

OECD Draft Policy Framework on Sound Public Governance



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Introduction: Toward Integrated Sound Public Governance

The Policy Framework on Sound Public Governance (hereafter the Framework) aims to provide governments at all levels with an integrated diagnostic, guidance and benchmarking tool to help:

- Design and implement *public governance reforms* that can lead to improvements in, and the sustainability of, prosperity for their country and wellbeing for its citizens;
- Design and implement reforms in any policy area by taking *public governance approaches for effective policy-making* into account so that reforms can respond more effectively to complex, multidimensional challenges, ultimately leading to improved outcomes for citizens and businesses. This takes on added importance as countries move to adapt the United Nations (UN) Agenda 2030 and implement the Sustainable Development Goals (SDGs) in a way that reflects national conditions;
- Design and pursue a public-governance reform agenda that can enable governments to move closer to OECD standards and practice in this area.

The primary target audiences of this Framework include centres of government, line ministries, agencies and other public institutions in the executive branch at all levels of government focusing on designing, implementing and evaluating policy and governance reform agendas for results. Beyond the executive branch, this Framework could also be useful for those legislative and judicial branches seeking to modernise their approaches to governance in their quest to strengthen their capacity to serve citizens and businesses successfully.

Why a Policy Framework?

Ten years after the 2008 financial crisis, governments are facing increasingly multidimensional policy challenges that require the implementation of crosscutting, multifaceted responses in a context of diminishing public resources and low trust levels in government¹.

This context is driving the need for national and sub-national governments to bolster capacity to address longer-term structural challenges while responding to immediate-term priorities often generated by political imperatives. In addition, it reflects the necessity for more equitable, evidence-informed policy-making, and thus the need for effective, values-based governance that engages stakeholders in the policy-making process in an inclusive, and open way.

Since the beginning of the crisis, the OECD, through its Public Governance and Regulatory Policy Committees, has taken note of national dialogue and debate on governance frameworks that aim to support governments in their quest to design and deliver public policies that improve results for people. During this process, the OECD has accumulated a

¹ OECD (2017b), *Government at a Glance 2017*, OECD Publishing, Paris, http://dx.doi.org/10.1787/gov_glance-2017-en

significant body of evidence and identified key lessons along with a series of country-based policy recommendations within Members and Partners, many embodied in OECD legal instruments, in a broad array of public-governance areas.

The main observations and key lessons learned from this decade's worth of effort by governments in designing and implementing public governance reforms include:

- The existence of a significant gap in evidence on how public governance can improve inclusive-growth outcomes;
- The perception that governance reform is often seen as a tool to reduce expenditures rather than a means to solve complex policy challenges;
- Evidence that reform leaders have difficulty in building a business case to engage in comprehensive public governance reform;
- Evidence that top-down approaches devoid of engagement with citizens usually reduce the success of the reform;
- Evidence that a coherent, integrated, systems-based approach to reform can lead to better results through the identification of synergies, trade-offs and sequencing considerations that can help guide reform efforts in achieving successful, sustainable outcomes.

The genesis of this Framework stems from a first discussion of these observations during a meeting of the Public Governance Committee in 2013. At the conclusion of the discussion, PGC delegates recognised that significant effort was being made to codify policy recommendations “vertically” by area (e.g.: public governance of public-private partnerships, regulatory policy and governance, transparency and integrity in lobbying). At the same time, the discussion underscored that what was missing was a “horizontal” narrative that “tied it all together” coherently in way that could help governments respond to policy challenges with the same degree of multidimensionality that the challenges themselves were presenting, while identifying and managing the trade-offs required to design and implement effective reforms ([GOV/PGC\(2013\)4](#)) ([GOV/PGC/M\(2013\)1](#)).

Discussion highlighted the need to have these standards presented in an integrated and coherent narrative on what works best in public governance, drawing from an analysis of trends and lessons learned that could be of value to governments engaging in designing and implementing public-governance reforms. The first results of this initial scoping and analysis were discussed at a meeting of the Public Governance Committee in 2016 ([GOV/PGC\(2016\)15](#)). An outline of a Framework was then discussed in the Committee in 2017 ([GOV/PGC/M\(2017\)2/FINAL](#)).

This draft Framework builds on these lessons learned and on practice-based evidence of what works, what does not and why, gathered over the past decade through the OECD's Public Governance Reviews (PGRs) and other country- and sector-specific assessments in public governance. It weaves together the existing OECD legal instruments in this area, including lessons learned and country practice in implementing the operating principles codified in the instruments. As well, and most importantly, it “fills in the blanks” by highlighting evidence of practice in areas of governance for which no legal instrument currently exists (for example for whole-of-government coordination or for evaluating policy performance). It weaves these lessons learned and evidence-based practice into a single document that presents an integrated, coherent narrative on Sound Public Governance.

In so doing, the OECD is not seeking to impose a univocal vision of, or single recipe for, public governance; nor does it seek to gloss over the many context-based factors affecting the capacity of governments to integrate these practices into public management (e.g. size of country and government; homogeneity of the civil service; level of government; etc.). In addition, the OECD is not presenting this draft Framework as a replacement for existing OECD legal instruments. Indeed the Framework as a tool is designed to be evergreen and easily updatable as practice evolves and additional legal instruments are adopted.

What is Sound Public Governance?

OECD like-mindedness is based on a set of shared fundamental values. “These fundamental values include a commitment to pluralist democracy based on the rule of law and the respect of human rights, adherence to open and transparent market economy principles and a shared goal of sustainable development” ([C\(2013\)110/FINAL](#)).

