and active engagement of civil society in deliberation and policy-making processes.

Finally, senior public servants must be responsive and held accountable to multiple stakeholders in society. Participants noted that the core civil service has a more complex and demanding role to play in the emerging governance paradigm. To be effective, accountability must be multifaceted, which places new demands on the discretion and professionalism of senior officials. Their leadership is essential for preserving important values of impartiality and integrity while furthering communication flows and consultative mechanisms for interaction with society, as well as catalyzing change to meet evolving needs and demands of citizens. At the same time, senior public servants must ensure the sound management of public service delivery in response to customer needs and entitlements. All of these functions require public leaders to possess strong sense of accountability and responsiveness to a diverse group of stakeholders in society.

3. Access To Services for All through Participation and Transparency

Background

The workshop on Access to Services for All through Participation and Transparency was organized by the Water, Sanitation, and Infrastructure Branch of the United Nations Human Settlements Programme (UN-HABITAT), the Ministry of Government Administration and Home Affairs of Korea (MOGAHA), and the Korea Institute of Public Administration (KIPA). Its objectives were to discuss the role of governance in achieving the Millennium Development Goals (MDGs) for basic services; identify the role of governments, markets and civil society in providing basic services; discuss institutional framework options that enhance accountable and transparent governance for basic service delivery; identify tools for increasing access to basic services and discuss how these may be used to increase access to services for the poor; and share experiences in best practices and leadership. The workshop additionally discussed the role of participatory and accountable governance in enabling basic service access for all.

Adequate basic services such as water supply, sanitation, waste disposal, urban transportation, energy, communication and education are central to promoting environmentally sustainable, healthy and liveable human settlements, particularly for the poor. The single most compelling argument for reinventing government is the failure by the traditional state to meet poor people's need for these basic services. Notions of governance that involve the private sector and civil society fully in decision-making have evolved in part, because without the inclusion of these non-government partners, the basic services that are most essential for survival and dignity do not reach those who need them most.

When it comes to achieving global access to basic services, participation and accountability are key tools. The developing world is experiencing the highest rate of urbanization, outpacing basic service provision, and resulting in the rampant growth of slums. While the needs are basic, the challenges are increasingly complex. Technical fixes are no longer enough. The challenges posed to urban management by these contextual issues require bold leadership, an enabling policy environment at central and local government levels, and most important of all, radical transformation in the way municipalities conduct their business, in terms of institutions and systems.

Institutional Frameworks

National governments have the overall responsibility to ensure that all of its citizens have access to basic services and that the services are provided in an environmentally sustainable manner. National government must take lead in implementing and applying standards for transparency and participation. In addition to setting targets, standards and clearly defining roles, due process and procedures, such as open bidding processes for procurement, is a key tool for the maximization of resources, effectiveness of expenditures, developing innovation, and inevitably, meeting the needs of all. Mechanisms to support transparency must apply to both expenditures and revenues. The example of Nigeria demonstrates how a decisive stance by the Federal Government can set the pace for other levels of government to follow in prudent management and accountability for public resources. Over a period of two and a half years, the sum of US$1.2 billion was saved from 300 contracts that would have gone to the wrong winners.

A consensus is emerging on the need for a paradigm shift in the way that civil society participates in governance. Participation is not yet integral to governance processes, but remains peripheral. Civil society and the private sector

must be upgraded from "client" to "partner" if their full potential in ensuring access to basic services is to be realized. The partnership model of governance, which promotes the exchange of ideas and synergies between different actors facilitates this. Thus while the debate over private sector participation in basic service delivery continues, the focus of the discourse has shifted to how to improve access to basic services through pro-poor governance frameworks, capacity building local empowerment, and improved communication between actors. Rather than concentrating on who provides the service – the answer to which is context-dependent – the attention has turned to governance frameworks for improved basic service delivery. Inevitably, participation and accountability emerge as fundamental principles for pro-poor governance frameworks for access to basic services.

For the system to operate in a participatory and transparent manner, the participants noted that it is imperative for governments to introduce "integrity systems" at the local level. An integrity system is a coalition of the three sectors: public and private sectors, and civil society. Studies on the subject reveal that local integrity systems can build trust between people and their governments, a fundamental prerequisite to participation. Each country should define its own integrity systems to suit local values. However, the standard is that the weak, vulnerable and poorer members of society do not remain excluded and have access to basic needs. They should be listened to and their opinions taken seriously in designing solutions for their own welfare.

Decentralization

A consensus is slowly developing that basic services pose local challenges that are most effectively addressed at the local level. Smaller, local constituencies tend to be more accessible, and lend themselves to greater opportunities for increased participation and dialogue. Local needs can be felt more directly and articulated into solutions. Recent years have witnessed a trend towards decentralization, bringing with it greater potential for increased participation and accountability. However, decentralization also brings challenges.

Local responsibility, devolved or not, must be accompanied by the mandate and capacity for effective and equitable implementation. Revenue generating capacity is necessary to enable local authorities to carry out basic service delivery functions equitably and effectively, yet fiscal autonomy is often the last step in decentralization. Legal frameworks are another limitation. Brazil presents

an example where decentralization has taken root and municipalities have galvanized themselves into a formidable sphere of governance able to influence federal laws. However, the sphere of fiscal autonomy to match the statutory responsibilities continues to be tricky. So also is the question of what to do with post-communist societies, where dependence on central government continues to linger at the local level. Beyond creating a conducive government – what is the role of local government in such societies? It is required that people in power change their perception of participation, from viewing other actors as clients to accepting them as partners – this is the new approach, which has made participatory budgeting a successful initiative in Brazil.

Deliberate Participation

Participatory approaches foster a sense of ownership and enhance accountability and transparency in service delivery, because they help to mobilize and invest individual resources as well as the social capital of communities. However, involving the poor in a profitable and sustainable manner does require a strong and comprehensive institutional framework based on appropriate laws and regulations, as well as processes and structures complimented by capacity building initiatives aimed at offsetting the inhibitions of those social groups that have long been excluded, and the distortions in power relations that exist both at local and national levels.

Participants noted that one way of meeting the MDGs is development of social capital through participation in basic infrastructure service delivery. Deliberate participation or "infrastructure based community development" has given rise to some of the most successful initiatives to increase access to basic services in Indonesia. Just as it is challenging for governments to integrate civil society into their paradigms of governance, the poor and disenfranchised often cling to disabling expectations of the State. Participatory, community-based development initiatives can be transformative in empowering, while creating access to basic services. Rather than using community to develop infrastructure, bringing communities together to address a basic common need such as infrastructure is used to develop the community itself, while increasing the voice of the poor to demand for services. In this way, collective confidence is created for the community to meet its own needs.

Allowing the community to mobilize itself around an identified need strengthens the social capital and very often, the process is more important than

the outcome. For example, the Government of South Africa uses the Empowered Deliberative Democracy Forum (Imbizo), to engage citizens in decision making. The Imbizo is an adaptation of traditional forums in which political leaders meet with and consult communities on pressing matters and are increasingly important consultative events on the political calendar. In a hierarchy of needs, poor communities in South Africa rated basic services in third place after economic empowerment and political inclusion, showing that participation is a critical factor in their context.

Resource Mobilization

The capital demands for meeting the millennium development targets are substantial and need to receive attention. International donors and national governments should prioritize funding to basic sectors. Simultaneously, the capacity for communities to exploit their own resources in acquiring access to services must be developed, not only as a means to an end, but also for empowerment, sustainability, and social development. Best practices, demonstrating the effectiveness of community efforts in providing basic services, were presented by several speakers from Cameroon, Pakistan, and India. Each of the examples showed that with access to information and an enabling environment, people can accomplish a lot done on their own. The Anjuman Samaji Behbood approach from Faisalabad in Pakistan is founded on the notion that people must contribute to their own development initiatives. Through community efforts, 80 communities including 8,976 households now enjoy in-house latrines, sewerage lines, and collectors. Seventy percent of these were self-financed, managed, and maintained by the community, while government is left to contend with only the construction of trunk lines and treatment plants, representing only 30% of the cost of providing access to the sewerage system.

In addition to building infrastructure, the methodology used has increased ownership, a sense of community, empowerment, organization, and labour skills. Community initiatives need to be respected, accepted, and supported by professionals and government. But as illustrated, it is often the case that there is a net resource flow from the poor citizens to benefit the better off. If nothing else, elected government has a responsibility to create an environment that is supportive to community initiatives.

Information

The municipality of Khandwa in India increased the effectiveness of public services enormously by modernizing its administration of records. Computerization of records and issuing birth and death certificates, updating property and tax registers and simplifying payment, substantially increased municipal revenues. The increased revenues allowed the Khandwa Municipal Corporation to invest in the extension of water and sanitation services. Much of the success was attributed to the strong information campaign, which enabled residents to envisage and appreciate the eventual benefits of the programme.

Example of best practices, which demonstrated the principles of transparency and accountability presented in the workshop included:

- Revitalization of two rivers in Chengdu, China
- Liveable Regional Strategic Plan for the Greater Vancouver Region, Canada
- Integrated Programme for Social Inclusion in Santo Andre, Brazil; and
- Waste Management and Protection of the Environment in Sainte Rita, Benin.

Conclusions and Policy Recommendations

Discussion and analysis of best practices presented in the workshop resulted in several lessons learned. The common lessons are that the process is more important than the outcome, community-based processes are holistic and inclusive, the process and not the solution is transferable. Other key elements that have led to the success of different projects has been the commitment of leadership, the existence of a clear vision for the project, and good governance in its design and implementation. In the cases from Canada, China, and Brazil, the formulation of a shared vision guided the development of the initiative. The use of social capital to provide social services and create wealth was clearly illustrated in the Benin case. The example of Germany further showed how modern management strategies, the streamlining of bureaucracy, and e-government acted as key factors leading to the modernization of the country.

The personality of a local leader is also an important element in engendering participation. The example of slum upgrading from Bhopal was given to show that the integrity of a local leader is more important than political power. Civil society leaders are key characters for transparency, because they allow community to trust the process. The example of Philippines demonstrated how innovation in health care service delivery became a rallying point for community development and social value reorientation.

In implementation, participation may be too time-consuming. However, in decision-making processes, it is essential. Once people are convinced of the advantages of the programme and know the benefits, they will support the process and contribute. Resistance is the result of mistrust. The government meets with resistance when programs are introduced from the top. The bottom-up process is essential, because by the time the program is formulated, the beneficiaries should have ownership. In this process, the quality of the leadership of the civil society is important. Leadership can be a catalyst, but it also must be guided and be subjected to the norms of good governance.

Decentralization of responsibility to the lowest, most suitable level requires that the capacity exists to support it. Decentralization, in itself, is not sufficient, unless it is accompanied by the capacity development of local institutions. Impact-oriented, on-going, affordable, and sustainable training is therefore needed for local governance actors. Beyond the building of technical capacity for service provision, the capacity to be participatory and accountable is critical at the local level. While the proximity of local government to beneficiaries of basic services lends it vast potential for expanded participation and transparency, local government remains subject to corruption. Training must therefore also address the need for capacity to govern transparently.

In the new governance frameworks, sensitization and skills development must not only address governments, but other relevant actors. As services like water and sanitation are increasingly privatized or outsourced, the awareness of these institutions to the needs and plight of poor participants needs to be raised. For instance, community-based organizations may also be trained in ways to communicate with governments and utilities with the aim of improving the strength and effectiveness of their voice for service provision. Development of tools to build capacity for local governance on themes such as local leadership, transparency, conflict resolution, participatory planning, and financial management can have important spin-off effects.

Capacity building has enormous potential to transform institutions, but not all problems can be addressed by training courses. Capacity must be accompanied by the necessary structural change. The Due Process reforms introduced by the Federal Government of Nigeria were presented as an example. Workshop speakers noted that the resulting change will be slow, but certain when the process is adopted as the standard for conduct of public service.

Last, the workshop participants called for international cooperation. Local authorities who deal directly with the daily challenges of local development should be empowered to drive development and globalization through local plans and local action. The voice of cities and settlements as represented, for example, through the United Cities and Local Authorities, should be given global listening through all international forums concerned.

For participation to be meaningful, real and ongoing efforts must be made to enable access to information and the decision making process. Updated and disseminated information systems create public awareness and effective feedback systems between the people and government and help to internalize the externalities of globalization. As born out by the Nigerian Due process, the availability of common public information empowers citizens to hold governance actors accountable. Transparency combats corruption, which thrives in secrecy. The open sharing of information creates trust and facilitates consensus-building on collective concerns and priority action. Updated information systems like municipal data including GIS maps to which citizens have ready access are an essential part of transparency. Absence of existing physical and social infrastructure maps can be a major cause of inappropriate projects, corruption, inflated costs, operation and maintenance problems and ad-hoc planning. National and local authorities must keep up to date data for planning and investment.

4.   E-Government as a Tool for Participation and Transparency

Background

The workshop on E-Government as a Tool for Participation and Transparency was organized by the Division for Public Administration and Development Management of the United Nations Department of Economic and Social Affairs (DPADM/UNDESA), the International Institute of Administrative Sciences (IIAS), the National Computerization Agency (NCA), and the Ministry of Government Administration and Home Affairs of the Republic of Korea (MOGAHA). Its objectives were to review the pivotal role of e-government in the global community's transition to a Knowledge Society; examine its potential to optimize service delivery, increase transparency, encourage the increased participation of constituencies, and strengthen people-centred governance; enable the exchange

of practical applications of e-government systems; discuss contexts in which the deployment of e-government is most effective; and explain the results of the 2003 and 2004 United Nations Global E-Government Surveys.

If well implemented, e-government has the potential to empower citizens to take a more active role in determining their lives and the societies in which they live. Transparency, accountability, and citizen participation are prerequisites for building trust and confidence in government, making it more efficient and responsive to the needs of the citizens. Moreover, it is this trust and confidence that builds strong nations and economic stability. These are the building blocks of any true successful democracy. Moreover, only genuine participation appears to constitute an adequate tool for demanding and executing the needed transformation of social institutions, so that people and information – two main assets of the Knowledge Society – can develop and the great resources of knowledge can be used to support a high level of quality of life.

