

Department of Economic and Social Affairs

WORLD PUBLIC SECTOR REPORT



2023



UNITED NATIONS
New York, 2023

<https://publicadministration.un.org/en/>
publicadministration.un.org/egovkb/en-us/



Executive Summary

The *World Public Sector Report 2023* examines the role that the institutional and governance innovations and changes which emerged at the country level during the COVID-19 pandemic can play in the implementation of the 2030 Agenda for Sustainable Development in the remaining seven years.

Halfway to 2030, progress on the Sustainable Development Goals (SDGs) has stalled and in some cases been reversed. In the past three years, the COVID-19 pandemic, the war in Ukraine and climate-related disasters have exacerbated the challenges facing the international community and made the SDGs more difficult to achieve in the short and medium terms. In this context, it is crucial to identify opportunities for progress.

While the pandemic exposed the fragility of social contracts, it also sparked rapid innovation in government institutions and public administration. Positive changes were observed in the internal workings of public institutions, in the way they interacted with one another and broader society, and at the interface with people in relation to public service delivery.

Capitalizing on successful institutional innovations undertaken during the pandemic could be a powerful enabler of the type of transformation the 2030 Agenda calls for by making public institutions more effective and resilient to shocks, more participatory and inclusive, more forward-looking and able to steer societal change, and more transparent and accountable.

The *World Public Sector Report 2023* examines institutional changes that were observed in different contexts, sectors and policy processes and explores successful innovations with a positive impact on the achievement of the SDGs that should be sustained beyond the pandemic. It addresses the following three questions:

- How can Governments strengthen public trust and their relationships with society?
- How can Governments assess competing priorities and address difficult policy trade-offs that have emerged since 2020?
- What assets and innovations can Governments mobilize to transform the public sector and achieve the SDGs?

The present report is built around chapter syntheses linked to these three questions as well as 23 short contributions from 38 experts from across the globe. Recommendations put forward by the experts can provide inspiration for all Governments to harness institutional innovations and practices that have emerged since 2020.

How can Governments strengthen public trust and their relationships with society?

In recent years, relationships between people and their Governments have been profoundly altered. Civic space is eroding globally and its nature has changed. High levels of polarization have been observed within societies. Inequalities have widened. The accuracy of information has become a pervasive and contested issue. The rapid move to digital government is reshaping the relationships between people and the State, with both positive and negative impacts. Restoring trust between people and public institutions is now recognized as a key goal as well as a critical requirement for achieving progress on the SDGs.

Chapter 1 examines trends and opportunities in the areas of governance, democratic values, traditions and institutions, and information integrity.

During the pandemic, Governments imposed restrictions on civic space and granted themselves new powers, subject to fewer checks and balances, that imposed limits on freedom of association, assembly and expression. Some Governments applied guardrails for emergency measures, ensuring their necessity, proportionality, legality and non-discriminatory impact and involving oversight institutions in the review of these measures. Some States facilitated broader participation in their crisis response by inviting public input and feedback on pandemic-related challenges and policies and including civil society representatives in policymaking

committees and parliamentary debates. In some countries, protecting freedom of peaceful assembly and safeguarding the right to privacy were important considerations. Civil society played a vital role in monitoring and raising awareness of rights violations, forming networks and coalitions, advocating for the removal of criminal sanctions, supporting the rights and well-being of women, Indigenous Peoples, youth, older persons, persons with disabilities, and other disadvantaged social groups, and challenging emergency measures through strategic lawsuits. Positive examples from the pandemic can inform future actions of Governments to preserve and broaden civic space.

Young people have been disproportionately affected by multiple crises. Trust in government and public institutions has declined among youth, with many feeling that their voices are ignored in decision-making processes. Engaging young people in participatory governance and creating and safeguarding inclusive structures, processes and spaces such as youth organizations, activism, community research, and councils can lead to more effective and sustainable public policy.