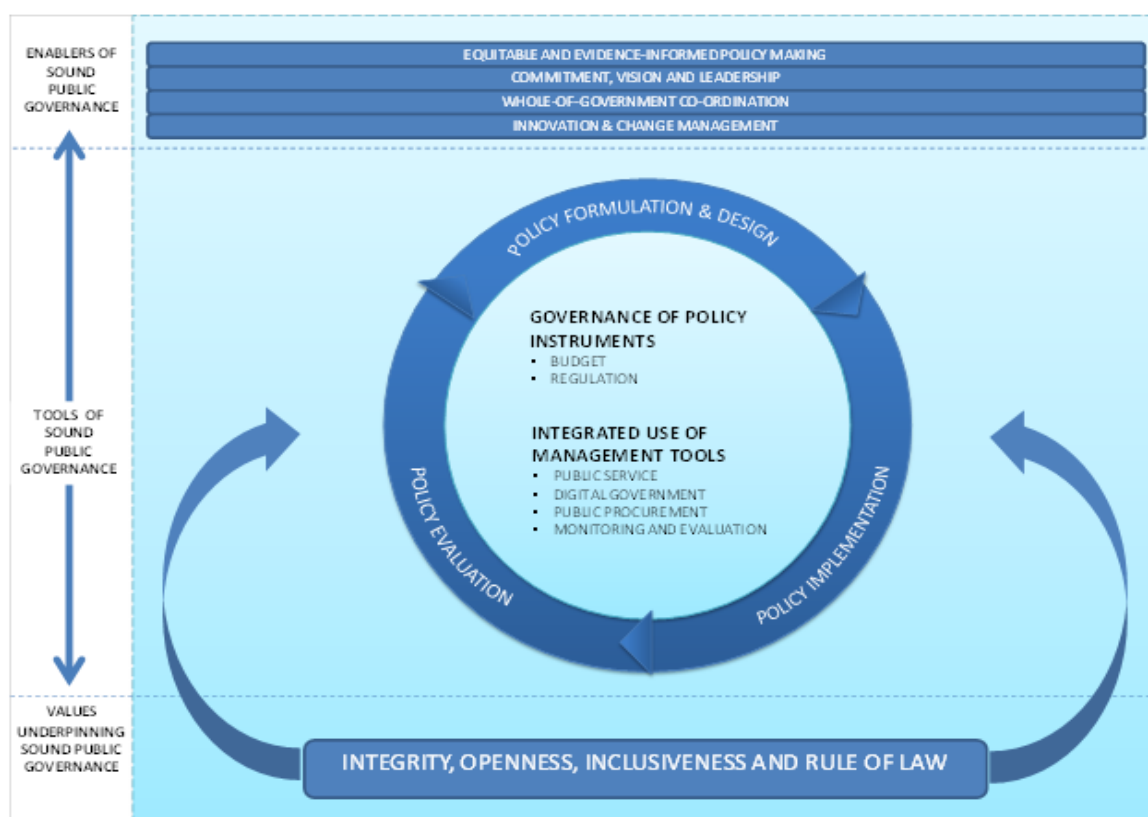
Sound public governance constitutes a sine qua non condition for pluralist democracies to give effect to the rule of law and respect for human rights in practice, and effective democratic institutions lie at the core of sound public governance. They constitute indispensable means to engage in open, equitable and inclusive decision-making in the public interest and in concert with citizens to enhance wellbeing and prosperity for all.

Sound public governance is therefore the design, execution and evaluation of formal and informal rules, processes, and interactions between the institutions and actors comprising the State, and between the State and citizens, whether individually or organised into civil-society organisations, businesses or other non-state actors, that frame the exercise in the public interest of public authority and decision-making in a way that enables the proper anticipation and identification of challenges and in response sustains improvements to general prosperity and wellbeing.

Sound public governance is the combination of three interconnected elements:

- **Values:** key behavioural traits that guide public governance across all of its dimensions in a way that advances and protects the public interest.
- **Enablers:** an integrated nexus of practice that enables the correct identification of issues and challenges and the design, implementation and evaluation of reforms in response that sustain improvements to outcomes.
- **Instruments and tools:** a set of policy instruments and management tools for effective policymaking.

Figure 1. Elements of Sound Public Governance



Source: Authors' own elaboration.

How does the Policy Framework work?

At the conclusion of each chapter, the Framework poses a small number of strategic questions that policy-makers can use to self-assess their government's institutional and decision-making capacity in key public governance areas. The questions seek to guide policy-makers in determining whether their governments have adopted good practices in light of the evidence the OECD has gathered in each governance area on country trends and practice in pursuing reforms and in designing, implementing, and evaluating policies.

The Framework also provides, where possible, reform-implementation guidance based on the toolkits developed to support the implementation of existing Recommendations as well as evidence on trends and practice. The Framework then provides a list of additional resources that can help policymakers gain a better understanding of OECD standards and practice in sound public governance.

With this draft Framework the OECD seeks to bear witness to the different practices that countries have developed – and continue to develop – to ensure that their institutional and decision-making arrangements lead to improving results for people: *better policies – through better governance – for better lives.*

Executive Summary

The Policy Framework of Sound Public Governance is divided into two parts:

- Part 1: The Values and Enablers of Sound Public Governance
- Part 2: Sound Public Governance for Policy Formulation, Implementation and Evaluation

Part I: The Values and Enablers of Sound Public Governance

The first part of this Framework presents, in chapter 1, elements related to governance values and ethics that can positively influence the manner in which governments select and prioritise policy problems and structure relations internally and with external stakeholders and citizens. Chapter 2 then provides an evidence-based overview of a key set of enablers of sound public governance that governments can adopt to pursue effective and equitable decision-making and successful reforms.

The Values of Sound Public Governance

Governance is a means to an end: meeting the needs of, and improving outcomes for, people. OECD evidence and lessons learned point to **transparency, integrity, accountability and inclusion** as key governance values that provide the framework for citizen-driven policy-making and delivery, for preventing corruption and policy capture by narrow interests, and for orienting public decision-making toward the common interest, thereby building citizen trust in government.

Building a values-based culture of sound public governance is a continuous and challenging process of shaping organisational and individual practices and behaviour through the identification, design and implementation of systemic multifaceted public-governance reforms. Even though there is no perfect (nor single) reform recipe, evidence suggests that concrete steps can be taken to move the public sector, both culturally and institutionally, toward more democratic, values-based behaviour as a means to serve citizens better, generate inclusive growth and rebuild trust. In this connection, the OECD has paid special attention to:

- *Integrity*: Building an integrity system in the public sector is a critical component for preventing corruption, to safeguard democratic institutions and the rule of law. The *OECD Recommendation on Public Integrity* (2017) shifts the focus from ad hoc integrity policies to a context dependent, evidence and risk-based approach with emphasis on promoting a cultural change and examining integrity policy-making through a behavioural lens. In particular, the *Recommendation* provides guidance for developing a public integrity strategy based on three pillars: (1) building a coherent and comprehensive integrity system, (2) cultivating a culture of public integrity, and (3) enabling accountability and transparency. Other instruments provide specific guidance in the area, such as the *OECD Recommendation on Guidelines for Managing Conflict of Interest in the Public Service* (2003) and the *OECD Recommendation on Principles for Transparency and Integrity in Lobbying*.