As a result, governments have faced increasing pressure, particularly in developing countries, to reform, become more transparent, and govern in a more participatory way. It is only natural that the option of using information and communication technology (ICT) in public processes, including those relevant to participation and transparency has been embraced by many as a possible solution. Indeed, e-government comes with many promises. It offers new ways of meeting good governance goals and responding to new political challenges in the future. In this context, it seems ideally suited for revamping the organization and practices of government. In light of the above, the main objective of the workshop was to examine the contexts in which deployment of e-government applications can enhance public transparency and genuine participation of citizens in policy development and decision-making. In addition, the workshop aimed to enhance the knowledge of participants of many issues related to e-government and facilitate creation of networks and partnerships.

In today's technology driven globalized world, knowledge management is rapidly becoming the centrefold of the emerged development paradigm. The roots of this enveloping environment are embedded in two related phenomena. First, an increasing recognition of the potential of new technologies in transferring information and knowledge at lighting speed, and second, the growing awareness of the positive linkages between these technologies, the knowledge society and economic development.

Transparency and Information Management in the Knowledge Age

Government must become a steward of information: collaborate to identify priorities for action; foster, co-ordinate and galvanize networks; support decision making processes by responding to information needs; develop and meet standards of accuracy, timeliness and authority (create benchmarks for knowledge in service areas). Transparency is critical, but information is potentially only a by-product of government rather than a resource. It must have a context in order to be valuable and effectively used by citizens. A service focus can perhaps drive transparency, because governments need to make information available to meet demand. However, service improvement may not be possible if integrated information is not available.

People have a right to know and to access government information. When this information is online and readily accessible to the general population, citizens will have the ability to discover more information about the policy decisions and processes that interest them. As a result, their ability to actively participate in the policy process will be enhanced, thereby enhancing the quality of democracy. In addition, it deters bureaucratic secrecy, reducing political and administrative corruption, and constraining the powers and behaviours of special interest groups.

Genuine Participation and the Public Value Chain

The journey toward e-participation has only recently begun. While some governments have started to formulate explicit e-participation policies, many fundamental issues such as the scope of policies, the accessibility of the process, tools, and cultural factors have yet to be systematically addressed. In terms of scope, e-participation is fundamental to improving all the ways in which governments create public value. Accessibility not access: meaningful e-participation requires government to shape and edit its online information provision, based around citizen needs. E-participation is not a choice: e-participation will happen whether you like it or not. A government's only choice is whether to react defensively to it, or to engage pro-actively in ways which create public value. It's not about the tools: e-participation techniques will only deliver significant benefit if accompanied by systemic cultural change within government. In addition, on the implementation of e-participation, the following activities are required to build its foundation:

- identify medium to long term goals for the utilization of technology to facilitate public participation;

- analyze internal ICT competencies and identify gaps in service provision;

- maintain focus and ensure that ICT initiatives are aligned to business strategy and operates from a macro perspective;

- strengthen ICT infrastructure and organization.

Four presentations were made on the Korea Open System, which acts as the backbone of e-government with the Republic of Korea. They were the Open System of Seoul Metropolitan City, the Open System of Gangnam Province in Seoul, the Government Procurement System, and the Military Manpower Open System. All four stressed the openness, transparency, and accountability that were built into the systems to enhance delivery services and reduce corruption. The Open System is not limited to government service systems, but also includes government information and its internal processes.

Results of the 2004 UN Global E-Government Survey

The workshop explained the results of the UN Global E-Government Survey and its implications. Presentations focused on the web measurement index, e-participation framework and the recent trends in the regions. The web measurement index is comprised of five elements: emerging presence; enhanced presence; interactive presence; transactional presence; and networked presence. The e-participation index looks at how a government: increases e-information to citizens for decision-making; enhances e-consultation for deliberative and participatory processes; supports e-decision making by increasing input of citizens.

Conclusions and Policy Recommendations

Several conclusions emerged from the presentation and discussions. First, economic, institutional and social factors are major barriers to achieving the information and knowledge society as indicated in the following Box. The Global E-Government Survey found that the distribution of e-government across countries remains highly skewed, the potential of e-government remains under exploited. Moreover, most countries, especially developing nations, are not yet providing meaningful services that encourage participatory dialogue.

Barriers	% of maximum points that could have been attributed
Poverty	77.3
Low levels of literacy	76.0
Lack of adequate infrastructure	72.8
• High prices of ICT services	70.8
Lack of investment	69.8
• Poor institutional structures	69.8
Absence of international cooperation	63.0
Lack of security	52.5

Source: ITU

The workshop concluded that most governments are still not fully cognizant of how central ICTs can be to their development. Particularly in developing nations, but even among e-government leaders in developed nations, much more can be done to utilize ICT-for-Opportunity.

Governments need to re-think their development strategies towards building knowledge societies. A renewed commitment is needed to put ICTs within an integrated development framework to leapfrog the traditional long gestation phases of development and yield rapid economic and social progress for all. Also, it must have local ownership and relevance. Citizens must feel that their respective views and inputs are being taken seriously and that they have an impact on the policies being developed.

E-government has proven to be a significant tool against corruption and should continue to enhance participation and strengthen transparency in government. It requires political will and open participation by both the political leadership and the public.

Workshop participants supported the WSIS Action Plan, which requires governments to create a trustworthy, transparent and non-discriminatory legal, regulatory, and policy environment. Actions include: fostering a supportive, transparent, pro-competitive and predictable policy, legal and regulatory framework, which provides the appropriate incentives to investment and community development in the Information Society; formulating national strategies, which include e-government strategies, to make public administration more transparent, efficient, and democratic.

Participants further called on governments to implement e-government strategies focusing on applications aimed at innovating and promoting transparency in public administrations and democratic processes, improving efficiency, and strengthening relations with citizens; develop national e-government initiatives and services, at all levels, adapted to the needs of citizens and business, to achieve a more efficient allocation of resources and public goods; and support international cooperation initiatives in the field of e-government, in order to enhance transparency, accountability and efficiency at all levels of government.

A broad consensus was reached that without deep institutional change and transformation, ICT put in the context of old structures and practices related to participation and transparency just clones them digitally, and its impact on change will be minimal. Thus, a reengineering process must be fully implemented prior to going online with products and services. The use of ICT and e-government should be carefully put in appropriate cultural, political and social context that allows using them in a meaningful way.

5. Auditing for Social Change

Background

The workshop on Auditing for Social Change was organized by the Division for Public Administration and Development Management of the United Nations Department of Economic and Social Affairs (DPADM/UNDESA) with the Board of Audit and Inspection of the Republic of Korea (BAI), and the Korean Association for Public Administration (KAPA). Its objectives were to examine how both external and internal audits can be made more open and participatory; determine how audit can be used to empower citizens by promoting transparency and accountability within the government; explore innovative ways of engaging the audit community more pro-actively; ensure that impact is achieved for the public good as a result of audit recommendations, as well as related processes, such as results-based methodology, improved relations with the legislative oversight bodies and the media, and increased involvement of beneficiaries of social programmes, including civil society, in the audit process; explore options and strategies of how to make audit more effective and meaningful and most importantly, an empowering tool of the citizens for social change; examine the opportunities and challenges of Audit Institutions building partnerships with civil society

organizations and the NGOs, as well as strengthening relations with legislative overseers and the media; explore strategies and modalities to make audits more results-based and oriented to the MDGs; and share best practices and innovations in audits and external oversight.

Accountable governance requires an independent judiciary, effective systems of checks on the executive power, freedom of the media, and a vibrant civil society. However, it also requires institutional mechanisms at the national and local government levels to hold public officials accountable, parliaments that function effectively and provide mechanisms for the representation of different segments of society, independent and qualified Supreme Audit Institutions (SAIs) and internal audit and anti-corruption bodies.

Planning and Budgeting

One of the first main issues explored by the workshop was the relationship between auditing, planning, and budgeting. Participants examined different ways that audit can contribute to better planning and budgeting to achieve results in social programmes, particularly the MDGs. Participants discussed whether: the Supreme Audit Institutions – and subnational audit institutions (e.g. provincial, state) have the independence, mandate, and resources to contribute to scrutiny of all material and high-risk areas of public spending and revenues, including in pro-poor programmes and expenditures; how the audit function can effectively feed back into the planning and budgeting cycle; whether there is a role for citizen participation in the audit of budget formulation and implementation; and whether government financial systems and fiscal data can support a comprehensive oversight and risk-based scrutiny of public spending in the social areas.

Legislative Oversight

Following from the above, the workshop also explored the role of audit in relations to legislative oversight. The increasing importance of legislative oversight of the executive branch reflects the growing complexity of government activities and program delivery mechanisms. Parliaments are becoming more engaged in budgetary oversight and execution. Parliamentarians are also key actors in supporting pro-poor spending and programmes and in furthering democracy. The oversight function of legislatures is essential in ensuring that governments develop and implement programmes which are in the public interest, and in holding the state to account for its spending.

Participants explored how audit can become a better tool for promoting legislative oversight and accountability of budget decisions, public spending, and government programmes. Legislative governance systems for financial accountability and oversight vary substantially according to the constitution of each country. However, common challenges point to the need to consolidate and share best practices and lessons learned in effective legislative financial oversight with regard to areas of governance, mandate and committee functioning.

The Impact of Media

In the last decade, the world has seen the emergence of many "alternate watchdogs" that often receive more public attention than the audit community. Alternate watchdogs can include the media, as well as transparency and anti-corruption organizations. The workshop examined the impact of these alternate watchdogs on fiscal transparency. It further analyzed the pros and cons for the audit community of adopting a media-shy attitude, as is often the case. The media tends to have greater interest in the scandals and horror stories uncovered by audits – which have great "media value" – as opposed to reviewing the impacts that can be achieved through quality audits. One question that therefore needs to be looked at is how the audit community can effectively use strategic communication to steer the media community away from mere horror stories towards the underlying causes and the impacts that can be achieved through audits.

Audit and Pro-Poor Governance

Participants examined the main challenges of auditing, evaluating and monitoring pro-poor governance and the MDGs with a focus on outcomes. Special attention needs to be given to the issues of national priorities vis-à-vis the MDGs and the institutional framework that drive the planning, budgeting, implementation and monitoring of MDGs, as well as the role that audit can or has the potential to play in the process.

The workshop also posed the question of how auditing can become a tool to empower citizens at the grassroots level, through partnerships with civil society. The participants built upon the results of an Expert Group Meeting organized in 2004 by UNDESA dealing with the role of citizen participation in pro-poor budgeting.

Conclusions and Policy Recommendations

Workshop participants agreed that the future of participatory and transparent governance, of which audit is an integral part, depends upon collaboration and cooperation with diverse social actors. These actors include government agencies, legislators, the private sector, non-governmental organizations, the media, individual citizens, and other stakeholders. The group believed that for audit to have a real impact on citizens, some degree of engagement must occur between the auditing process and citizens themselves.

From this backdrop, the group agreed that participatory audit is the way of the future, but that its implementation requires several adjustments at the institutional, legal, and methodological levels of audit processes. In some cases, this may warrant amendment to or reform of the law that guides the aspect of information accessibility. However, while the group stressed the importance of participation, it also cautioned that such engagements should avoid compromising the independence of the auditors.

The ability of Supreme Audit Institutions to act as public financial "watchdogs" remains somewhat limited in terms of scope and impact, especially in many developing countries, mainly due to the way these functions are ztrations. As a result, too many audit reports focus on "accidents" rather than on "road conditions," dated and immaterial findings, or on cash layouts and inputs, rather than outcomes and results.

Audit as an expenditure control exercise is important to detect and prevent fraud and combat corruption in public expenditure, but increasingly there are expectations that auditing should become more results-oriented. Furthermore, it should get involved in examining the entire decision-making processes in order to ensure consistency between planning, budgeting, and implementation especially those processes that are geared to achieve the stated national goals, including the MDGs. The audit process could become more effective by interacting and sharing information with civil society organizations, NGOs, and the media. In this regard, ICT can facilitate this process and has the potential to enhance this synergy.

Closer cooperation between the auditors, both internal and external, and the legislators has the potential to increase accountability and strengthen the capacity of the law-makers to exercise their oversight functions more effectively and confidently. Media involvement in publicizing audit results

has the potential to empower citizens to demand compliance and drive future actions that are more pro-poor.

In some countries, the civil society organizations have experimented with auditing service delivery, procurement, as well as with dissemination and follow-up of audit findings and recommendations through direct citizen and media participation such as the "Citizen Report Card System" of India, which reportedly has produced positive results in improving the quality of public services.

To make audit more results-oriented, participants urged that more research be undertaken to find ways to link audit with evaluation, in order to drive consistency between evaluative or results indicators with that of the expenditure incurred, for a certain activity or a range of activities. The United Nations was further encouraged to facilitate the establishment of necessary networks among the audit community, civil society organizations and the media towards the advocacy for the right of the citizens to public information, best practices information exchange and capacity building initiatives with a view to promoting the concept and the practices of participatory audit.

6. Representative Democracy, Participatory Methods, and Capacity Development for Responsible Politics

Background

The workshop on Representative Democracy, Participatory Methods, and Capacity Development for Responsible Politics was organized by the International Institute for Democracy and Electoral Assistance (IDEA). Its objectives were to introduce the over-arching theme of responsible politics by examining the concepts of representation, participation, and capacity requirements of key political institutions. The discussions were premised on the understanding that the political process helps to articulate, aggregate, and reconcile the different and competing interests of members from a given community. For the purposes of the workshop, "responsible politics" was defined as political processes that combine to strengthen respect for human rights, the rule of law, and the effectiveness of democratic institutions and that are sensitive and responsive to citizens' expectations and aspirations without raising false hopes for citizens. The workshop particularly looked at the political behaviour of electorates and parties, with respect to electoral system design, political parties, and direct democracy.

Despite significant progress made during the last decade, both new and mature democracies have faced diverse and growing challenges in their efforts to make democracy work. Among these are dilemmas presented by competing democratic values, the design and capacity of political institutions, the emergence of new information technologies, and issues such as poverty, security, terrorism, and HIV/ AIDS. This workshop therefore focused on the need to strengthen political processes and democratic institutions to enhance their responsiveness and capacity to meet popular expectations. It discussed the concepts of representation, participation, and capacity development in relation to current challenges by examining the themes of electoral systems design, direct democracy, political party systems, and the extent to which they promote or impede responsible politics.