Global evidence suggests that gender equality in public administration enhances government functioning, the responsiveness and effectiveness of service delivery, and trust in public institutions. Yet most countries are still far from parity at decision-making levels. To sustain operations during the pandemic, Governments adopted new workplace policies for public employees, some of which had positive effects on gender equality. Adjusting to a “new normal” and refocusing on gender equality in public administration globally will require simultaneous efforts on three fronts: remembering lessons learned prior to the pandemic and reenergizing efforts to adopt and implement good practices in areas such as data and transparency, training and mentorship, and targets and quotas; consolidating positive changes made during the pandemic and integrating them into future gender equality commitments in public administration; and taking bold action to regain momentum to achieve SDGs 5 and 16 by 2030.

The pandemic provided important lessons for Governments regarding effective communication with social actors during crises. A key driver of trust in government is communication reflecting a high degree of intentionality. Some countries enjoyed early success in controlling the spread of the pandemic by engaging in productive collaboration with civil society and other actors. Important factors that influence the success of communication strategies include reliance on evidence-based information and sound scientific advice, the credibility of spokespersons and the development of compelling and concise messages, and the use of multiple channels of delivery. Consistent messaging across key stakeholders is critical, as is the inclusion of new media tools in risk communications strategies. Taking these into account, Governments should pursue a coordinated approach to public communication that is transparent and rooted in local contexts. Going forward, it is essential to recognize that communications preparedness needs to start ahead of a crisis.

The rise of disinformation and misinformation during the COVID-19 pandemic led to mistrust in health authorities, undermined public health responses, and resulted in risky behaviours. In general, addressing misinformation and disinformation is extremely complex. Governments should support the free flow of information during crises, regularly disseminating accurate information, including through campaigns and proactive disclosure, and establishing systems for public access to information. Efforts to combat inaccurate information should include utilizing social media and other platforms to debunk false information and correct it. Rather than relying solely on punitive legislation that restricts freedom of expression, Governments should also focus on improving media literacy (including in schools), expanding access to accurate information through partnerships with local media and private organizations, and undertaking other relevant actions.

Legal frameworks and regulatory reforms have not kept pace with developments in digital technology. During the pandemic, digital technologies and mobile communications were widely used by Governments in their efforts to combat the crisis and deliver a wide range of public services. Major challenges encountered in both developing and developed countries included digital exclusion, limitations on freedom of expression online, digital surveillance, and violations of privacy and data protections, highlighting the disconnection between the protection of human rights online and offline. Efforts are needed at the national and international levels to harness the benefits of digital technologies while upholding human rights.

An important aspect of the relationship between Governments and citizens derives from the availability of effective, transparent and accountable dispute resolution mechanisms. By revealing the vulnerability of justice systems, with their heavy dependence on paper and in-person filing and appearances and lack of

interoperability, the lockdowns created the conditions necessary for the swift adoption of e-justice systems. As public institutions move away from temporary, ad hoc adjustments towards sustained modes of operating, there is a window of opportunity for digital transformations that promote rights-centred, rule-of-law-focused justice systems. To exploit this window, it is important to organize transformation efforts around people's experience of conflicts or injustice; to involve judges and human rights defenders in the design of digital solutions; and to embrace legal processes that support early resolution and informal approaches to dispute resolution.

The negative and long-lasting social and economic impacts of the pandemic and the reduced fiscal space facing most countries today have prompted debates on the fairness of taxation systems and what the contribution of different segments of society should be to public financial resources. The taxation of multinational enterprises and high-net-worth individuals is viewed by many as a way not only to increase revenue in a strained economic environment, but also to reduce wealth and income inequalities, improve perceptions of tax fairness, and build greater trust in government. Experts note that this debate has to go beyond personal and corporate income taxes and encompass whole tax systems. More resources should be provided to tax administrations, especially in developing countries, to achieve higher tax compliance and improve services to taxpayers. Ongoing discussions around reforms of the international tax system have considered these and related issues. In December 2022, the General Assembly of the United Nations adopted a resolution on the promotion of inclusive and effective international tax cooperation at the United Nations, which was followed in August 2023 by a report of the Secretary-General of the United Nations on the same subject.