- *Openness*: is a culture of public governance that promotes the principles of transparency, integrity, accountability, and stakeholder participation in support of democracy and inclusive growth. In that regard, it is important to see Open Government not as an end in itself, but as a tool to achieve policy objectives. The OECD *Recommendation on Open Government* (2017) recommends that governments develop, adopt and implement open government strategies and initiatives through (1) ensuring the existence of an enabling environment, (2) developing an implementation framework, and (3) planning the way ahead by exploring the potential of moving from the concept of open government to that of open state, encompassing the legislative and judicial branches. . Other instruments provide specific guidance in the area, such as the OECD *Recommendation on Guidelines for Managing Conflict of Interest in the Public Service* (2003) and the OECD *Recommendation on Principles for Transparency and Integrity in Lobbying*.
- *Inclusiveness and gender equality*: To empower historically marginalised, disadvantaged and/or vulnerable groups to make societies more cohesive and resilient and democracies more vibrant, governments can take active measures to design, apply, and monitor equality in governance and decision-making. The application of a gender-equality and inclusiveness lens helps governments better understand the needs all societal groups and how to respond to them effectively. The OECD *Recommendation on Gender Equality in Public Life* (2015) identifies three drivers to ensure inclusiveness in public-governance approaches and decision-making processes: (1) Sustain strong institutional mechanisms, tools and accountability structures; (2) Enable effective stakeholder participation; (3) Ensure gender equality, diversity and inclusiveness in decision-making.
- *Accountability based on the rule of law and access to justice*: The rule of law represents one of the shared values of the like-mindedness underpinning OECD countries. Effective and efficient justice systems are crucial to sustaining the rule of law, accountability before the law and sound public governance - notably the effectiveness of policy and regulatory performance.

The Enablers of Sound Public Governance

An overview of lessons learned drawn from OECD work on public governance demonstrated that leaders have difficulty in building “the business case” for engaging different governance stakeholders in comprehensive reforms. It also shows that they grapple with the general perception that governance reform is often seen as a tool to reduce expenditures rather than a means to solve complex policy challenges.

In this regard, the existing OECD Recommendations relating to public governance and the OECD’s body of evidence show that despite sector-specific differences across Recommendations, each advocates a key set of common enablers that, along with governance values, are key to effective governance and reform:

- *Equitable and evidence-informed policy-making*: Managing decision-making effectively and efficiently in the public interest and preventing unbalanced influence lies at the core of sound public governance. How public decisions are made, which interests lie behind these decisions and what their goals are define all reform efforts. Equitable decision-making can be strengthened when a multiplicity of actors, through enabling mechanisms and institutional spaces, promote and work

collectively and in a representative manner in the public interest. The use of evidence in policy-making; in particular the governance of how evidence is collected, applied and integrated into decision-making, is another key element of reforms.

- *Commitment, vision and leadership*: For reforms to be successful, it is crucial to ensure commitment and demonstrate the *political will* to endorse (and pursue) a policy or strategy at the highest political level. Moreover, nearly all OECD countries present some sort of strategic vision, codified in strategic plans or government programmes, that increases policy coherence, underpins the rationale for better coordination, can legitimatise policymaking and constitutes a tool to ensure reform sustainability. *Leadership from the civil service* can be fundamental for the success of reforms as senior civil servants usually play the key role of linking strategy to policy execution and are crucial for the effective design and implementation of policies. Governments should therefore invest in a values-driven, result-oriented and citizens-centred culture of leadership at the senior level management.
- *Whole-of-government co-ordination*: In recent decades, policy co-ordination to achieve greater policy coherence has become particularly relevant in many OECD and non-OECD Members, mainly due to the emergence of crosscutting, multi-dimensional policy challenges and the subsequent atomisation of administrative structures. To promote coherence and improve policy co-ordination in the way the government works across ministries, agencies and other administrative units, governments can strengthen the institutional and financial capacities of their centres of government as well as medium-term strategic planning from a whole-of-government perspective.
- *Change management and innovation*: Public-sector change management and innovation is about introducing and implementing new ideas by reinforcing the strategic agility and forward-looking nature of the state. OECD evidence shows that the main innovation enablers in government are linked to factors related to how people are managed, whether internal regulations work, the role of budgets in creating space for innovation, how project management practices can be designed to deal with risks, and how to create safe spaces to experiment.

Part II: Sound Public Governance for Policy Formulation, Implementation and Evaluation

Public governance is not only about the values and enablers underpinning institutional and decision-making arrangements to manage governing in the public interest; it is also about how governments pursue formulating, implementing and evaluating decisions against their impact on citizens' lives. The second part of the Framework complements the aforementioned elements with an integrated overview of good practices and tools adopted by OECD countries, which can enhance the quality and impact of policy-making at the different stages of the policy cycle. This second part presents how governments can shape policy-making through the strategic use of policy instruments that can directly influence the content and effects of policy action; and management tools that can affect policy outcomes.

Toward sound policy formulation and design

First, an issue needs to be correctly identified, defined and framed. Once this has been achieved, and this process normally includes stakeholder and citizen engagement to validate the identification of the issue, policy-makers can determine adequate courses of action. The policy formulation stage is the process by which governments translate long and medium-term policy goals, as well as short-term challenges, into concrete courses of action.

Management tools for policy formulation and design

Throughout all stages of the policy process policy-makers use tools to pursue desired outcomes. Moreover, those tools can serve as direct channels for policy implementation. Evidence suggests that the following management tools can improve the quality of policy formulation and design:

- *Strategic planning* to articulate short, medium and long-term objectives and cluster policy initiatives around a small number of integrated policy priorities.
- *Skills for developing policy* that are the combination of traditional aptitudes, such as the capacities for providing evidence-based, balanced and objective advice, with a new set of skills in digital, open and innovative government.
- *Digital capacities* used in all areas and at all levels of the administration to allow meaningful, participatory and innovative stakeholder engagement to collaborate in the design of policies.