One of several research papers prepared for the Global Forum outlined some of the trends and challenges for democracy building, as a general background to the workshop on the basis of the results of research and analysis carried out by International IDEA. The paper stressed the importance of politics in the current governance discourse in the international development community. Democracy is now widely accepted as a goal and generally recognized for both its intrinsic merits and its instrumental values – as the only valid response to terrorism, as the key to conflict prevention and the goal for sustainable peace building, as the only way to achieve responsive and accountable government and to build firm foundations to achieve MDGs. Despite problems in building and sustaining democracy, there seems in many parts of the world to be increasing commitment by political elites, as well as pressure from civil society, to work at improving the functioning of democracy – to adapt institutions and electoral processes so as to give a more voice to the under-represented, to strengthen the rule of law, improve transparency and limit the role of money in politics. The enormous challenges involved in rebuilding functioning states from above and outside, as in Afghanistan and more recently in Iraq, have alerted public opinion to the complexities of building democracy – problems of security, legitimacy, local ownership, the interplay of cultural, religious and democratic values, the importance of the "process" of decision making, as well as design of political institutions, the need also for a long term perspective. Democracy assistance is not necessarily adapted to support such processes.

Significant steps towards democratization have taken place in the last two decades; however, problems of consolidation are evident. Too often, steps towards democracy disappoint, bring few benefits in terms of more equality or better governance and leave the people disenchanted. The situation varies within

and between continents. In several countries, semi-authoritarian regimes persist, elsewhere elections may produce a change of governing elite, but little change in levels of corruption or delivery on election promises. Problems in the electoral processes, election systems, or political parties continue to constrain the effective functioning of democracies.

A general conclusion of the paper is that the design of institutions is a political process, whose effectiveness rests neither on the formal validity of technocratic approaches, nor on the abstract value of externally-driven, de-contextualized reform packages. Strengthening democratic institutions and building the conditions for democratic politics are two inter-related aspects of democracy building. As such, they are relevant both to the so-called "mature" democracies and to transitional settings of political change where democratic reforms have not yet consolidated.

Several institutions and processes have a direct bearing on the quality and nature of politics in any given country that include electoral systems and processes, political party systems and institutions that protect fundamental rights. The workshop discussed how political processes can be made more inclusive, accountable and participatory, giving meaning to the concept of responsible politics. The workshop also debated the dilemmas presented by competing democratic values that cannot all be maximized at the same time, like participation versus representation. The discussions were articulated in three sessions as follows: electoral system design, political parties and direct democracy.

Electoral System Design

The choice of electoral system is one of the most important institutional decisions for any democracy. In almost all cases, the choice of a particular electoral system has a profound effect on the future political life of the country concerned, and electoral systems, once chosen, often remain fairly constant as political interests solidify around and respond to the incentives presented by them. The choices that are made may have consequences that were unforeseen, as well as predicted effects.

The session raised the following main issues.

(a) *The Political Nature of Electoral System Choice*: Electoral system choice is a fundamentally political process, rather than a question to which independent technical experts can produce a single "correct answer." The consideration of political advantage is almost always a factor in the choice of electoral systems. Calculations of short-term political interest can often obscure the longer-term

consequences of a particular electoral system. However, once a system is in place, those who benefit from it are likely to resist change. It is therefore worth getting the system as near as possible right first time.

The choice of electoral system can have a significant impact on the wider political and institutional framework: it is important not to see electoral systems in isolation. Successful electoral system design comes from looking at the framework of political institutions as a whole. Two particularly important structural issues are the degree of centralization, and the choice between parliamentarism and presidentialism. Will the country be federal or unitary, and, if federal, are the units symmetrical in their power or asymmetrical? These are some of the questions that need to be addressed.

(b) *What Electoral Systems Are:* Electoral systems translate the votes cast in a general election into seats won by parties and candidates. The three key variables are the electoral formula used (whether a plurality/majority, proportional, mixed or other system is used, and what mathematical formula is used to calculate the seat allocation), the ballot structure (whether the voter votes for a candidate or a party and whether the voter makes a single choice or expresses a series of preferences) and the district magnitude (not how many voters live in a district, but how many representatives to the legislature that district elects).

(c) *Electoral Systems and Party Systems.* Some systems encourage, or even enforce, the formation of political parties; others recognize only individual candidates. The type of party system which develops, in particular the number and the relative sizes of political parties in the legislature, is heavily influenced by the electoral system.

(d) *Electoral Systems and Conflict Management.* Different electoral systems can aggravate or moderate tension and conflict in a society. If an electoral system is not considered fair and the political framework does not allow the opposition to feel that they have the chance to win next time around, losers may feel compelled to work outside the system, using non-democratic, confrontationalist and even violent tactics.

(e) *Advantages and Disadvantages of Electoral Systems:* Each electoral system-First-Past-The-Post system, List Proportional Representation system, etc-has its own advantages and disadvantages and implication for the political processes which were discussed in the workshop.

(f) *Electoral Systems and Political Parties:* Highly centralized political systems using closed list PR are the most likely to encourage strong party organizations.

Decentralized, district-based systems may have the opposite effect. Just as electoral system choice will affect the way in which the political party system develops, the political party system in place affects electoral system choice. Implications were discussed in the workshop.

Political Parties

The session focused on internal party democracy and political party systems. Key issues addressed included: Can parties which are not accountable to their members contribute to responsible politics? Can parties which are not inclusive in decision making processes really claim to represent the interests of their members and constituents? Are parties doing everything they can to include women in senior decision-making positions or to promote them as candidates in "winnable" races? Are parties undermining the democratic process if they pander to cleavages and tensions within society or are they representing the legitimate frustrations of marginalized groups? Have the processes of policy development and the creation of innovative ideas fallen victim to modern campaigning and the personification of the political process? Do the escalating costs of campaigns and the rise in political corruption require further public funding of political parties with increased accountability and transparency? What are the obstacles to parties to contribute to responsible politics?

The keynote speech and the session discussion raised a number of other issues affecting political parties like the impact of: the historical evolution, particularly of parties that have developed in opposition to colonial rule, like in Africa; economic liberalization in the 1980s and political democratization in the 1990s; underlying social conditions in which the transition to democracy takes place; presence of dominant and hegemonic party systems in situations of retarded institutional development, in the absence of institutions legitimated to perform integrative tasks, weak organization of interest groups and civil society, "politicization" of ethnic, religious, regional local cleavages, during the era of "party-state" and military regimes and in which the opposition either is too fragmented, or incapable to build larger coalitions in order to become a force in parliament or to win elections; elections- whereby the rule of law and bureaucratic legalism have been used too often not to assure a transparent and accountable process but to delegitimize the opposition, undermining further possibility of fair competition and the creation of a climate of collaborative negotiation of differences in Parliament; declining patronage resources and the competition to

get monopoly on the division of state spoils, included aid resources, has given second place to the objective to represent citizens interests and to respect the rules of fair and transparent competition for government power; and involvement of minorities, particularly women, in electoral campaigns where they are generally presented as custodian of stereotyped family values, they are "mamas", not leaders and the question of women autonomy and concrete rights and preoccupations rarely gets into parties programmes or manifestos and when it does it sounds vague and rhetoric.

Direct Democracy

Issues covered during the discussion in this session were: when is the use of direct democracy instruments appropriate and how best to design them? Are there ways to ensure that direct democracy can complement rather than undermine representative democracy? Is there evidence that direct democracy can undermine responsible politics by giving opportunities for populism and manipulation or that it can be a tool to reinforce legitimacy e.g. by enabling citizens to challenge politicians and make them responsive? Particularly in the light of experience in Venezuela, is recall a useful tool for accountability? From the complex Venezuelan experience with direct democracy, the session concluded that for the same to have the beneficial effects it claims, it is mandatory for representative democracy to work adequately.

Conclusions and Policy Recommendations

As a result of the workshop, several conclusions emerged regarding political parties and electoral systems. Discussions illuminated a perceived wide-spread lack of trust in both political institutions and, particularly, in political parties.

Participants noted that despite this lack of trust, political parties are nonetheless essential for the functioning of democracy. Both are inter-dependent; democracy relies on the existence of political parties, while the latter cannot exist without democracy. No democracy, no parties. No parties, no democracy. While it is possible to win elections by campaigning only through the media, political parties are needed to build support for public policies. Political parties still need members and supporters to build and maintain relationships with their electorates.

One of the current challenges for political parties is how to distinguish their profile through policies, how to appeal to different interests within society, and

how to integrate these differences within the framework of the nation. Parties must seek new ways to compete and define their differences. Participants suggested that they might be able to accomplish this by working more closely with civil society organizations. Parties must also develop transparent processes for internal decision making, involving and retaining members. "Money politics" was identified as one of the most damaging elements to trust in political parties. Presenters explored how even years after money politics has been eradicated, it can continue to compromise the legitimacy of political parties.

A number of conclusions similarly emerged in reference to elections and trust. Forms of electoral direct democracy include referendums, citizen initiatives, and recall votes. As with electoral systems, the detail for their design is vital. Electoral direct democracy may help to re-engage people with politics and democracy. It cannot be separated from the wider political and institutional framework. It is a one way street: once introduced, it is rarely if ever possible to reach agreement to abolish it. It is infectious: if neighbouring countries use it, there may be pressure to introduce it.

Electoral direct democracy can complement the institutions of representative democracy, but it cannot substitute for them. Serious ideas need serious debate before a yes/no answer. It is particularly undesirable to use electoral direct democracy in a way which atomizes society, and avoids or short circuits the process of debate which is a cornerstone of democracy.

There is a huge range of worldwide comparative experience. Often, designers and drafters of constitutional, political and electoral frameworks have chosen the electoral system they know best - often, in new democracies, the system of the former colonial power if there was one, or the system of the donor country whose technical adviser is most persuasive - rather than fully investigating the alternatives.

The workshop thus summarized several key principles that may be helpful to different countries.

Key Principles for Electoral Systems

1.   The Electoral system is part of an overall institutional framework.
2.   Keep it simple and clear.
3.   Don't be afraid to innovate.
4.   Err on the side of inclusion.
5.   Process is a key factor in choice.
6.   Build legitimacy and acceptance among all key actors.
7.   Try to maximize voter influence.
8.   Balance that against encouraging coherent political parties.
9.   Long-term stability and short-term advantage are not always compatable.
10. Don't assume that defects can easily be fixed later.
11. Assess the likely impact of any new system on social conflicts.
12. Try and imagine unusual or or unlikely contingencies.
13. Remember it needs to be sustainable.

7. Corporate Governance, Market Economy, and Accountability

Background

The workshop on Corporate Governance, Market Economy, and Accountability was organized by the KDI School of Public Policy and Management and the World Bank. Designed to address alternative experiences from traditional, emerging, and full market economies, the workshop explored topics associated with the concentration of economic power, ownership of banks and state owned enterprises, compensation for the board of directors and executives, institutional shareholder activism, enforcement, social responsibility, and corporate ethics.

Corporate governance began receiving more attention following the 1997-98 Asian financial crisis in 1997-98 and a series of corporate scandals in 2001-02. Globalization has meant that national economies are increasingly inter-dependent. Changes in one economic sector or nation are now communicated and spread to other sectors and regions at a speed never before known in human history. Information and communication technologies have played a large role in accelerating this change, while market liberalization, financial deregulation, privatization, and the increasing conglomeration of resources in

large multi-national corporations with the means to quickly shift large investments have also encouraged the increasing inter-dependence of economies. Moreover, these changes have appeared during a period when the state is stepping back from many of its traditionally more interventionist roles in regulating economies, operating nationalized businesses, and attempting to provide wide-spread access to services on its own.

As a result of these factors, multi-national corporations now have a great deal of power and influence, and the quality of governance within corporations has received new importance. In recent years, it has received the attention of policy makers, academia, and direct stakeholders in corporations. In many respects, government is closely involved with corporate governance. First, government has the power to make and enforce regulations that shape the governance structure of firms in its jurisdiction. It may regulate the corporations directly or indirectly influence them through its regulatory power over the stakeholders. Second, government may directly participate in corporate affairs as a shareholder. This is evident in the case of state-owned enterprises and nationalized banks.

Given such close involvements, the general quality of corporate governance in each country can be greatly influenced by its government. As such, the main objective of the workshop was to improve understanding of corporate governance and draw lessons on the role government can or should play to enhance the quality of corporate governance in different contexts and countries.

Governance of Business Conglomerates

One of the first issues highlighted in the workshop was the dual necessity for both corporate governance legislation and enforcement. In some Member States, corporate governance legislation is in place, but is irregularly enforced, particularly in the case of business conglomerates. This situation has sometimes led to a lack of trust or confidence in the ability of law enforcement to ensure compliance. For governance rules and regulations to function properly, participants stressed that strict and fair enforcement of law is critical.

In other cases, business conglomerates can suffer from poor governance due to regulatory deficiencies. Speakers noted that this was sometimes the case of chaebols, family-owned business conglomerates from the Republic of Korea. Examples of areas which were presented as possibly benefiting from improved regulation included the Financial Supervisory Commission's review

of financial statements, enforcement of a law on chaebol equity investment through financial affiliates, and the repeated interruption of the investigations of supervisory agencies by the chaebols.

The ownership and governance structures of Swedish family firms were also introduced to the workshop participants. Two contrasting images of Swedish corporate governance were presented. One is the positive image of strong, active controlling shareholders with strong sense of social responsibility and active financial markets. Another is the negative image of ownership structure that significantly separates ownership and control and one business group controlling close to one half of the Stockholm Stock Exchange.

It was pointed out that the Swedish corporate governance model has been remarkably successful in generating internationally competitive firms and developing financial markets that are relatively large and very active by international standards. Given the highly concentrated ownership and control structure in Sweden corporations, this performance is contrary to the predictions of the recent law and finance literature. Participants offered that the "social control" mechanism may not be unique to Sweden, pointing out that charities, foundations, and non-profit organizations also exist in Anglo-Saxon countries. The replicability of the Swedish model was also questioned.