Taken together, these trends point to the need for a comprehensive approach to rebuilding and strengthening social contracts. This is a central focus of the United Nations Secretary-General's report, *Our Common Agenda*, published in 2021. Addressing this need will better position societies to achieve stronger relationships and social cohesion, greater resilience to crises, and accelerated progress towards the SDGs. Governments alone cannot reshape their relationships with other social actors. However, as a crucial first step, they need to create an enabling environment for strengthening relationships. For instance, they can promote transparency, respect for human rights, public engagement, and the exercise of voice. Critically, they can also demonstrate trust in other actors at the same time that they seek greater trust.

How can Governments assess competing priorities and address difficult policy trade-offs that have emerged since 2020?

Progress on the 2030 Agenda and SDGs has been slow and uneven, with the COVID-19 pandemic and subsequent crises exacerbating pre-existing challenges and sometimes reversing progress achieved since 2015. Many SDG targets are not on track to be achieved, and progress is insufficient even for those closer to completion. The interdependencies between the SDGs have been affected by the crises, creating new trade-offs and challenges in mobilizing resources for integrated implementation. The impacts of the pandemic and subsequent crises have resulted in shifts in government priorities, budget allocations and public expenditure. Institutions face challenges in delivering consistent and mutually reinforcing policies and actions amid high uncertainty, tight budget constraints, and eroding trust.

Chapter 2 emphasizes the need for Governments to harness SDG synergies more effectively as they move past the halfway point for the implementation of the 2030 Agenda. To achieve the SDGs, Governments must prioritize actions that offer synergistic benefits while also managing trade-offs effectively. The chapter emphasizes the importance of understanding the contextual and dynamic nature of SDG interactions. Governments need to act as stewards of complex systems, leading integrated and coherent policy actions for long-term transformative change. Institutional integration and policy coherence are crucial for addressing complexity and normative conflicts across Goals and targets.

Various studies have analysed SDG interdependencies. However, the current methods used are limited in their ability to assess the dynamic and contextual nature of these interactions and how they change over time, as well as their implications for policymaking. Results often lack actionable insights, which creates a gap with decision-making processes. As a result, enhanced understanding of the interconnections among the SDGs has not always translated into more synergistic actions from Governments.

Prioritizing SDGs and associated targets is necessary in the context of limited resources and diverse development needs. In order to prioritize, Governments must identify entry points for sustainable development and evaluate the impacts of policies on multiple Goals. Different studies suggest various prioritization criteria, and a practical approach involves contextualizing policy prioritization and resource allocation based on the trade-offs and synergies specific to each country. Transparent criteria, processes, and tools for prioritization are critical to promote public buy-in and strengthen the legitimacy of the decisions made by Governments.

Institutional arrangements play a vital role in integrated SDG implementation. Coherent and accountable institutions can help bring multiple stakeholders together, leverage synergies, and address trade-offs. There is a need to enhance coordination mechanisms, align development strategies and budgets, and integrate risk management into cross-cutting processes and institutional arrangements. Impact evaluation tools, regulatory impact analysis, and performance audits can contribute to policy coherence and enhance accountability.

Evidence of how institutional integration and policy coherence play out in different national contexts is limited, and voluntary national review reports have not emphasized this issue. In general, though, Governments have not made significant progress in terms of policy coherence. Inadequate analytical capacities, data constraints, and limited stakeholder engagement hinder policy and planning processes. Barriers such as institutional fragmentation, internal processes within public organizations, and limited political will remain significant.

The scientific community plays a vital role in supporting SDG implementation by synthesizing evidence, translating knowledge into policy options, supporting early warning and risk assessment systems, and facilitating participatory processes. To better respond to policymakers' needs, the co-production of inclusive alternatives and capacity-building efforts are essential. Procedural elements such as a shared understanding of problems, the collaborative framing of issues, the authority to steer implementation, and the strategic use of information are critical. Investments in capacity-building and training for public officials and other stakeholders can facilitate knowledge sharing, strengthen the application of science-based methods and tools, and provide the skills needed to conduct assessments, analyse synergies and trade-offs, and promote policy integration.