The strategic use of policy instruments

Policy-makers have to decide which combination of policy instruments can best be deployed to influence the content and effect of policy action to address a problem and implement a solution. In public governance, OECD evidence highlights the importance of:

- *Regulatory policy and governance* to ensure that regulations meet the desired objectives and new challenges as efficient as possible. To help governments implement and advance regulatory practice that meets stated public policy objectives, the *OECD Recommendation on Regulatory Policy and Governance* (2012):
 - Provides governments with clear and timely guidance on the principles, mechanisms and institutions required to improve their regulatory framework to the highest standards;
 - Advises governments on the effective use of regulation to achieve better social, environmental and economic outcomes; and
 - Calls for a “whole-of-government” approach to regulatory reform, with emphasis on the importance of consultation, co-ordination, communication and co-operation.
- *Budgetary governance*: A second substantial policy instrument is the budget, which reflects governments’ policy priorities and translates political commitment, goals and objectives into decisions on what policies receive financing and how these resources are generated. The *OECD Recommendation on Budgetary Governance* serve as guidance for policymakers to make use of the budget system to achieve policy objectives and meet the challenges of the future, inter alia to:

- Use budget as a substantial policy instrument to achieve medium-term strategic priorities of the government
- Design the capital budgeting framework in a way that it supports meeting national development needs in a cost-effective and coherent manner, inter alia, to ensure that infrastructure projects meet their timeframe, budget, and service delivery objectives.
- Ensuring that budget documents and data are open, transparent and accessible. Ensuring an inclusive, participative and realistic debate on budgetary choices that need to be made in the general public interest.

Toward sound policy implementation

Managing implementation

As policy challenges are rising in complexity, governments need to build and reshape capacities to ensure that policies reach the people. As for policy formulation and design, this implies financial, human and digital resources to enhance the strategic agility of the administration and tools to ensure co-ordination, along with capacity to ensure effective oversight and monitoring to enable the government to make corrections when needed. Sound policy implementation also implies openness, inclusiveness and integrity during the process.

For the implementation phase of the policy cycle, the Framework assesses key determinants of successful policy implementation. It explores, for instance, the role and importance of civil-service capabilities and skills along with digital tools in enhancing the strategic agility and responsiveness of government institutions.

OECD experience in public employment and management underscores the importance of developing adequate frameworks to:

- *Strengthen the capacities and skills of public employees* in order to create a values-driven, trusted and capable, response and adaptive public service. The quality of public policy invariably depends on the capacities and motivation of the senior civil service to translate the decisions taken by the political leadership into manageable, actionable initiatives and to harness the necessary human and financial resources to implement them successfully.
- *Strengthen digital government strategies*, as stated in the *OECD Recommendation on Digital Government Strategies* (2014), as pivotal for the improvement of policy-making in all its stages, as it can be strategically used to shape public governance outcomes, instead of using them merely to improve government processes. A sound digital environment allows for more collaborative and participatory relations with stakeholders to define political priorities actively together and to co-design and co-deliver public services.
- *Using Public Procurement as a strategic lever to pursue policy objectives*.

Monitoring performance

Monitoring policy and governance performance is essential to ensure the proper implementation of a public policy. Monitoring helps policy-makers track progress and make adjustments when necessary during the implementation phase to make sure a policy is on track to achieve the objectives for which it was adopted.

Information collected during the monitoring process can feed planning, *decision-making and improve performance*. It can moreover serve as a *follow-up tool*, improving the implementation processes and the functioning of organisations; with a view to further enhance efficiency or the use of organisational capacity, among others. Eventually, it *provides accountability to stakeholders*, on issues such as resources use internal processes, outputs and outcomes of a policy. Finally, policy monitoring can inform formulation and decision-making of other policy interventions, for instance as part of performance-informed budgeting. In identifying three areas OECD countries are monitoring, the Framework discusses the monitoring of government-wide policy priorities, financial performance and budget execution as well as regulatory governance:

- OECD countries are increasingly focusing on monitoring the alignment of policies as well as their impact: they are gradually turning away from tracking line-item public expenditures in isolation from evaluating policy and spending decisions for impact and results, in order to improve co-ordination across policy areas and highlight progress and achievements publically against desired outcomes. This is becoming increasingly relevant as countries seek to translate and implement Agenda 2030 by aligning their own national strategic objectives, the SDGs and result-areas in their national budget.
- The monitoring of the administration's financial performance and budget execution can help governments assess the effectiveness of public spending against strategic objectives and adjust the allocation of financial resources in case of unforeseen implementation challenges or misspending.
- In many OECD countries, measuring regulatory performance and ensuring regulatory compliance works for instance through inspections, which are common implementation tools to improve policymaking and service delivery. These can help governments identify specific barriers, improve regulations to reduce compliance costs, maximize net benefits, and ensure that regulations are transparent and accessible for citizens.

Toward robust policy evaluation

In addition to monitoring, evaluating performance and policy results helps policy-makers understand better why some policies work and others do not. By producing evidence through a structured and objective assessment of a future, ongoing or completed policy or reform initiative, policy evaluation can enhance the quality of decision-making and provide tailored advice to improve policy formulation and implementation.

If performance data and the evidence explaining performance quality and levels are fed into the policy cycle and used to improve future policy initiatives, policy evaluation can optimise policies' value for money, accountability and transparency of the policy-making process, and provide legitimacy for the use of public funds and resources.

Robust policy-evaluation systems imply that evaluations are part and parcel of the policy cycle; that evaluations are carried out rigorously and systematically; that the results are used by decisions-makers; and that information is readily available to the public.

For many countries developing and/or implementing a strategy for promoting a whole-of-government approach on policy evaluation is a key challenge. Such a strategy would ideally address three main issues, i.e. providing guidance on how to:

- *Build an institutional framework for policy evaluation*, which provides amongst others (a) the legal basis, (b) macro-level guidance, and (c) the identification of mandated institutional actors with allocated resources to oversee or carry out evaluations;
- *Foster a policy evaluation culture*, including for instance direct and indirect measures to promote the quality and use of policy evaluations across government;
- *Deliver government-wide and sector policy evaluations* ensuring the link with, for instance, economic, social and/or environmental priorities.