Governance of Banks and State-Owned Enterprises

The workshop introduced the new OECD Guidelines on Corporate Governance of State-Owned Enterprises. The rationales behind the development of the Guidelines and types of enterprises that they seek to govern along with the process, the main characteristics, and the priorities in the Guidelines were discussed. Five key priorities include:

(i)   to ensure a level-playing field with the private sector,

(ii)   to reinforce the ownership function within the state administration,

(iii)   to improve transparency of SOE's objectives and performance,

(iv)   to strengthen and empower SOE boards, and

(v)   to achieve equitable treatment of minority shareholders.

While the efficiency gain through successful privatization depends heavily upon the existence of an efficient and competitive market, not all countries may be equipped with the necessary institutional infrastructure. Participants therefore

argued that it may be a viable alternative for the government to retain control over state-owned enterprises, while adopting a series of measures to enhance their efficiency, before pushing ahead with complete privatization. This approach was used in the Republic of Korea not as an alternative, but as an enabling factor for a successful privatization.

Questions raised about the Guidelines included: first, whether all the principles can or should be implemented as a package or whether a sequential approach is recommended; second, the Guidelines be updated to include a description of basic conditions when privatization should be preceded by efforts to improve corporate governance; third, the general public, especially the potential investors, should be informed about any government imposed obligations before the SOEs become listed; fourth, the Guidelines pay more attention to the reward system. In particular, the importance of combining the goal of profit maximization and public policy obligations when evaluating managerial performance was stressed.

Special features of the governance of banks within the context of the Republic of Korea were discussed, including: a description of ownership restrictions, which are essentially based on two rationales: first, to protect public safety net from abuse and, second, to separate banking from commerce. However, it was pointed out that this ownership control also acts as a disincentive for an active market for bank control; legal provisions that apply to bank boards and other internal staff. The disadvantages of having outside directors, including lack of information, motivation and disincentives to engage in inappropriate activities, were discussed.

Board of Directors

Recent global changes have also resulted in increased pressure on directors and chief executive officers. As a result, the traditional role of these actors has begun to evolve. Presenters introduced several recent trends – "the top ten" – that are currently facing directors as follows:

> 1.   Funds Are Under the Microscope

New ratings tools x-ray and compare funds based on stewardship. Examples include Morningstar, Mercer, and Planet Ratings.

> 2.   Trustees at the Wheel

For instance, Universities Superannuation Scheme (USS) board is driving changes through the Enhanced Analytics Initiative.

3.   Hands Across the Net

Global cooperation between funds and groups of funds is exploding, with impli-
cations for more muscular engagement with boards. Examples of CII-ICGN
and Forum for International Cooperation on Climate Change were cited.

4.   SRI March

Driven by European funds and regulation, investor engagement on SRI is now
moving mainstream. Examples include WEF/Accountability project, the break-
through UK company law changes, the forthcoming UN summit on climate
change, and emerging tools like Trucost and Innovest.

5.   Activism to Order

New services to professionalize and sharpen fund engagement with boards
worldwide. Examples include Governance for Owners, and Insight Investment's
Investor Responsibility Service.

6.   Blogs and Governance

Alternative media sources, such as blogs, are now supplanting conventional
media, leading to a fresh scrutiny of directors. Examples include Webb-site.
com in Hong Kong, Crikey in Australia, and Moveon.org.

7.   Grade Inflation

Rise of governance profiling industry. This trend puts companies subject to
comparison against global and home standards. Examples include PECC score-
cards for Asia and credit rating agencies, such as S&P and Moody's.

8.   Mergers, Acquisitions, and Governance

Governance now plays a much important role in merger and acquisitions trans-
actions. The Deutsche Borse's bid for LSE was cited as an example.

9.   Governance License

Trend of professionalizing governance managers at corporations. As an
example, ASCS's re-branding as Society of Corporate Secretaries and Governance
Professionals were mentioned

10.   Class Struggle

Curbs on class action in the U.S. mean law firms are hunting for institutional
clients. There are a lot of untapped clients abroad. Also class action
legislation is spreading abroad, with the most recent examples being France
and the Republic of Korea.

As a way of coping with these trends, one speaker advised directors to obtain outside corporate governance ratings, incorporate the best new ideas and emerging standards, and collect information of shareholder concern to anticipate criticism.

Institutional Shareholder Activism

"Responsible investors" seek to enhance value through the encouragement of ethical leadership and prefer to invest in markets with greater certainty of justice. They should not merely ask the companies they invest in to be responsible, but should be responsible themselves. Several reasons were provided for one to become a responsible investor, while stressing the beneficial impact that corporate governance reform can have on companies, shareholders, and economies.

Public misperceptions in the Republic of Korea on foreign investors were discussed including: that overseas investors do not tend to invest speculatively, but rather hold their investments seven times longer on average than Koreans; foreign capital is inexpensive in relation to Korean standards; foreign capital is cheap even by international standards; on management right; and lastly, in reference to hostile mergers and acquisitions, it was explained that there has never been a hostile takeover of a Korean company by a foreign fund.

Key factors that impact institutional shareholder activism, later applied to the case of the Republic of Korea, included:

   (i)   the link between activism and investment performance,

  (ii)   availability of legal engagement tools,

 (iii)   investment size,

  (iv)   liquidity,

   (v)   fiduciary duty,

  (vi)   conflict of interest,

 (vii)   investment horizon, and

(viii)   national antagonism.

Statistics on the historical returns of stocks and corporate bonds in Korea were shown. Between 1980 and 2005, stocks showed a return of 12%, while corporate bonds showed a return of 12.3%. These returns contrast sharply with many other countries, which show larger equity premiums. Weak corporate

governance of firms in the Republic of Korea was offered as one explanation, since weak governance can lead to overinvestment, which has resulted in low profitability. The discussant also examined price discrepancies between common and preferred stocks, which are extremely large in the Republic of Korea at 54.5%.

Corporate Social Responsibility

In reference to the introduction of the corporate social responsibility experience of the Republic of Korea, speakers argued that an emphasis on "ethical management," which takes into account the social and environmental impact of policy, can improve competitiveness. In some cases, companies have been able to successfully disseminate and implement best practices in other countries, such as Mongolia and China.

Addressing corporate social responsibility within a broader context, it was demonstrated that innovative forms of public-private partnership, including the involvement of international financial institutions and civil society, are critical to more effectively deal with global development issues.

Enforcement of Good Governance

The workshop discussed the experience of the Republic of Korea in corporate governance and enforcement. Types of enforcement mechanisms, their merits and demerits were articulated and it was argued that an ideal mix of enforcement mechanisms may change, as the country moves along the path of economic, social, and political development.

Two factors that impede the effectiveness of enforcement mechanism in the case of the Republic of Korea include the resistance by vested interests and cultural antipathy toward monetary incentives. In reference to the vested interest problem, it was pointed out that the controlling shareholders of Korean chaebols often wield much more voting power than their true economic stakes. Any attempt to correct this would be strongly resisted. The example of Securities Class Action Act, introduced in January 2005, was quoted to demonstrate how difficult it is to introduce a new enforcement mechanism. With reference to the antipathy toward incentives, the speaker explained the situation by examining different examples of securities class actions and stock options.

Discussion on the challenges of enforcement of corporate governance in East Asia concluded that additional, country specific efforts, including capacity

building, beyond the initial ones on developing codes and principles, are needed to make sure that proper corporate governance practices are actually observed in both companies and banks.

As a way to address deficiencies in company law, the workshop introduced the experiences of the United States and Germany. For the United States, topics included legal doctrines, case laws, shadow directors, double derivative suits, and discovery in civil procedures. The case of Germany then illuminated how the externalities of group management can be internalized through explicit provisions in statutory law.

Conclusions and Policy Recommendations

Major recommendations that emerged from the session on the governance of banks and state-owned enterprises included the importance of having outside directors who are accountable, adequately motivated, and equipped with relevant knowledge; CEO and director search committees should be fully operative and not just formalities; outside directors of banks should have their terms extended where it lasts for only one year; the current negative list based qualification criteria for outside directors needs to be upgraded by strengthening expertise qualifications; and finally the compensation and the evaluation schemes for outside directors must be re-designed to improve monitoring incentives from a longer-term perspective.

As per the New OECD Guideline on Corporate Governance of SOEs, to ensure a level-playing field, it is important to separate regulation and shareholding functions. Transparency of special obligations and the competitive conditions in gaining access to finance was also emphasized. To reinforce the ownership function with State administration, it was suggested that the ownership function be coordinated at the central level. To improve transparency, the importance of disclosing financial assistance from the state and transactions with the state need to be mentioned. To empower SOE boards, the importance of structured and skill-based nomination process was stressed. Also the board should be able to appoint CEO and be accountable. It was pointed out that the number of state representatives should be limited and board chair and CEO should not be the same person

An interesting case study of a SK Telecom, a major firm in the Republic of Korea, showed how a shareholder activist group, named Peoples' Solidarity for Participatory Democracy (PSPD), prompted a major chaebol-affiliated firm

to appoint independent outside directors in 1998, and how these directors changed the way the company is run. The appointment of independent directors in 1998 was considered as a quiet revolt, after which the board meetings, previously a rubber-stamping process, became a forum to discuss major managerial issues, seriously consider the alternatives, and approve management objectives and goals. To curb unwarranted transactions with affiliates, SK Telecom also required outside directors approval for any related-party transactions. This company was also the first Korean firm to introduce an audit committee in 1999.

To make the corporate board to function effectively in the Republic of Korea, it was stressed that society as a whole should change from a "relationship-based" system to a "rule-based" system. The current system for appealing to personal relationships for problem solving need to be replaced by a systematic approach based on explicit rules. The importance of educating the outside directors, who may not be "born independent," but could be "trained and educated to become independent and neutral" was emphasized along with peer pressure which could be used as an effective means to make outside directors truly independent. It was noted that the proportion of outside directors is very important for the peer pressure to have a positive effect and so is publicly disclosing how outside directors vote.

Regarding shareholder activism in the Republic of Korea, policy suggestions included: to motivate investors, disclosing the corporate governance rankings by the Republic of Korea Corporate Governance Service (CGS), adopting the "comply-or-explain rule" by Korea Exchange (KRX), increasing the weight on equities by National Pension Fund, and encouraging institutional investors to coordinate on corporate governance issues; imposing the "duty to vote" by law or prohibiting shadow voting by Korea Securities Depository; mandatory electronic voting; to reduce conflict of interest problem, the National Pension Fund could be made independent from other government interests by strengthening its governance structure; investing more in corporate governance funds and promoting the proxy service industry.

8. Decentralization and Local Autonomy for Participatory Democracy

Background

The workshop on Decentralization and Local Autonomy for Participatory Democracy was organized by the Ministry of Public Administration of Italy, the Korea Research Institute for Local Administration (KRILA), the Formez Study and Training Center of Italy, and the Ministry of Government Administration and Home Affairs of Korea (MOGAHA).

Its objective was to foster a productive dialogue on the issues that impact governance at the local level and during decentralization processes under a diverse range of scenarios. The workshop examined some of the practical considerations that produce decentralization efforts. Different forms of decentralization were discussed in relationship to issues of inclusiveness and local accountability. Presentations of regional trends and policy implications advanced the workshop, which included case studies on successful methods of strengthening administrative effectiveness, democratization, political participation, and local development policies. Supplementary issues related to the importance of achieving good coordination between governmental authorities were also addressed, which encouraged participants to present their own experiences with regard to implementation issues and alternative ways of addressing them.

As part of the 6th Global Forum on Reinventing Government, the workshop followed several activities that provided a broad overview and framework for examining decentralization issues. These activities included Plenary Session IV on Local Governance and Participatory Democracy and the Mayoral and Gubernatorial Roundtables. In contrast, the workshop was designed to enable Forum participants to explore specific topics in greater depth. These topics included: Objectives and Policy Implications of Decentralization; Functional Efficiency and Coordination Mechanisms; Financial and Fiscal Decentralization; Democratic Participation, Social Inclusion, and Administrative Transparency; Empowerment Tools for Public Administration; Regional Trends; Comparative Issues; and Case Studies.

Appropriate Degrees and Types of Decentralization

Decentralization can offer a number of benefits to countries, depending on how and why it is implemented. Historically, the movement toward decentralization was largely considered to be economically motivated. As central governments

struggled with recessions and "lost decades," decentralization was viewed as one method to cut expenditures. New responsibilities, including the responsibility for raising revenue and collecting taxes, were transferred to local authorities, which often found themselves at a loss for providing basic services, due to limited funds and capacities. Under this scenario, decentralization brought often as many burdens as benefits.

However, under other circumstances, decentralization can improve the efficient allocation of resources and reduce information asymmetries. Due to a variety of factors, local governments are often more aware of and in tune with the needs of local populations, which enables them to have a clearer sense of which projects and policies are valued most highly by regional territories. This knowledge can help to improve the prioritization of different projects when funds are scarce, while also increasing the chances of successful policy implementation and improved service delivery through enhanced awareness of local conditions, advantages, and restrictions that central government may be unfamiliar with and unable to predict.

Political decisions can also provide a strong motivating impetus for the decision to pursue decentralization. Local governments are closer to the people and communities that they represent, both logistically and socio-culturally. This proximity means that governments have the potential to increase transparency, the accountability of policy makers and administrations, and reduce corruption by increasing public awareness of policies and budgets. By giving the public greater monitoring power, a local government or public official that misallocates funds is more likely exposed. Similarly, decentralized government also provides the opportunity for decentralized governance and enhanced popular participation in the policy making process. If different aspects of the policy making and implementation processes are brought down to the local level, the communities that are impacted by them have a much greater potential for involvement and say in how these processes occur. The end result can act to improve legitimacy, trust in government, satisfaction with the policy process, and the overall welfare of the population in question.

However, decentralization cannot be viewed as a simple solution for problems faced by the State, or as an end itself. Its positive impact on governance, including democracy, is not automatic. Decentralizing functions and powers can improve governance, but requires appropriate supporting policies. For example, decentralization can address the problems of corruption, if the process leads to increased

transparency and accountability. Also, if decentralization leads to increased effective participation and transparency, it can work as part of a larger reform package that encourages more frequent interaction between people and their representatives, resulting in improved responsiveness of government, a reduction in citizen cynicism and apathy, the promotion of a feeling of public ownership and empowerment, and the productive channelling of citizen volunteer efforts.