Various science-based methodologies and tools, such as strategic foresight and scenario approaches, can support policy coherence and integration for the SDGs. Strategic foresight engages stakeholders, fosters institutional collaboration, and helps policymakers assess risks and identify policy alternatives. Government institutions have started to incorporate strategic foresight into their processes, but there is room for improvement in using the related tools to inform policy design and implementation.

Science-policy interfaces (SPIs) support integrated action on the SDGs. They enable collaboration between policymakers and the scientific community, facilitating the exchange and co-creation of knowledge for informed SDG implementation. They can contribute to policy coherence and enhance public trust in science. Different types of SPIs have been formalized to enable collaborations that can support inclusive capacity development. There is a need to identify the institutional forms and processes of SPIs that best support policy coherence and integration. While global SPIs produce critical knowledge, their proliferation may contribute to fragmentation.

Resource constraints and threats to fiscal sustainability challenge policy coherence and affect SDG financing. During the pandemic, Governments shifted budget allocations and public expenditures. Some SDG areas, such as education, received less funding. While many countries increased support to health and social protection to address the emergency, half of the world's low- and lower-middle-income countries cut health and social protection spending, resulting in increased inequality. Trade-offs between health and socioeconomic rights were often acute, but in some cases this spurred policy innovation. The work carried out by the United Nations on integrated national financing frameworks (INFFs) provides practical guidance for policymakers to think through these trade-offs and make informed policy choices.

Strengthening public financial management systems is critical for improving the efficiency and equity of public expenditure and for the integrated implementation of the SDGs. This includes monitoring the efficiency of budget execution and ensuring that Governments spend according to their approved budgets. Transparent budget information enables civil society to monitor SDG implementation, advocate for change, and hold Governments accountable. Oversight institutions can use budget information to audit the implementation of the budget and its contribution to SDG progress.

Understanding the relationship between public spending and sustainable development outcomes is crucial to inform SDG implementation. Linking the budget to the SDGs and national monitoring frameworks can improve policy coherence and accountability. Through tagging the budget to the SDGs, Governments can better address conflicts or overlaps across budget allocations and enhance the efficiency of public spending. Computational models can help analyse the impact of additional public spending and identify areas where further investment may have a limited impact due to structural bottlenecks. It is important to link public financial management decisions to development outcomes for different groups in society, with consideration given to equity and intergenerational perspectives.

What assets and innovations can Governments mobilize to transform the public sector and achieve the SDGs?

The pandemic drew attention to the key role of the State and effective, accountable, responsive and inclusive public institutions in identifying and developing innovative solutions to respond to crises. To retain public trust and accelerate the implementation of the 2030 Agenda for Sustainable Development, States must continue to innovate and be better prepared to proactively handle future shocks. Governments can leverage innovations developed during the pandemic to serve the needs of society; however, an inclusive approach is necessary to ensure that innovations benefit everyone.

Chapter 3 focuses on how public administrations can integrate successful innovations that emerged during the pandemic into longer-term strategies to achieve the SDGs. This involves pursuing innovative approaches on two fronts: administrative, organizational, and systemic changes within public administration, as well as transformations in the interaction between Governments and stakeholders, particularly in public service delivery. The chapter highlights key elements that contribute to fostering transformative change within public administration. It identifies public accountability, coherence among different levels of government, enhanced capabilities and professionalism among public servants, and digital transformation as important building blocks for strategies to encourage innovation.

The pandemic seriously disrupted operations within the public sector, forcing public institutions to experiment with alternative approaches, which accelerated innovation. In some cases, more efficient and effective ways to deliver public services were found, potentially leading to permanent changes. However, whether the momentum of innovation can be sustained post-crisis is unclear. One-time, ad hoc innovations triggered by crises may not be sufficient for long-term transformation and the acceleration of SDG implementation. Innovation should be embedded at the core of policymaking and public administration and institutionalized into new models of operation for the public sector. Governments have a key role to play in creating an ecosystem of innovation that fosters collaboration among various organizations and sectors.