Part I: The Values and Enablers of Sound Public Governance

Sound public governance is framed by a number of values and operating principles that serves to advance and protect the public interest in pluralistic democracies. These public-service values good-governance enablers underpin the public sector's ability to engage democratically in effective policymaking in pursuit of inclusive growth. They help governments prevent policy capture by special interests. Ensuring that all policy initiatives reflect public-service values is a permanently challenging process that requires active efforts to shape the public sector's governance culture.

The first part of this Framework presents elements related to governance values and ethics that can positively influence the manner in which governments select and prioritise policy problems and structure relations internally and with external stakeholders and citizens. This first part then provides in chapter 2 an evidence-based overview of a key set of enablers of sound public governance that OECD countries have adopted to pursue effective decision-making and successful reforms.

Policymakers often encounter challenges in engaging different stakeholders in coherent, multidimensional public-governance reforms to solve complex, crosscutting policy challenges. Indeed the existing OECD legal instruments relating to public governance (notably the various Recommendations of the Council falling under the responsibility of the Public Governance and Regulatory Policy Committees), and the body of evidence gathered by the OECD through its engagement with Members and non-Members on public-governance reform matters, show sector-specific differences in reforming public-governance practices to improve results. Beyond these differences, however, this evidence also shows that a set of common enablers of sound public governance are key for sustaining a reform's success. Chapter 2 thus provides evidence on how the impact of governance reforms on improving results can be sustained through (1) equitable and evidence-informed policy-making; (2) commitment, vision and leadership; (3) whole-of-government co-ordination and (4) change management and innovation.

1. The Values of Sound Public Governance

OECD like-mindedness is based on a set of shared fundamental values. “These fundamental values include a commitment to pluralist democracy based on the rule of law and the respect of human rights, adherence to open and transparent market economy principles and a shared goal of sustainable development” (C(2013)110/FINAL).

Sound Public Governance constitutes a sine qua non condition for countries to give effect to these values in practice, and effective democratic institutions lie at the core of sound public governance: they constitute indispensable means to engage in open, equitable and inclusive decision-making in the public interest and in concert with citizens to enhance wellbeing and prosperity for all. Sound public governance is therefore not an end in itself but a tool to improve individual and societal outcomes.

Box 1. Definition of Sound Public Governance

Sound public governance is the design, execution and evaluation of formal and informal rules, processes, and interactions between the institutions and actors comprising the State, and between the State and citizens, whether individually or organised into civil-society organisations, businesses or other non-state actors, that frame the exercise in the public interest of public authority and decision-making in a way that enables the proper anticipation and identification of challenges and in response sustains improvements to general prosperity and wellbeing.

Sound public governance is the combination of three interconnected elements:

- *Values*: key behavioural traits that guide public governance across all of its dimensions in a way that advances and protects the public interest.
- *Enablers*: an integrated nexus of practice that enables the correct identification of issues and challenges and the design, implementation and evaluation of reforms in response that sustain improvements to outcomes.
- *Instruments and tools*: a set of policy instruments and management tools for effective policymaking.

The shared goal of sustainable development, expressed in **the UN Agenda 2030 Sustainable Development Goals (SDGs)**, defines a clear set of commitments within goal 16 to achieve “peace, justice and strong institutions”². SDG 16 includes the creation of peaceful and inclusive societies that guarantee access to justice for all along with effective, accountable and transparent public institutions at all levels of government. These commitments include such targets as the reduction of corruption and bribery in all their forms; guaranteeing rights of minorities; ensuring responsive, inclusive, participatory and

² UN Sustainable Development Goals : <https://www.un.org/sustainabledevelopment/peace-justice/>

representative decision-making at all levels; guaranteeing freedom of the press and public access to information; and protecting fundamental rights and freedoms of the individual in accordance with national legislation and international agreements.

A proactive commitment to these basic values is more important now than ever. Countries around the world are increasingly facing challenges to traditional democratic pluralism on both the right and the left of the political spectrum; only an OECD average of 43% of people still trust their governments³. This is partly the outcome of a detachment between people and their political systems, while the role of traditional representative democratic channels, such as unions or political parties, is being questioned inter alia through lower participation rates in the democratic process. The impact of other more direct channels of participation, such as the effect of public consultations using social media on the quality of democracy, is for its part not yet clear.

Public trust in the institutions of government is generated by more than simply an administration's effectiveness in delivering policies. Trust is about citizens being able to rely with confidence on the understanding that political and policy decisions are made in the public interest, that resources are being spent in the most honest and efficient way possible and that the ultimate goal of public servants is to work in the public interest to improve people's lives. Lack of trust erodes democracy and compromises the willingness of citizens and business to commit to public policies. Lack of trust therefore represents a barrier to inclusive social and economic development to secure prosperity and well-being for all (OECD, 2017).

Government efforts to strengthen – and sometimes rebuild – essential democratic bonds require harnessing a governance culture based on public values and ethics that reflect a society's goals and aspirations. Those values and ethics are context-based and are rooted in historical and cultural traditions that represent the broadest of societal consensus; this consensus can take decades, sometimes centuries, to crystallise. In their pursuit of sound public governance over the past decades, OECD countries have identified and committed themselves to what has turned out to be a common set of governance values which not only contribute to more democratic and effective policy-making, but to more inclusive economic growth⁴. These values are of course interconnected through their common focus on promoting and defending the public interest in pursuit of inclusive growth and development outcomes.

While boundaries between them are difficult to draw, these public values can be clustered around the four axes of ***transparency, integrity, accountability*** and ***participation***⁵. These interconnected and mutually reinforcing values, along with such operating principles as ***effectiveness***, are cornerstones that serve to structure and orient the public sector toward

³ OECD (2017), Trust and Public Policy: How Better Governance Can Help Rebuild Public Trust, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/9789264268920-en>

⁴ The evidence presented in this Policy Framework is drawn from lessons learned from over a decade's worth of work on public governance reform conducted by the OECD with Member and Partner governments, whether using the OECD's cross-cutting, integrative Public Governance Review assessment and benchmarking tool or sector-based assessments in such areas of public governance as Budgeting, Regulatory Policy, Integrity, Human Resources Management or Innovation reviews.

⁵ See the OECD *Recommendation on Open Government* (2017)

serving citizens' needs in a manner that is free of corruption. Building a values-based culture of sound public governance is a continuous and challenging process of shaping organisational and individual practices and behaviour through the identification, design, implementation and evaluation of systemic multifaceted public-governance reforms. Even though there is no perfect (nor single) reform recipe, concrete steps can be taken to move the public sector, both culturally and institutionally, toward more democratic, values-based behaviour as a means to serve citizens better, generate inclusive growth and rebuild trust.