Workshop speakers pointed to several criteria that are often looked at when determining the degree and type of decentralization in the country. These factors included population, size of territory, cultural history, and other determinants. However, each of these elements alone is insufficient for predicting or determining the extent to which decentralization is or should be pursued. There is no one set formula for determining the desired degree of decentralization. Each country must follow its own path based on internal criteria. Workshop participants fielded a number of additional views on the practical considerations that encourage decentralization processes. The Minister from Serbia and Montenegro discussed his experience in the Balkans. He pointed out that decentralization often occurs, because there is not always a perfect correspondence between national borders and communities that define themselves as such. In practice, governments often use decentralization as a means to ease existing tensions that may exist within the State, whether religious, ethnic, or other. The participant further offered that decentralization can be necessary for local governments that operate across local borders in conflict areas.

Decentralization and Development

The interplay between decentralization processes and development objectives was also discussed in the workshop. Decentralization is often considered to present a barrier to development for a variety of reasons. On one hand, it is often the most disadvantaged regions of the country that can suffer from decentralization, increasing economic and other disparities within the nation. The transfer of responsibilities is often unaccompanied by a corresponding ability to collect taxes, in what is often an economically depressed area.

Moreover, the ability to create targeted incentive programmes to stimulate the economy and create other complementary support services in areas that need it the most are often limited by information asymmetries, as well as the lack of ability to generate funds. Under this scenario, decentralization can exacerbate disparities between regional territories, preventing the nation from achieving sustainable development as a whole.

However, workshop participants concluded that decentralization can equally act as a facilitator or barrier to development, depending on the ways in which it is implemented and how functions are distributed between central and local governments. The transfer of funds alone is not sufficient. Likewise, sectoral policies can increase disparities, leading to the duplication and extension of existing functions, without modernization.

For decentralization to successfully support development goals, authorities must help all regions to explore their local advantages. Integrated development projects are needed that tap into under-utilized regional potential for competitiveness. In the past, grants tended to be earmarked for highly specific, targeted uses. In contrast, "block grants" now increasingly allocate resources to broader categories, and the central government monitors implementation. Since these grants enable funds to be used more flexibly, they provide greater opportunities for local governments, which usually have involvement in a wide range of areas. They also provide an incentive for local governments to learn and improve upon their policies, although problems can arise when there is a lack of capacity at the local level. Since decentralization processes have accompanied a global process of "metropolitization" – increasing concentration of global populations in large urban areas – development projects should take into account the characteristics and potential of these areas, and not focus predominately on tourism or agro-business. In this way, regional development can help to enable a broader national development.

In light of the growing importance of large urban areas on global demographics, some speakers suggested that policy makers come to expect the increased autonomy of local governments in the long term. However, there is still space for some form of central government within this scenario. While local governments are often better suited to identify and manage local projects, they cannot always manage comparative issues with other areas, which requires central government. In other words, decentralization is not "an either or question," but must be pursued alongside and coexist with a certain level of centralization.

Decentralization Strategies: When Local Capacities Are Low

Once a country has determined the extent to which it can benefit from decentralization, the next step is ensuring that appropriate decentralization legislation is in place. Regulatory and institutional reform is often required. Policy makers should begin by looking at the national constitution to determine how powers are defined and distributed between central and local authorities. The transfer of

resources, powers, and responsibilities must be adequately reflected by the legal system for legitimacy and enforcement.

In addition to legislation governing the distribution of responsibilities and duties between central, regional, and local authorities, policy makers also need to ensure that an enabling environment is in place. Administrative reforms and supporting policy measures can include acts on local self-governments, acts on free local elections, acts on civil servants and public employees; acts on scope and duties; acts on property transportation from the State to local governments; financial regulation of local governments; legal supervision and juridical protection of decision making of local governments; and legislation on special status and rights of the capital city, when appropriate.

A right to information act is also extremely important as it can help to directly address information asymmetries which are often faced in situations of low local capacity. This act provides the legal foundation for civil society organizations, the media, average citizens, and even government officials to investigate the intent and outcomes of policy measures. By increasing transparency and enabling improved participation, it allows citizens to evaluate the policy process and determine how it can be improved.

However, before modifying legislation, several topics should be reviewed that often pose challenges to decentralization issues. The existing territorial structure must be assessed as one area that often presents difficulties. The socio-cultural history and identity of the region in question must be taken into account, as ethnic loyalties and the creation of potentially powerful political rivals can create a conflictual and protracted decentralization process. The assignment of competencies should also be considered as a second area that can cause potential problems if each actor's responsibilities and duties are not clearly defined. When developing a decentralization process, certain types of communal services should be considered in particular. In terms of physical infrastructure, services that should be clearly defined include building and maintenance of local roads, lighting, heating, water supply, sanitation, waste management, parks, and cemeteries. In the areas of human services, education, health, social welfare, and culture should also be considered. Finally, local regulatory tasks must be taken into account, as well. These include responsibilities for physical planning, construction control, civil registration, trade and occupational licensing and child protection. In each of these areas, there should be a proper delineation of responsibilities and coordination between central and local governments.

Moreover, fundamental financial reforms are often required to support decentralization processes. These should distinguish clearly between the responsibilities of different levels with the assignment of competencies and reflect decisions on inter-governmental sharing. They can also give power to determine the liabilities for local taxes, fees, and charges; apportion responsibility between the State and local government in general subsidization of public utility services; improve systems of accountability; and create a system of redistribution with the creation of equalization transfers to enable a balance between equity and incentive.

Last, administrative reform should also take into account property rights, as this area frequently poses challenges to decentralization. Therefore, when functional responsibilities are assigned to any legally autonomous tier of government, these should also be accompanied by transfers of ownership of State property.

Once an adequate institutional and regulatory framework is in place, a review must be conducted of the current status of the situation as it takes place in practice. Specific areas that should be assessed include (i) competencies and existing capacities of local governments; and (2) the relative strength and support from civil society.

For decentralization to operate effectively and for the benefit of the populace, coordination should be taking place at three levels: between authorities at the level of central government; between central and local authorities; and at the local level. However, the ways in which this coordination should occur is still under debate, since the management and coordination of inter-governmental conflicts often depends upon the dynamics of the bargaining structure.

If a country has a history of relying considerably on central authorities, vested interest groups can provide considerable obstacles to change. Opposition can emerge from bureaucracies of sectoral ministries, local state administrations, and as a result of coalition politics. In these cases, centrally-oriented policies must be gradually phased out over time. In others, the central government initiates the decentralization process, from the top-down. When this occurs, the central government sets the rules, shifts costs, hands over additional functions to local authorities, but often provides insufficient financial resources or the ability to mobilize them. Finally, decentralization processes can also be initiated from the bottom-up, although this is often more rare. In the opinion of one speaker, this scenario poses the danger of leading to an amalgamation of functions, where neither the central nor local levels are appropriately equipped to manage their spheres of activity.

Participants and speakers in the workshop presented several examples of alternative mechanisms for increasing popular participation at the local level. Measures that should be considered include citizen's charters, citizen's service bureaus, the use of the social audit, and e-government measures. E-government measures can help to improve transparency, efficiency, and coordination of government operations, while enabling greater participation by civil society. The use of the social audit then allows civil society to participate more directly in the policy process at the local level. Community based monitoring is a vital and supportive part of the decentralization process.

In some cases, measures designed to accompany and support decentralization processes can produce more efficient and effective mechanisms for the expression and channelling of popular concerns, by promoting the emergence of new collective actors – loose networks of local associations, which become representatives of popular social groups – that are more able to pursue collective claim making. This was the case of Bhagadari in India, which was presented as a case study.

Conclusions and Policy Recommendations

Decentralization should be viewed as a process that will enable a more efficient allocation of resources, increased transparency, popular participation, and accountability for the end goal of improving governance. Economic and social development can also benefit from decentralization processes, once a conclusion and basic consensus has been reached on issues above and beyond decentralization, such as "Governance for What?" If, at the national level, a basic consensus has been reached that the purpose of governance should be to improve economic development or regional development, then these objectives can certainly be achieved.

Three main axes of discussion were considered vital in the workshop. First, decentralization must be viewed within a context of its relationship with multiple changes in society and public administration. In particular, the workshop underlined the close links between decentralization and regional development; i.e., development within countries. Many countries are pursuing government reforms, which include decentralization and serve purposes such as improved citizen participation in public decision making and more efficient and effective public service delivery. But together with the allocation and redistributive functions of the public sector, decentralization is intimately linked with issues of economic development. It helps to better identify and exploit local and regional assets that are presently under-utilized

and also to provide collective goods and address local market failures or market inefficiencies. In terms of decision making, local public actors, the private sector, and non governmental organizations bring to the table information and knowledge that the central administration does not have.

Second, decentralization highlights the need for better vertical and horizontal coordination. It supports a required change from sectoral approaches to more integrated and output based development projects, inducing better coordination at the central level of government. It also highlights the need for better coordination at the local level, particularly among jurisdictions that belong to the same functional region, for example in the case of metropolitan areas having increasingly to deal with large scale investments and appropriate policies for the local large labour market. Finally, it does not exclude intense coordination across levels of government. In particular, the increasing use of block grants was underlined with performance-based mechanisms that allow for building incentives for more effective and efficient public action at the local level. The workshop also underscored the use of contracts between administrations that allow for negotiation, clear definition of roles, and transparency in public responsibilities.

Third, decentralization cannot be limited to different assignment of responsibilities across levels of government. It has to deal with building local capacities and empowerment in a broader sense, involving local actors and communities interested in truly participatory processes. In developing, but also developed countries, sometimes a considerable part of the population does not participate in mainstream society, politics, and the economy. This raises concerns in terms of social inclusion and empowerment that must be addressed by efforts to engage and involve potential stakeholders.

9. The Role of Civil Society Organizations in Localizing the Millennium Development Goals

Background

The workshop on The Role of Civil Society Organizations in Localizing the Millennium Development Goals (MDGs) was organized by the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), and the World Alliance for Citizen Participation (CIVICUS). Its objective was to introduce alternative ways for civil society to achieve concrete and attainable

results at the local and sub-national levels. Efforts to combat challenging issues, such as extreme poverty or hunger, are often limited to the national and international arenas by the belief that significant progress can only occur at these levels. The workshop aimed to change that perception by presenting positive experiences from developing regions around the globe that illustrate the ability of civil society organizations and partnerships to empower themselves. The workshop identified tools, strategies, policies, and techniques that account for the role of cultural values, while strengthening accountability and transparency mechanisms to enable effective local development and governance.

The achievement of the MDGs requires translating the global development agenda to the locally defined development goals at sub-national levels by adapting and customizing the MDGs to the local context. Localizing the MDGs means stronger promotion of citizen participation in democratic and development processes, including that of traditionally voiceless segments of society, such as the poor, disadvantaged, women, and children. It also means responsive and participatory planning on the part of local government bodies.

"Organizing" to localize the MDGs requires thinking and cooperating, not only at the village level, but also at the national, regional, and ultimately global levels. In turn, effective localizing efforts inform the development of national level policy and monitoring mechanisms, which allow people to hold local and national government bodies to account, and influence the ways in which MDGs are implemented at all levels, by making them more effective, efficient, and meaningful for the people directly impacted.

Moreover, the effectiveness of the localized development effort largely depends on who contributes to this development process and how, beyond and before the numbers, finances, physical infrastructure, and project deployment. In order for the localization of the MDGs to succeed and become meaningful for all actors, substantial energy and resources must be invested to build the capacities of different local stakeholders in such a way that government officials, CBOs, minorities, women and even children are able to effectively participate, take ownership of local development processes, and learn to work cooperatively with mutual respect for each other. Successful development and achievement of the MDGs are predicated upon the successful development of "the agents of development-and-change" in the localised context (who) and the processes that can be organically integrated into the local culture's own wisdom, resources and yearning for change and development (how).

In countries across the world, civil society organizations (CSOs) are directly involved in a diverse and imaginative range of activities related to poverty reduction and the achievement of the MDGs. Often working together in partnership with government and development organizations such as the United Nations, CSOs are supporting the MDG localization process by promoting, adapting, and extending MDGs to specific contexts in a myriad of ways. In an effort to address this multi-level, multi-dimensional interconnection and the need for more innovative approaches, this workshop showcased some of the more successful, path-breaking, and creative efforts of selective CSOs in localizing MDGs on a village, national, regional, and global level.

Furthermore, this workshop was designed and presented in a radically different light. It aimed to help participants to experience what was being presented by using the various approaches, perspectives, and sensibilities of social artistry. The basic structure and feel of the agenda was modelled after village life, transposed to a global village consisting of those who are committed to the role of CSOs in localizing MDGs. Thus, the sessions were named Village Hall Meetings. The workshop and its presentations were framed in various and mutually reinforcing cultural containers in music, dance, and art. It helped promote a new model of approaching development, that is, not only in social and economic terms, but also through cultural expressions and symbolic, cultural containers, and actually provided a condition for a paradigm shift in the way we conceive development. This approach was based on the premise that because new and difficult situations in global development are being faced, things must be done differently in order to achieve different results.

Innovative Cultural and Participatory Approaches to Localize the MDGs

The UNDP experience in Albania and Barbados was presented to the workshop participants. In Albania, the MDGs became the framework for a creative partnership between civil society and the different levels of governing bodies in doing development work differently. Here, the MDGs have (i) served as an awareness and advocacy tool for ensuring local ownership over development processes; (ii) fostered CSO participation in policy making process and capacity development; (iii) provided a framework for active CSO involvement and integrating civil society feedback to major Albanian policy documents; and (iv) served as a platform for CSO-Government dialogue and increasing demand for democracy.

In all of these, social artistry concepts and practices were introduced and used in the facilitation of dialogue and participation. Social artistry helped to enhance personal and societal awareness, liberate inventiveness, increase ability to cooperate, and raise the level of self-esteem of all involved as development and change agents.