Transparency and accountability are essential for the effectiveness of public institutions. The pandemic created challenges for transparency and accountability reforms because the urgent need to scale up service delivery and social protection as rapidly as possible interfered with public oversight to varying degrees. Nevertheless, a number of countries employed innovative approaches to promote access to information, transparency and accountability. Case studies from India, Brazil, the Philippines, and Colombia highlight the success and resilience of participatory oversight reforms, showcasing the effectiveness of hybrid collaborative governance models.

Collaboration and coordination among different levels of government are crucial in crisis management and response. The pandemic exposed the challenges of fragmentation and emphasized the need for cooperation to facilitate multilevel governance approaches. Several countries were pushed by the pandemic to experiment with different arrangements in this regard. Lessons from those experiences should inform reflections on how to improve the vertical coherence of government actions in support of the SDGs, including through multilevel dialogue, coordination, collaboration and funding arrangements.

The capabilities and performance of public officials and employees play a significant role in transformative change. The pandemic showcased the adaptability of public servants, their role in ensuring the uninterrupted delivery of public services, and their openness to innovation and collaboration with other actors. Sustaining this mindset during the post-emergency period may prove to be a challenge as institutions return to

pre-pandemic ways of working that may not encourage innovation or foster change. Capacity-building in public administration will be necessary to develop the mindsets, competencies and skills needed to leverage data and tools that can support innovation.

Digital transformation played a vital role during the pandemic, enabling public sector agencies to continue operations and deliver services. Digital technologies enabled the transformation of core systems and functions and the development of more efficient processes, such as online interviewing for job recruitment. They also facilitated data analysis to inform decision-making and supported the disbursement of social protection benefits that were of critical importance during the health crisis. However, caution must be exercised to ensure the ethical use of data and prevent discriminatory outcomes, and the need for contextual approaches must be acknowledged.

Transformative changes are also needed in interactions between Governments and non-State actors to enhance the legitimacy and effectiveness of government policies and improve the quality and reach of public services. Governments are under increasing pressure to provide inclusive and affordable public services, particularly in areas such as health care, education, water and sanitation, nutrition, and social protection. The chapter examines the potential of mechanisms such as engagement, co-production, co-creation, and enhanced service delivery within this context.

During the pandemic, innovative engagement mechanisms were utilized to deliver new or modified services. Co-production—involving collaboration between service providers and users in planning, designing, implementing and assessing public policies and services—was utilized in various sectors before and during the pandemic. The pandemic accelerated co-production efforts in several sectors, including health care, transport and education. The pandemic also highlighted how successful public-private partnerships could be, as evidenced by the collaborative efforts that led to the rapid development of COVID-19 tests, treatments and vaccines. Scaling up co-production approaches will require the adoption of appropriate legislative frameworks, the provision of incentives, and the establishment of mechanisms for transparency and accountability, in addition to ensuring appropriate sharing of risks and benefits between the private and public sectors.

The pandemic accelerated innovations in health-care service delivery, including telemedicine and the use of drones for medicine transport and robots for medical tasks. In education, many countries implemented initiatives to increase opportunities for students and bridge the digital divide through the provision of laptops, connectivity, and digital literacy training. Digital technology played a significant role in transforming service delivery during the pandemic, with examples including telehealth, online schooling, e-governance, and digital portals for accessing public services. Some countries used the pandemic period to accelerate the shift to e-government. However, the move towards digital operations and services also highlighted the need to address digital divides and ensure accessibility for marginalized and vulnerable groups. To ensure a just and inclusive digital transformation, Governments need to consider hybrid models of service delivery that integrate online and offline options. Regulation of digital services is crucial to protect users' rights and ensure security and equity.

In conclusion, the pandemic provided opportunities for innovation and positive changes in public institutions, and Governments should build on these experiences to address future challenges and advance the SDGs through a renewed approach to innovation and transformation. To do so effectively, public institutions must be adequately funded, accountable, transparent, and inclusive. By embracing innovation and fostering engagement with stakeholders, Governments can create a more resilient and effective public sector in the post-pandemic "new normal" to achieve the 2030 Agenda for Sustainable Development.