Evidence suggests that reforms that aim to create or strengthen a values-based culture of sound public governance cannot be implemented through siloed or sector-based approaches. Crosscutting, multidimensional reform strategies forged through robust coordination across government silos to incorporate all relevant strands seem to work best.

Most of the practices that the evidence suggests work have been embodied in OECD legal instruments on public governance: the *Recommendation on Improving the Quality of Government Regulation*, (1995) the *Recommendation on Guidelines for Managing Conflict of Interest in the Public Service* (2003), the *Recommendation on Regulatory Policy and Governance* (2012), the *Recommendation on Budgetary Governance* (2015), the *Recommendation on Gender Equality in the Public Life* (2015), the *Recommendation on Public Integrity* (2017), and the *Recommendation on Open Government* (2017).

1.1. Integrity

Integrity is the cornerstone of any system of sound public governance. It is vital for governing in the public interest for the prosperity and well-being of society as a whole. It reinforces such other fundamental values as the commitment to a pluralistic democracy based on the rule of law and respect of human rights.

That said, no country is immune to violations of integrity, and corruption remains one of the most challenging issues facing governments today. Corruption is the misappropriation or theft of public resources for private gain. Corruption erodes public governance and democracy, and citizens' confidence in them because it wastes public resources, widens economic and social inequalities, and breeds discontent and political polarisation (OECD, 2016b[1]).

Building an integrity system in the public sector is a critical component not only for preventing corruption but also for safeguarding democratic institutions and the rule of law. A strategic and sustainable response to corruption therefore places public integrity at its core (Box 2).

Box 2. Definition of Public Integrity

Public Integrity refers to the consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests in public-sector behaviour and decision-making.

Source: OECD (2017), *OECD Recommendation of the Council on Public Integrity*, <http://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf>

Over the years, OECD countries have adopted legal and institutional frameworks to strengthen integrity in the public sector. Indeed many countries rely heavily (or solely) on compliance and enforcement mechanisms. Such approaches usually stress the importance of both increasing the costs and lowering the benefits of undesired behaviour through controls and sanctions. The aim is to reduce the discretion of decision makers in order to diminish their scope for misbehaviour. However, evidence suggests that the effects of overly-rigid compliance regimes tend to be limited and can actually act as a deterrent on a person's behaviour (Box 3).

Box 3. The hidden costs of control

A series of behavioural experiments, looking at the effects of compliance programmes on a person's intrinsic motivation for integrity, found that some of the more traditional methods of control were, in fact, promoting corruption rather than preventing it.

For example, the "four-eye principle" requires approval by at least two equally responsible individuals and is based on the argument that it is harder to successfully corrupt two people than it is to corrupt one. However, experimental evidence has found that involving additional actors to a decision-making process without giving them a unique responsibility might not necessarily be an effective approach to promoting integrity.

Indeed, the principle is motivated by distrust and can have adverse impact on employees' intrinsic motivations. Moreover, it enables the diffusion of responsibility between individuals, taking away moral responsibility from the individual decision. The principle also encourages people to develop solidarity with one another and can entrap them in a corrupt network.

Source: Schikora, J. (2011), "Bringing the four-eyes-principle to the lab.", *Münchener Wirtschaftswissenschaftliche Beiträge: VWL: discussion papers*, <http://www.econbiz.de/Record/bringing-the-four-eyes-principle-to-the-lab-schikora-jantheodor/>

The OECD *Recommendation on Public Integrity* (2017) incorporates much of the existing knowledge on integrity practices in the public sector, but shifts the focus from ad hoc integrity policies to a context-dependent, evidence and risk-based approach with emphasis on promoting a cultural change and examining integrity policy-making through a behavioural lens. The *Recommendation* includes a number of new crosscutting considerations and promotes coherence with other key elements of public governance. For example, it highlights the need for effective coordination across institutions and levels of government to harness each relevant area of responsibility in the design and delivery of a coherent, integrated public-sector integrity framework. Moreover, as risks to integrity can be caused by interactions between the public sector, the private sector and civil society, the *Recommendation* incorporates a whole-of-society approach tailored to the specific integrity risks of sectors, organisations and officials.

In particular, the *Recommendation* provides guidance to policy makers for developing a public integrity strategy that is built on three pillars: (i) building a coherent and comprehensive integrity system, (ii) cultivating a culture of public integrity, and (iii) enabling accountability and transparency (Figure 2).

Figure 2. The three pillars of the OECD Recommendation on Public Integrity: System, culture, accountability

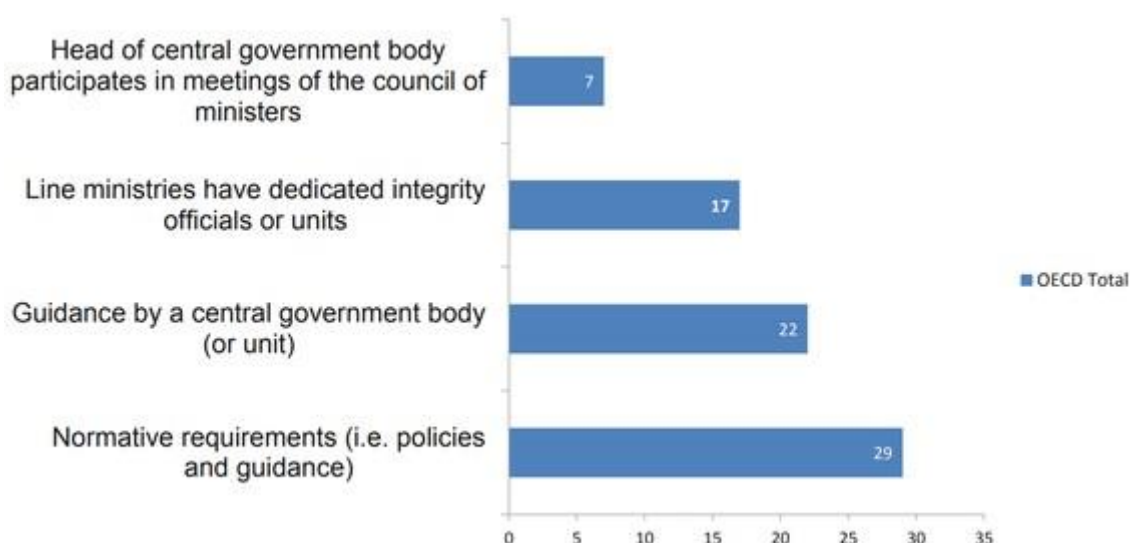


Source: OECD (2017), *OECD Recommendation of the Council on Public Integrity*, <http://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf>.