The workshop also shared many successful examples of innovative approaches in MDG localization. In the Fieri Region, through visioning process, consensus building dialogues between all of the stakeholders (CSOs and local government representatives) brought about priority interventions and identification of local MDG targets. In the Kukes region, this consensus based visioning process included green areas around the city, leading to a new forestation project. As the gender equality issue fell out of discussion, by invoking an Albanian Legend known as Rozafa Myth, (a story of a brave woman who sacrificed herself to be partially buried in the wall to hold up the castle walls and prevent them from collapsing, while continuing to nurture her son), citizens were able to bring about the anchoring and entry points to the issue, while reclaiming their past and values inherent in the mythology. CBOs working with women in Gjirokastra were able to reawaken traditional craft skills, nurturing "creative women with creative hands" as creative change agents, while restoring old values relevant and necessary for forward movement of development. Through songs and painting, essay and poem writing, youth are challenged to develop their creative imagination and raise their knowledge of MDGs.

The Barbados presentation shared the vision of development utilizing social artistry for the entire Eastern Caribbean region, in doing so "reinventing and nurturing the Caribbean's future through the achievement of the MDGs." In order to localise MDGs strategically with social artistry sensibilities, it is important to identify unique regional characteristics, possibilities, and potentials. For example, in the case of the Caribbean, the small size of societies within the region has made it possible to reach a critical mass of social artists faster than in larger societies. Historically, the region has acted as a meeting place for people from diverse cultures. A huge diaspora in North America and the United Kingdom has created a "transnational family." A vibrant culture of creative arts in the region provides immense resources for social artistry. Furthermore, the Caribbean Single Market and Economy (CSME) is being created.

Leadership development through social artistry can bring about a resurgence of civil society and local community, as well as its results; the reinvented role of governance. Social artistry serves to enhance the role of leadership and local

communities by increasing the social artistry capability of leaders, by developing "a possible person" in the leaders, and thereby increasing the effectiveness in leading the possible community or society toward the possible future.

A brilliantly creative use of a cultural container is the choice of an international sports event as the conduit of development work and MDGs localization. While there is no one identified legend or myth that can connect and galvanize the entire region of many island countries, the Caribbean nations can all share in cricket as an icon for regional unity and a metaphor for regional teamwork. West Indies' champion batsman and world record holder Brian Lara is a modern cultural icon/legend. Hosting the Cricket World Cup in 2007 provides a historically unique opportunity to capitalize on the human resource capacity development to regionalize and localise MDGs. This event with global significance is seen as a catalyst for re-awakening the urgency and desire of the Caribbean people to excel. The event is seen as a "spring board" for the transformation of a nation. It improves the "buy-in" possibilities for inputs from all. Thus, (1) Caribbean cricket history can be used to identify local targets and indicators, which then would bring about (2) visioning exercises for communities to remember the future by examining the glorious cricket past and (3) concurrently enhancing the awareness of MDGs among the youth by linking this awareness with the cricket heroes of past, present and future. Finally (4) achieving excellence in cricket is linked to achievement of MDGs, thereby grounding the localization beyond a single event.

Both UNDP Albania and UNDP Barbados, as well as the Eastern Caribbean region, continue their partnership with CSOs and local government officials using a "Leadership through Social Artistry" programme. The number of leaders trained in social artistry for development continues to rise among all stakeholders.

The Role of Children in Building Accountability and Transparency

As perhaps the first time that children have been featured as expert presenters in an official UN governance workshop, UNICEF showcased the experience of a Children's Parliament supported by the Barefoot College in Rajasthan, India. The involvement and contributions of children played an indispensable role in radically challenging the assumptions and preconceptions of participants. They further encouraged participants to help envision a future when the MDGs are taken seriously and taught to all people, when all stakeholders work in mutually respecting partnership, and when sectors which have been traditionally denied access to the policy process receive real voices and the opportunity to be change agents.

Barefoot College supports approximately 4,000 children in 150 night schools spread over the villages of five districts of Rajasthan, a poor and remote

region of India. The Children's Parliament began in 1991, as an effort to improve the quality of the night schools; to help children to assume responsibility for health, water supply, and other programmes; and to teach democratic principles, the election process, and how to choose good leaders. After two years, the Children's Parliament finally developed into its current form. Contrary to common expectations, the Parliament is not a pretence or a mere "mock parliament." It enjoys real rights and power.

Accompanied by four of her Cabinet Ministers for Industries, Environment, Communication, and Law, the 14 year old Prime Minister of the Fifth Children's Parliament introduced the workings of their parliament and cabinet, covering such topics as why and how the Children's Parliament was formed, the composition and functioning of the parliament, its typical agenda for meetings, duties of elected representatives and their code of conduct, what the children, the schools and the communities have gained from the Children's Parliament. Through the Children's Parliament, these children have been able to:

- break caste barriers by being good role models and encouraging people to draw water from the same source;

- install water pumps and rain water harvesting structures;

- get solar powered lighting for the villages and a solar-powered tube well installed in Panwa village;

- organize cultural programmes, such as the children's festival;

- be instrumental in having every house in Sargaon village connected with water pipelines; and

- improve the quality and management of the night schools.

When politicians visit their villages, the children now tell them about the needs of their communities and ask them what they have done – and will do in the future – to improve conditions in the area. Initially, there was resistance to the Children's Parliament, because people thought that they were just immature children. However, the adults now respect these children and even ask for their help and advice to solve problems. The families and communities have further accepted and recognized the importance of education for girls and support the participation of girls in the Children's Parliament.

The workshop thus demonstrated an exemplary case of transparent and participatory governance. These children leaders, with real authority and sup-

ported with appropriate guidance by the visionary educators, were able to carry out a development and reform agenda in the rural villages that adults through their governance mechanism had been unable to accomplish. It demonstrated that the effective involvement of beneficiaries, particularly the marginalized sections of society, is fundamental to the success of the development initiatives, such as the MDGs.

Advocacy & Policy Dialogue:
Galvanizing the Global Call to Action Against Poverty

The CIVICUS presentation on the experience of the worldwide network against poverty shared the challenges of managing a diverse civil society. It urged participants to form national committees of the movement and to become involved in their countries and communities. The network especially addresses the issues of trade justice, more and better aid, debt cancellation and national level action. Three levels, on which concerted actions are needed include:

- Service delivery and direct action
- Policy inputs
- Governance arrangements

Often CSOs focus only on service delivery or the direct action level. At best, they focus on the level of policy inputs, since this is considered to provide a more lasting impact. However, the workshop recommended that structural issues are also addressed, such as those related to governance arrangements, both of government, private corporations, and international financial institutions, such as the World Bank. Unless these issues are confronted, a more authentic global level transformation will continue to elude efforts to eradicate extreme poverty and achieve the MDGs. Part of any development or social change strategy must also include questions of "who really calls the shots" and finding ways to influence that level.

Workshop speakers stated that for a movement to be effective with the widest possible mobilization, its message needs to be communicated in a simple and clear way. Easily recognizable, yet flexible symbolism that does not become a passing fad should therefore be chosen. The Global Call to Action Against Poverty chose a simple white band of any style, anywhere on the body, allowing local and individual variations, yet with a clearly recognizable and common message. The date 1 July 2005 is the first International

White Band Day, when many types of actions on different levels will happen throughout the world. People involved in development or social change used to say, "Think Globally, Act Locally." In today's world, participants suggested that the slogan could be modified to read, "Think Globally, Act Locally, Practice Personally."

Conclusions and Policy Recommendations

Working through other capacity building processes like the Village Market, Village Gathering and Family Time, Community Project Room and Village Gathering at the Close of the Day, the workshop concluded by employing a unique integration and participatory process of developing policy recommendations. Participants were given a number of questions to answer and then each was challenged to come up with only one recommendation. The entire group then went through a process of organically merging their recommendations. Working in pairs and in groups, participants were asked to search for a wider, more comprehensive, and more foundational perspective to embrace everyone's view.

The following recommendations emerged out of this process:

1. Mutual respect for human dignity is a fundamental foundation for successful development and good governance.

2. Building meaningful partnerships between all stakeholders including NGOs, CBOs, local and national government, the private sector and international development agencies is essential for pursuing the MDGs.

3. There is a need to reach across all sectors of society, using innovative ways to advance the development agenda and to increase awareness of and advocacy for the MDGs.

4. Civil society needs to spearhead best practices of good governance, transparency and accountability using social artistry, tradition, and values on the local and global levels.

5. A paradigm shift is needed that provides an enabling environment for the empowerment of local communities to lead the development process, while policy makers become humble and learn to listen to all and respect diversity and dialogue.

6. Traditionally voiceless segments of society such as youth, children, women, ethnic minorities, and the poor should be seen as primary agents of change.

7.   Children should not merely be clustered under the general category of under-represented groups. Instead, they should be actively engaged and receive specific attention and priority at all levels in the quest to achieve the MDGs.

Part Three

Conclusion

Synthesis of Workshop Conclusions

Over the course of several days, nearly 9,000 participants participated in the 6th Global Forum on Reinventing Government and engaged in discussions on participatory and transparent governance. This subject was approached from several results-oriented perspectives, designed to determine the impact of participatory and transparent governance on citizens, stakeholders, and governance processes; to identify alternative methods of improving participatory and transparent governance within a wide range of scenarios and conditions, enhance governance and public administration in line with local contexts, improve conditions for citizens, and ultimately assist Member States in their efforts to achieve the Millennium Development Goals.

Participatory and transparent governance improves the interface between governments and citizens, enabling the latter to play an active role in the policy process. Transparency lowers transaction and information costs, improves private and public resource allocation, enables greater oversight of those resources, improves the balance of power, encourages accountability, limits corruption, and can strengthen trust in government. It also enables greater popular participation, which enhances representative government, encourages social integration and cohesion, strengthens the identification of policy objectives, facilitates broad-based support for policy measures, and can improve service provision and quality. Thus, a public administration that is participatory and transparent has a greater capacity to effectively implement policy and serve the needs of its citizens.

Participatory and Transparent Governance

Several conclusions emerged from discussions at the 6th Global Forum and its workshops. First, participation and transparency can each improve the ability to govern and the quality of governance within a society. Participation entails a consultation process between stakeholders, local public administrations, and the private sector. Participation mechanisms can include anything that facilitates citizen involvement and consultation in the policy process: citizen evaluation

surveys, questionnaires, online forums, general elections, referendums, and community-based partnerships. Countries also have many different alternative means of improving transparency at their disposal, depending on their needs. Transparency can be improved through the publication of legislation, regulatory and procurement requirements, winners of public contracts, income sources of senior public officials, and public accounts, as a few examples. E-government can also be a tremendous help in improving transparency by enabling government to disseminate information to a wide audience at low cost.

Second, if jointly encouraged, participation and transparency can improve governance at the local level, by strengthening decentralization efforts and facilitating coordination between different levels of government and also with the populace. Together, they can also strengthen democratic governance by enabling government to be more responsive and representative of constituent views, while encouraging citizens to take responsibility for their communities.

Third, anti-corruption efforts can also benefit considerably from participatory and transparent governance. The involvement of citizens in all stages of the policy process, and their contribution as auditors, as well, can also help to strengthen public sector ethics, which will be similarly enforced by encouraging greater pride in public service and enabling public servants to help contribute to innovations that will improve the quality of public administration and its results.

Participants also suggested that governments take measures to enhance their capabilities to prevent, manage, and resolve conflicting interests of different socio-economic groups. Likewise, they should foster habits of cooperation, based on mutual understanding and trust, while nurturing tolerance and multiculturalism among different socioeconomic actors. They recommended that a key way to accomplish this objective was by addressing issues of poverty and other socio-economic disparities.

Fourth, participation and transparency can also improve corporate governance, which depends on the cooperation of businesses and governments. In the Seoul Declaration on Participatory and Transparent Governance, participants advocated for the strengthening of internal and external monitoring mechanisms and the interface between them, as well as regulatory and disclosure rules to ensure that shareholders' interests are protected. Reform of state-owned enterprises should include the modernization of decision-making processes, introduction of systems emphasizing accountability, responsibility, and performance-based management, and results-based budgeting.

Finally, participants tacitly recognized that different countries can face widely varying conditions and should not uniformly impose policies that have experienced success in other regions. In other words, there is no "one size fits all." Instead, the Global Forum should be used as a platform to explore different alternative strategies and exchange lessons on their relative success, difficulty, and effectiveness. Participants should use the training, methodologies, and tools from the Forum to determine how best they can modify and adapt these ideas and produce innovations that are compatible with local conditions. This acknowledgement signified a significant departure from the first Global Forum in 1999.

Participation and transparency are methods of improving governance. As such, they generally have a positive impact on the quality of policy formation, implementation, and evaluation, with corresponding implications for service delivery and the achievement of the Millennium Development Goals. However, they should not be perceived or pursued as objectives in themselves, but rather as means of improving governance. Hence, initiatives which improve participation and transparency within each country should always be implemented with a view to both the costs and benefits for citizens and their welfare.

For example, there is currently a tendency to view all technology as beneficial, due to its ability to lower direct costs and increase processing and response times. However, the value of technology is only beneficial to the extent that it is able to improve conditions for citizens. As with all tools, there are also costs associated with different applications of technology which must be carefully weighed against their hoped for outcomes. Moreover, where the costs associated with infrastructure, equipment, and training are forbiddingly high, existing media outlets and outreach mechanisms can also be used to improve transparency and stimulate participation.

Building Trust in Government

Within each of the nine topics explored by the capacity development workshops, an additional common theme emerged. This was the recurring issue of trust – trust between citizens, the trust of governments in their citizens, the trust of citizens in their governments, and trust between governments on the world stage. First, citizens must have a basic modicum of trust in other members of society as a prerequisite for sustainably co-existing, participating in basic transactions and exchanges, and forming groups to achieve collective goals which cannot be achieved by the individual alone. As a first step toward developing this

trust, citizens must recognize that while many of their priorities may be different, there are also many areas of common ground. Commonly held objectives, such as basic living standards, available infrastructure, and access to services are of widespread and mutual benefit, even though ensuring this access may not be of equal priority to all citizens. However, in order for societies to work together in order advance development objectives, there must first be a basic understanding and trust between citizens within any given community. When recognition of this interdependence is present, all stakeholders can then begin to identify ways in which they may be able to generate improvements within their communities. This entails a certain degree of empowerment and also recognition of shared responsibility.