A **coherent and comprehensive public integrity system** aims to ensure that policy-makers develop a set of interconnected policies and tools that are coordinated and avoid overlaps and gaps:

- The growing empirical evidence gathered by behavioural scientists shows that emphasising commitments at the highest political and management levels sets the tone for how integrity is perceived across the public sector and society (OECD, 2018a[2]).
- Similarly, ensuring that institutional and personal responsibilities are clearly identified not only increases the effectiveness of the overall integrity system but also strengthens the integrity of individual decision-makers.
- In OECD countries, the Centre of Government often leads inter-institutional coordination among public officials, across administrative silos and between levels of government in designing, implementing and evaluating the performance of integrity frameworks (Figure 3).

Figure 3. Mechanisms to mainstream integrity policies across line ministries



Source: OECD (2016), *Survey on Public Sector Integrity*, OECD, Paris.

- A growing number of OECD countries has recognised the importance of developing a strategic, risk-based approach and setting high standards of conduct to promote values-based decisions in the public sector and society. For example, codes of conduct define central duties and prioritise adherence to public-service values to reflect integrity in the overarching strategy, as well as in management goals and performance appraisals.

Cultivating a culture of integrity, aims to appeal to the intrinsic motivation of individuals to behave ethically – in the public sector, the private sector, and in society as a whole:

- Awareness campaigns and educational programmes for children and youth (OECD, 2018b[3]) can enable a whole-of-society culture of integrity that engages the private sector, civil-society organisations and citizens to exercise more readily their roles and responsibilities in preventing and fighting corrupt practices.
- Governments and public entities in OECD countries also increasingly invest in the integrity leadership of public managers, promote a merit-based professional public service, for example by integrating integrity into job-selection processes, and provide guidance and training programmes for public officials.
- The pillar also includes supporting an open organisational culture where ethical dilemmas, public integrity concerns and errors are discussed freely and resolved in a timely manner. Awareness-raising activities on reporting violations of integrity are therefore crucial to change the culture around whistleblowing and break down negative connotations associated with it.

Enabling effective accountability builds on risk-based controls and real responsibility for integrity violations:

- It involves applying an internal control and risk-management framework to safeguard integrity, developing effective enforcement responses to all suspected

integrity violations as well as strengthening the role of external oversight and controls.

- Supreme Audit Institutions (SAIs) are important actors of a country's accountability chain. Traditionally known for their oversight of public expenditure, their roles are evolving to inform governments on what works and what does not in public governance (OECD, 2016[4]).
- Accountability encourages transparency and stakeholder participation at all stages of the political process and policy cycle. To avoid policy capture of public policies by narrow interest groups, governments can develop conflict-of-interest management frameworks as well as instil transparency in lobbying activities and in the financing of political parties and elections campaigns. The Recommendation on Principles for Transparency and Integrity in Lobbying (2010) and the Recommendation on OECD Guidelines for Managing Conflict of Interest in the Public Service (2003) provide clear roadmaps to address these issues.

Core questions for consideration by governments

- *System*: In order to guarantee the coherence of integrity policies, are there mechanisms in place to mainstream integrity policies across line ministries? Is coordination between different relevant bodies at the central and subnational levels ensured?
- *Culture*: Are there measures to promote a culture of integrity in government (e.g. merit-based recruitment, training, awareness raising)? Are there measures to promote a culture of integrity in society (e.g. awareness raising and education programmes, codes of conduct/responsible business conduct practices for public employees, etc.)?
- *Accountability*: Are policies and practices for identifying, assessing and responding to integrity risks effective and efficient? Is the interaction between public officials and interest groups regulated?

Additional resources

OECD legal instruments:

- [OECD Recommendation of the Council on Public Integrity \(2017\)](#)
- [OECD Recommendation of the Council on Guidelines for Managing Conflict of Interest in the Public Service \(2003\)](#)
- [OECD Recommendation of the Council on Principles for Transparency and Integrity in Lobbying](#)

Other relevant OECD tools:

- Behavioural Insights for Public Integrity - Harnessing the Human Factor to Counter Corruption (2018a)
- Education for Integrity - Teaching on Anti-Corruption, Values and the Rule of Law (2018b)
- Government at a Glance (2017)

- Integrity Framework for Public Investment (2016a)
- Investing in Integrity for Productivity (2016b)
- Financing Democracy - Funding of Political Parties and Election Campaigns and the Risk of Policy Capture (2016c)
- Supreme Audit Institutions and Good Governance (2016d)
- Lobbyists, Governments and Public Trust, Volume 3: Implementing the OECD Principles for Transparency and Integrity in Lobbying (2014)
- Managing Conflict of Interest in the Public Sector - A Toolkit (2005)
- Managing Conflict of Interest in the Public Service - OECD Guidelines and Country Experiences (2004)

1.2. Openness

The OECD defines **Open Government** as a culture of public governance that promotes the principles of transparency, integrity, accountability and stakeholder participation in support of democracy and inclusive growth⁶. Given the importance of openness in governance and policy-making, open-government strategies and initiatives have become a pillar of public-governance reforms. These reforms can range from initiatives to improve **transparency** by, for example, guaranteeing public access to information and open data, to more complex practices to increase **accountability** and **stakeholder participation** in decision-making.

Open Government is not an end on itself; it is a tool to achieve policy objectives. As with public integrity, open government principles and practices can be applied to all decision-making regardless of the theme or sector, and across all Branches of Power (when Open Government frameworks and principles are adopted by a country's Legislative and Judicial Branches in addition to the Executive, the OECD refers to this phenomenon as an Open State). When policies are decided, designed and implemented in a transparent and inclusive way, they contribute to building citizens' trust and to achieving policy outcomes more effectively, because openness allows governments to broaden the range of input for decision-making. Open Government can contribute to political equality too, because it requires governments to reach out to those populations and sectors that are less prone to public participation. For this reason, OECD Recommendations in different areas of public governance, from regulatory policy to public integrity and digital government, advocate for the adoption of open government principles and practices.