Second, governments must advance efforts to earn the trust of their citizens. When citizens mistrust public officials and have a lack of faith in institutions, their uncertainty increases with regard to the future. It becomes more dubious what the future will hold. This uncertainty results in less than optimal resource allocation for government, citizens, and the private sector. It also raises the cost associated with selecting and implementing public policy, as citizens mistrust the commitment of governmental authorities or the credibility of announced policy objectives and seek to hedge their bets in case these same policies are unsuccessful. Negative results of a lack of trust can range from capital flight to political fragmentation or even the emergence of conflict situations.

Moreover, governments must seek to build trust in order to encourage both businesses and citizens to take a more pro-active role in the governance of their societies. If citizens believe that their efforts to initiate positive change and improve their communities will ultimately have little impact or result in negative repercussions, they will be less likely to contribute in ways that are within their capabilities. Similarly, if citizens believe that governments will be unresponsive regardless of the party or coalition in power, this will lead to voter apathy and a withdrawal from public life. In this scenario, no one benefits in the medium and long term, as there is a lack of ownership for decision-making. Alternatively, an empowered populace will continually seek to improve conditions within their communities, so that the burden of responsibility does not rest with government alone.

In order for this empowerment to occur, governments must also come to have more trust in their populations. The sharing of state power through the

granting of access to information, both within and outside of organizations, and the development of mechanisms which facilitate participation can be a big step, particularly for states that have been highly centralized or accustomed to a paternalistic role in the past. Participatory and transparent governance implies citizen empowerment. A key challenge is thus how to increase the comfort level of the public sector with this empowerment, while ensuring that the contributions of citizen participation are both positive and productive.

Citizens and civil society organizations must therefore have access to channels for their input in order to ensure that their participation results in positive change, rather than merely criticism of existing systems. A related issue is how to ensure that the call for increased participation does not excessively tax the administrative systems of the public sector or the time of citizens, who are increasingly required to stay abreast of a vast array of specialized topics and issues. The solution to this issue depends on effective knowledge management both within the public sector and in its dealings with citizens.

Finally, countries must also work to build greater trust between themselves for the reasons previously described. The global partnership for development, as the final Millennium Development Goal, represents a leading example. As at the national and sub-national levels, there are many mutually beneficial objectives that can only be reached through cooperative efforts. Good governance should not be limited to the internal processes of Member States, but should also extend to international affairs as a whole. As with any partnership, each contributor has differing knowledge bases, skill sets, and resource levels to contribute. However, both developed and developing countries have much to gain through this partnership. The challenge here is strengthening trust between the parties concerned, overcoming the reluctance associated with new endeavours, and embarking on a path which leads to long term, rather than short term gains for global citizenry.

Outcomes of the Forum

The 6th Global Forum resulted in several concrete outcomes which endured past the Forum. Its most tangible product was the Seoul Declaration on Participatory and Transparent Governance, a five page document representing the key conclusions, areas of consensus, and discussion points from the event. Endorsed by participants of the 6th Global Forum, the Seoul Declaration provided a call for concrete policy actions at and above the regional, national, and local levels.

These policy measures were considered crucial for the ongoing promotion of participatory and transparent governance and sustainable human development at the global level. The Declaration was presented to the United Nations General Assembly for its consideration in Fall of 2005.

The Declaration also acknowledged plans for future activities, which were implemented as a result of the deliberations and partnerships created by the 6th Global Forum. The first activity consists of the establishment of the United Nations Project Office on Governance (UNGC) in Seoul. At the time of the 6th Global Forum, the UNGC was merely under consideration as a vehicle for following up on the conclusions and recommendations of participants. By 2006, it was formally established by the Ministry of Government Administration and Home Affairs of the Republic of Korea and UNDESA as an active research, training, and governance advocacy body. Designed to serve as an important regional and international focal point in support of participatory and transparent governance, the UNGC serves public officials, civil society organizations, and private companies interested in exchanging strategies to improve governance and public administration. It now offers capacity development workshops and symposia, as a new member of the Institutional Partners Group.

Other follow-up activities resulting from the Forum included initiatives in Australia and the United Arab Emirates. In August 2005, the Government of Queensland launched an initiative called Engaging Communities with the support of UNDESA to promote the active participation of civil society and local populations. The Government of the United Arab Emirates also set into motion plans for a programme with UNDESA to create, share, and apply cutting edge knowledge, standards, and best practices for successful implementation of e-government activities. Preparations have also begun for the establishment of an online portal site run by the Ministry of Government Administration and Home Affairs of the Republic of Korea for users to share information on innovations and best practices on good governance. In the era of information and communication technologies, an urgent need exists for an online system to disseminate information on reinventing government.

In addition to the above, the Forum provided the opportunity for senior officials from many countries to receive training, exchange experiences, and discuss practical strategies to improve governance with international colleagues, civil society organizations, international organizations, and representatives of

the private sector. This platform enabled the formation of contacts, networks at the discretion of the participating countries, and also exposure to new ideas.

Finally, several governments also voiced their commitment to provide financial support for the 7th Global Forum, in order to continue the exploration and ways to improve governance through government reinvention. The participants endorsed the invitation of the Under-Secretary-General of the United Nations to host the next Global Forum at the United Nations. Consequently, the 7th Global Forum will be held from 26 to 29 June 2007 at UN Headquarters in Vienna on the theme of "Building Trust in Government." Information on this event is available through the United Nations Public Administration Network (UNPAN) at www.unpan.org and also through a specialized site at *www.7thglobalforum.org.*

Part Four

Annexes

List of Partner Institutions

- United Nations Department of Economic and Social Affairs **(UNDESA)**
- United Nations Development Programme **(UNDP)**
- United Nations Human Settlements Programme **(UN-HABITAT)**
- United Nations Children's Fund **(UNICEF)**
- Ministry of Public Administration, Republic of Italy
- Ministry of Government Administration and Home Affairs, Republic of Korea **(MOGAHA)**
- Ash Institute for Democratic Governance and Innovation, Kennedy School of Government, Harvard University
- Board of Audit and Inspection of Korea **(BAI)**
- Formez Study and Training Center of Italy
- International Institute for Democracy and Electoral Assistance **(IDEA)**
- International Institute of Administrative Sciences **(IIAS)**
- Korea Development Institute School of Public Policy and Management **(KDI)**
- Korea Institute of Public Administration **(KIPA)**
- Korea Research Institute for Local Administration **(KRILA)**
- Korean Association for Public Administration **(KAPA)**
- National Computerization Agency **(NCA)**
- Organization for Economic Cooperation and Development **(OECD)**
- Transparency International **(TI)**
- World Alliance for Citizen Participation **(CIVICUS)**
- The World Bank Group

Agenda

6th Global Forum on Reinventing Government:
Towards Participatory and Transparent Governance
Seoul, Republic of Korea
24 – 27 May 2005

Tuesday, 24 May 2005 – Day I

9:00 a.m. to 9:30 a.m.	**Cultural Performance**

- Film "Dynamic Korea"
- The National Chorus of Korea
- Film on the Forum: Toward Participitory and Transparent Governance

9:30 a.m. to 11:00 a.m.	**Opening Ceremony**

- Opening address
    PrimeMinister Lee Hae-chan, Republic of Korea
- Welcoming address
    President Roh Moo-hyun, Republic of Korea
- Key note speeches by Heads of State and Government
    President Lula Da Silva, Brazil
    President Emomali Rahmonov, Republic of Tajikistan
    Prime Minister Thaksin Shinawatra, Thailand
    Vice President Hamid Reza Baradaran Shoraka, Islamic Republic of Iran
    Vice President Ali Mohamed Shein, Tanzania
- Congratulatory address
    Under-Secretary-General José Antonio Ocampo, United Nations Department of Economic and Social Affairs (UNDESA)
- *Secretary-General Donald Johnston* Organisation for Economic Co-operation and Development (OECD)

11:00 a.m. to 11:30 a.m.	**Cultural Performances**

- "Hwa-go-ji-mu" (Court dance) by the National Center for the Korean Traditional Performing Arts
- "O-go-mu" (Drum dance) by the Kook Soo-ho Didym Dance Company

11:40 a.m. to 12:00 p.m.	Break
12:00 p.m. to 2:30 p.m.	Lunch
2:30 p.m. to 3:30 p.m.	**Session I – Government Innovation and Governance:** "Changing Role of the State in the Governance Paradigm"

> Moderator: *OhYoung-kyo*, Minister of Government Administration and Home Affairs Republic of Korea

Speakers: *MarioBaccini*, Minister
of Public Administration, Italy

HuaJianmin, State Councillor
and Secretary General, China

GeraldineJ. Fraser-Moleketi, Minister for Public
Service and Administration, South Africa

ZouhairMdhaffer, Minister to the Prime
Minister in charge of Public Administration
and Administrative Development, Tunisia

GasparTarte, Secretary-General
Secretariat of the Office of the President for
Government Innovation, Panama

Marcel Pochard, Conseiller d'Etat, France

Wendy Thomson, Prime Minister's Adviser on
Public Services Reform, United Kingdom

3:30 a.m. to 5:30 p.m. **Session II – Democratic Governance and Social
Integration**

"Democratic Capacity Building for Social Partnership"

<u>Panel on Democratic Politics and Governance</u>

Moderator: *Karen Fogg,* Secretary General International
Institute for Democracy and Electoral
Assistance (IDEA)

Speakers: *László Mandur,* Deputy Speaker of
Parliament, Hungary

Jorge Polinaris Vargas, Minister of National
Planning and Economic Policy, Costa Rica

Suresh Pachouri, Minister of Department of
Administrative Reforms and Public
Grievances, India

Abdallah O. Kigoda, Minister of Planning
and Privatizations Presidential Office,
Tanzania

Tymofiy Motrenko, Head
Main Department of the Civil Service,
Ukraine

<u>Panel on Social Integration for Sustainable Development</u>

Moderator: *Abdoulie Janneh,* Assistant Secretary-General
United Nations Development Programme

Speakers: *Claus Offe,* Department Chair Humboldt
University of Berlin, Germany

Yasna Provoste, Minister for Planning
and Coordination, Chile

Do Quang Trung, Minister of Home Affairs,
Vietnam

Maximus Ongkili, Minister
of Government Integration, Malaysia

Georges Monard, President
Board of Directors, Federal Public Service
Personnel and Organization, Belgium

5:30 p.m. to 6:30 p.m.   Break

6:30 p.m. to 8:00 p.m.   **Welcoming Reception hosted by the Prime Minister
                           of the Republic of Korea**

Wednesday, 25 May 2005 – Day II

8:30 a.m. to 10:30 a.m.   **Session III – Market Economy and Corporate Governance**

                           "Fairness and Transparency for Sustainable Growth"

                           Panel on Free and Fair Market Order

                           Moderator: *Hafiz Pasha,* Assistant-Secretary-General
                                        United Nations Development Programme
                                        (UNDP)

                           Speakers: *Lynn S. Paine,* Professor
                                        Business School, Harvard University, U.S.A.

                                        Hedayat Amin-Arsala, Senior Advisor
                                        to the President and Minister of Commerce,
                                        Afghanistan

                                        Kairat Kelimbetov, Ministry of Economy
                                        and Budget Planning, Kazakhstan

                                        Kang Chul-kyu, Chairman
                                        Korea Fair Trade Commission,
                                        Republic of Korea

                           Panel on Corporate Governance and Social Responsibility

                           Moderator: *Park Yong-sung,* Chairman
                                        International Chamber of Commerce
                                        Chairman, Korea Chamber of Commerce
                                        and Industry

                           Speakers: *Eric Berglöf,* Professor
                                        Stockholm University, Sweden

                                        Wim Kok, Former Prime Minister
                                        Netherlands

                                        Narayana Murthy, Chairman
                                        Board of Infosys, India

                                        Lee Tashjian, Vice PresidentCorporate
                                                        Communica-
                                                        tions, Fluor
                                                        Corporation

                                        Horst J. Kayser, President and Chief Executive
                                        Officer, Siemens Ltd.
                                        Seoul, Republic of Korea

                           Governors' and Mayors' Roundtable

                           "Innovation in Local Administration"

10:30 a.m.to 12:15 p.m.   **Korea Session**

                           Panel on the Innovation Challenge in Korea:
                           Outcomes and Prospects

                           Moderator: *Larry D. Terry,* Vice Provost and Professor
                                        University of Texas at Dallas, U.S.A.

	Speakers:	*Bob Hawke,* Former Prime Minister Australia

Speakers: *Bob Hawke,* Former Prime Minister
Australia

Donald Johnston, Secretary-General
Organisation for Economic Co-operation
and Development (OECD)

Joachim Jens Hesse, Chairman
International Institute for Comparative
Government and European Policy

Wayne Chumley, President
American Chamber of Commerce,
Republic of Korea

Xu Bao Kang, Seoul Bureau Chief
People's Daily, China

12:15 p.m. to 2:30 p.m.   Lunch

2:30 p.m. to 4:30 p.m.   **Session IV – Local Governance and Participatory Democracy**

"Making Local Governance Work"

Panel on Decentralization, Innovation, and Regional Development

Moderator: *Guido Bertucci,* Director
Division for Public Administration
and Development Management
Department of Economic and Social Affairs
United Nations

Speakers: *Akira Nakamura,* Dean
Meiji University, Graduate School, Japan

Dimitar Kalchev, Minister
of State Administration,
Council of Ministers, Bulgaria

Zuhair Al-Kayed, President
Higher Council of Population, Jordan

Shim Dae-pyung, Governor
Chungnam Province, Republic of Korea

Panel on Cooperation and Partnership in Local

Governance

Moderator: *Mariam Yanusa,* Senior Advisor
Water and Sanitation Branch
United Nations Human Settlements
Programme

Speakers: *Gerry Stoker,* Professor
Manchester University, United Kingdom

Stefan Mikolajczak, Marshall
Wielkopolska Province, Poland

Sun Shoupu, Vice Governor
Shandong Province, China

Enrique Riera Escudero, Mayor
City of Asunción, Paraguay

Ahm Abul Qasem, Secretary
Ministry of Local Government, Rural
Development and Cooperatives, Bangladesh

Ministerial Round Table on Innovation

"Government Reinvention for Attaining Good Governance"

4:45 p.m. to 6:45 p.m.	**Session V – Civil Society and Participatory Governance**

"Challenges and Prospects"

Panel on the Capacity and Responsibility of Civil Society

Moderator: *Rachid Benmoktar Benabdellah,* President
Al Akhawayn University, Morocco

Speakers: *Helmut Anheier,* Professor
University of California at Los Angeles, U.S.A.

Peter Eigen, Chairperson
Transparency International

Anne Cleary, Chairperson
Irish Association of NGOs, Ireland

Song Vo-kyung, Professor
Seoul Women's University, Republic of Korea

Hassen Lorgat, Media and Communications Manager
South African National NGO Coalition, South Africa

Panel on Global Civil Society

Moderator: *Han Sang-jin,* Professor
Seoul National University, Republic of Korea

Speakers: *Kumi Naidoo,* Secretary General
and Chief Executive Officer
World Alliance for Citizen Participation
(CIVICUS)

Chellie Pingree, President
and Chief Executive Officer, Common Cause

Hans Köchler, President
International Progress Organization, Austria

Yoshiko Nakano, President
Organization for Industrial
Spiritual and Cultural Advancement
(OISCA), Japan

Sigrid Kaag, Deputy Director,
Programme Division
United Nations Children's Fund (UNICEF)

7:30 p.m. to 9:30 p.m.	Dinner hosted by the Mayor of Seoul

Thursday, 26 May 2005 – Day III

9:00 a.m. to 10:30 a.m.	**Capacity Building Workshops begin**

Workshop 1: Public Sector Ethics and Trust in Government

Workshop 2: Governance-Oriented Innovations to Enhance State Capacity

Workshop 3: Access to Services for All through Participation and Accountability

Workshop 4: E-Government as a Tool for Participation and Transparency

Workshop 5: Auditing for Social Change

Workshop 6: Representative Democracy, Participatory Methods, and Capacity Development for Responsible Politics

Workshop 7: Corporate Governance, Market Economy, and Accountability

Workshop 8: Decentralization and Local Autonomy for Participatory Democracy

Workshop 9: The Role of Civil Society Organizations in Localising the Millennium Development Goals (MDGs)

10:30 a.m. to 10:45 a.m.	Break
10:45 a.m. to 12:00 p.m.	Capacity Building Workshops
12:00 p.m.to 1:00 p.m.	Lunch
1:00 p.m.to 2:00 p.m.	Cultural Performance

- Daegeum Solo Chongsonggok (Clear melody)
- Chamber Piece for "Scattered Music" (Sanjo)
- Pansori (Vocal music)
- Chimhyangmu of Gayageum Solo
- Jindo Drum Dance
- Pangut (Percussion music of farmers)

2:30 p.m. to 4:00 p.m.	Capacity Building Workshops
4:00 p.m. to 4:30 p.m.	Break
4:30 p.m. to 6:00 p.m.	Capacity Building Workshops

Friday, 27 May 2005 – Day IV

9:00 a.m. to 10:30 a.m.	**Capacity Building Workshops**
10:30 a.m. to 11:00 a.m.	Break
11:00 a.m. to 12:30 p.m.	**Capacity Building Workshops**
12:30 p.m. to 2:00 p.m.	Lunch
2:00 p.m. to 4:30 p.m.	**Wrap-up Plenary Session**

- Presentation of the Regional Forums
- Presentation of the Plenary Results
- Presentation of the Workshop Results

4:30 p.m. to 5:45 p.m.	**Closing Ceremony**

- Presentation of the Seoul Declaration on Participatory & Transparent Governance
- Closing and Farewell Remarks

Prime Minister Lee Hae-chan of the Republic of Korea

Director Guido Bertucci, United Nations Department of Economic & Social Affairs, Division for Public Administration & Development Management

Minister Oh Young-kyo, Ministry of Government Administration and Home Affairs, Republic of Korea

• Statements by Heads of State and Government

Prime Minister Mahinda Rajapakse, Sri Lanka

Vice President Azarias Ruberwa Manywa
Democratic Republic of the Congo

• Closing video presentation

• Farewell performance by the World Vision Korea Children's Choir

For more information on the 6th Global Forum on Reinventing Government, please visit

www.unpan.org/globalforum6.asp

THE SEOUL DECLARATION ON PARTICIPATORY AND TRANSPARENT GOVERNANCE

THE SEOUL DECLARATION ON PARTICIPATORY AND TRANSPARENT GOVERNANCE

27 May 2005, Seoul, Republic of Korea

Preamble

1.   The 6th Global Forum on Reinventing Government, organized by the Government of the Republic of Korea in partnership with the United Nations, brought together representatives of governments, international organizations, businesses, civil society organizations and academia to discuss issues related to good governance. Distinguished speakers and panelists presented their experiences, ideas and insights during the six plenary sessions and nine workshops of the Forum.

2.   We, the participants of the 6th Global Forum on Reinventing Government, held in Seoul, Republic of Korea, from 24 to 27 May 2005 on the theme of "Toward Participatory and Transparent Governance," convey our sincere gratitude to H.E. President Roh Moo-hyun and the Gov-

ernment of the Republic of Korea for the successful preparation of the Forum and the hospitality extended to us. We also thank the Secretariat of the United Nations, which served as co-organizer, and participating international organizations for their invaluable support for this major global event.

Background

3.   As profound changes continue to impact the public and private sector in many countries, governments now face an urgent need to transform the scope and conduct of their activities to meet these national, regional and global challenges. Governments are trying to adapt to the new environment caused by globalization, the spread of democratic processes, the information and communication technology (ICT) revolution and various other challenges to our economic and social development. The success of governments in this regard enhances socioeconomic development, as well as the trust and confidence of their people in governance.

4.   As a result, many governments are in the process of reinvention, privatization, renovation, regulatory reform and building private-public partnerships. These transformations must be undertaken in ways that serve the needs of their people, particularly the poor, in a more transparent, participatory and responsive manner. In this regard, we congratulated the Government of the Republic of Korea and various other governments for adopting and implementing participatory governance as their governing philosophy.

5.   Taking note of the six Regional Forums on Reinventing Government that were organized in preparation for the 6th Global Forum, we agreed that a comprehensive framework for good governance is necessary for sustainable social and economic development in which government, businesses and civil society work together to address challenges. We agreed that participatory and transparent governance and an emphasis on both economic development and social equity are the most important elements to be included in the new framework, which will be conducive to attaining internationally agreed development goals, including those contained in the Millennium Declaration.

6.   Therefore, we, the participants of the 6th Global Forum on Reinventing Government, have adopted this Declaration.

Recommendations

7.   We agree that participatory and transparent governance is a timely topic for the Global Forum on Reinventing Government, as it has important implications for our common quest to resolve current political, social, economic and administrative problems. While each country must assess its own situation and determine the best ways to promote participatory and transparent governance, all actors in societies should work together to expand and promote participatory and transparent governance for the benefit of their people.

8.   In this context, we agree that the successful implementation of participatory and transparent governance hinges upon the ability of governments to collaborate and cooperate with diverse actors in their societies, including businesses, trade unions, civil society organizations and individual citizens. By encouraging networking to create mutually reinforcing relationships and broad-based collaboration among all actors in society, governments can enhance governing capacity while ensuring that there are proper checks and balances among actors.

9.   We recognize that eradicating poverty is the greatest challenge facing the world today and an indispensable requirement for sustainable development, particularly for developing countries. We recommend good governance within each country and at the international level to achieve internally agreed development goals.

10.   We believe that all actors in the framework of participatory and transparent governance have individual and collective responsibilities for the promotion of good governance and human development. Based on this understanding, our recommendations are arranged according to the following four themes: (1) government innovation and social integration, (2) market economy and corporate governance, (3) local governance and (4) civil society.

1) *Government Innovation and Social Integration*

11.   We agree that governments must continue their efforts at reinvention by institutionalizing innovative practices and working in close cooperation with various actors in their societies to improve state capacity and scope of public services. To achieve these aims, governments should make use of tools such as ICT, performance-based management, results-based budgeting and enhanced oversight.

12.   The innovative uses of ICT and the development of e-governance can enhance citizen and civil society participation in politics and policy-making processes, making government agencies more accessible, transparent and

efficient. Institutions seeking public interests should be strengthened so that they can be more proactive in promoting participatory and transparent governance. This requires the development of sound performance indicators to evaluate planning, implementation and outcomes.

13. Governments must reduce the growing inequality between rich and poor, urban and rural, connected and unconnected. Those governments that face extreme poverty should formulate and implement bold national poverty reduction strategies to halve extreme poverty by 2015. Furthermore, governments must also make their best efforts to balance work and welfare, growth and distribution in order to enhance social harmony, integration and the overall quality of life for their citizens.

14. We agree that governments must take measures to enhance their capacities in preventing, managing and resolving conflicting interests among domestic groups. This requires that governments foster habits of cooperation based on mutual understanding and trust, while nurturing tolerance and respect for multiculturalism and cooperation among various actors in society.

2) *Market Economy and Corporate Governance*

15. To achieve sustainable economic growth and development, governments must take measures to establish a free and fair economic order. This requires governments to ease regulations that restrict competition and to strengthen supervision of the competition-restrictive practices of business firms. Standards and practices for accounting, auditing and non-financial disclosure should be enhanced through joint efforts between governments and businesses in order to ensure proper corporate governance. Governments should also strengthen regulatory and disclosure rules to ensure that minority share-holders' interests are well protected.

16. Local firms should make efforts to improve their relationships with their communities, while multinational corporations should promote and enforce a higher standard of corporate ethics. Corporations must engage in fair transactions, respect local and international law, and remain aware of the consequences of their policies, positive and negative, for the communities and environments in which they operate.

17. We agree that governments should work together with businesses to encourage and enhance such private initiatives as anticorruption efforts and to ensure the equitable application of laws and regulations. Effective regulations

and audits, both internal and external to individual firms, will help to identify and minimize unethical practices before they become endemic within a corporation, an industry, or a national economy.

18.   Reform of state-owned enterprises (SOEs) needs to include the modernization of their decision-making processes and the adoption of innovative practices to improve their productivity. This requires the introduction of new systems that emphasize responsibility, accountability and performance-based management evaluation within SOEs.

3) *Local Governance*

19.   We agree that good governance requires an appropriate level of decentralization, innovation and development of local government. Local administration can be made more effective and autonomous through the promotion of administrative and financial decentralization, digitalization of government, and results-based performance management. We welcome the efforts of the Government of the Republic of Korea to construct regional innovation systems (RIS) in which governments, industries and local universities work together for regional development.

20.   We believe that holding local governments more accountable and making them more transparent are the keys to successfully building cooperation and partnership at the local level. The accountability of local governments should be reinforced through internal and external controls by various actors in society. Furthermore, to improve efficiency and public service ethics and to reduce corruption, we support measures to strengthen the evaluation systems and transparent operation of local governments.

4) *Civil Society*

21.   Governments should recognize and engage civil society as a partner in the decision-making process and implementation of public policies. We agree that building constructive partnerships between states, businesses, and civil society is essential for achieving sustainable economic development. This requires all actors involved to accept and promote diversity among genders, races, ethnic groups, classes, religions, creeds, regions and cultures.

22. We recognize that civil society organizations (CSOs) can play an appropriate role in ensuring accountable, transparent and responsible government. This participation requires CSOs to find innovative ways to place citizens at the center of governance. We also agree that CSOs need to

make use of ICT to improve productivity and make themselves more accountable and transparent to the people.

23.   We realize that CSOs are important in creating and maintaining the social cohesion and sense of trust that are essential for the proper functioning of modern societies. We realize that by encouraging the participation of citizens in private, voluntary organizations, we can create greater trust in the public institutions with which CSOs engage.

24.   Civil society should seek and develop new forms of civic engagement and involvement at a global level, in order to make decisions by intergovernmental organizations more transparent and democratic. It is important to realize that civil society within each nation will become more effective by sharing experiences and by networking with CSOs from other countries, while accepting diversity among partners around the world.

Follow-up Measures

25.   We welcome the upcoming launch by the Ministry of Government Administration and Home Affairs of the Republic of Korea, together with the United Nations Department of Economic and Social Affairs, of a feasibility study for the establishment of the United Nations Governance Centre in Seoul. We firmly believe that this center, when established, will serve as an important regional and international focal point advancing research, disseminating necessary information, and providing training courses on reinventing government, including e-government, to civil servants, civil societies and businesses.

26.   We believe that in the era of ICT, there is an urgent need to establish an online system to disseminate information on reinventing government. In this regard, we welcome the commitment of the Ministry of Government Administration and Home Affairs to consider the establishment of a portal site for online sharing of information on innovations and best practices on good governance.

7th Global Forum

27.   We appreciate the hospitality of the Secretariat of the United Nations in hosting the 7th Global Forum on Reinventing Government in 2006. We appreciate the contribution of the Government of Italy to the Global Forum

workshops and also encourage it to continue its support for the 7th Global Forum. We welcome the support of the Government of Republic of Korea for the 7th Global Forum and request that other UN Member States and international organizations do so. [End]

Acronyms

ADB	Asian Development Bank
ASEAN	Association of Southeast Asian States
BAI	Board of Audit and Inspection of the Republic of Korea
CAFRAD	African Training and Research Centre in Administration for development
CBOs	Community based organizations
CIVICUS	World Alliance for Citizen Participation
CSOs	Civil society organizations
DPADM	Division for Public Administration and Development Management
ICT	Information and Communication Technology
IDEA	International Institute for Democracy and Electoral Assistance
IIAS	International Institute of Administrative Sciences
KAPA	Korean Association of Public Administration
KDI	Korean Development Institute School of Public Policy and Management
KIPA	Korea Institute of Public Administration
KICAC	Korean Independent Commission Against Corruption
KRILA	Korean Research Institute for Local Administration
MDGs	Millennium Development Goals
MOGAHA	Ministry of Government Administration and Home Affairs of Korea
NCA	National Computerization Agency
NEPAD	New Partnership for African Development
NGOs	Non-Governmental Organizations
NPM	New Public Management
OECD	Organization for Economic Co-operation and Development
SADC	South African Development Community
SAIs	Supreme Audit Institutes
SOEs	State-owned enterprises
TI	Transparency International
UN	United Nations
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UN-HABITAT	United Nations Human Settlements Programme
UNICEF	United Nations International Children and Education Fund