By highlighting evidence on those practices that work best in this area across OECD countries, the OECD Recommendation on Open Government (2017) advises that governments develop, adopt and implement open government strategies and initiatives that promote the principles of transparency, integrity, accountability and stakeholder participation in designing and delivering public policies and services. In this regard, policy makers could:

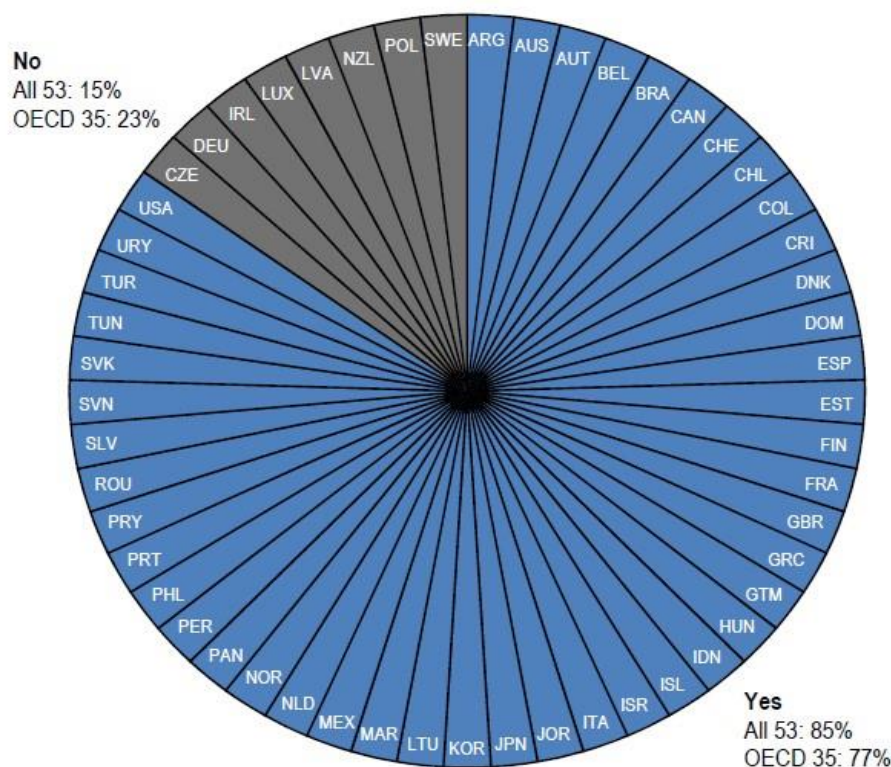
- **Ensure the existence of an enabling environment**, such as the design and implementation of a robust open government legal and regulatory framework,

⁶ Recommendation of the Council on Open Government (2017)

ensuring human, financial, and technical resources and promoting open government literacy;

- The success of open government strategies depends largely on the existence of a policy and legal framework that sets the rules for both government and stakeholders, such as the existence of access-to-information frameworks. Successful implementation of open government strategies are usually coupled with the strategic use of digital government and public sector innovation tools.
- **Develop an implementation framework**, through co-ordination mechanisms across government; monitoring, evaluation and learning mechanisms for open government strategies and initiatives; as well as stakeholder participation processes. In addition, effective communication can support the OG implementation framework as communication serves not just as a means of informing the public, but as a strategic tool to support policymaking and service delivery by enhancing transparency and participation.
 - Since an open government strategy cuts across different policy sectors and public governance areas, the active role of the Centre of Government can be instrumental in providing leadership and effective policy co-ordination. According to the 2016 OECD Survey on Open Government and Citizen Participation, 85% of the surveyed countries have a dedicated office responsible for horizontal co-ordination of open government initiatives (Figure 4). Moreover, a sound monitoring and evaluation system for open government initiatives can be pivotal to ensure that policies are achieving their intended outcomes, make corrections if needed and therefore enable open-government initiatives to generate greater impact. However, this is a challenging task: while 91% of countries say they monitor open government initiatives, only half evaluate them.

Figure 4. Existence of a dedicated office responsible for horizontal co-ordination of open government initiatives



Source: OECD (2016) *Open Government: The Global Context and the Way Forward*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264268104-en>.

- **Plan a way forward** by exploring the potential of moving from the concept of Open Government toward that of Open State.
 - An increasing number of countries are moving from the concept of Open Government toward that of an Open State, as mentioned above. **Open State** status tends to be pursued on a collaborative basis, with the Executive, Legislature, Judiciary, independent public institutions, and all levels of government collaborating to exploit synergies and share good practices and lessons learned among themselves and with other stakeholders to promote open government principles.
 - **Subnational levels of government** have a fundamental role to play in enhancing the policies, values and culture of Open Government/Open State. Historically, they have led open government and innovation practices from below. Planning the way ahead, further efforts are needed to integrate them in the design and implementation of national strategies and policies.
 - **Media in general**, and such specific components of media ecosystems as local and community media, online media, and citizen-journalists, are important for the promotion of the open government principles of transparency and

accountability, and should be actively involved in national open government agendas.

Box 4. The importance of pursuing transparency

Transparency is critical to include citizens in policy-making and to build trust in public institutions. The opening-up of government processes, proceedings, documents and data for public scrutiny and involvement is a prerequisite to achieve better stakeholder engagement, inclusiveness, integrity and accountability in public governance. In this regard, the OECD, through its Recommendation on Open Government (2017), suggests that governments should make available clear, complete, timely, reliable and relevant public sector data and information that is free of cost, available in an open and non-proprietary machine-readable format. The OECD also recommends governments to adopt transparent practices in other public governance areas such as public integrity, budgeting, public procurement and regulatory policy.

Source: OECD Recommendation of the Council on Open Government (2017).

Core questions for consideration by governments

- To optimise the benefits that an open government culture can generate, is the appropriate enabling environment in place, including institutional, legal and regulatory frameworks, human, financial and technical resources, and oversight mechanisms to ensure their implementation?
- Are there mechanisms in place to guarantee effective horizontal and vertical co-ordination across level of governments?
- Are policies planned in collaboration with citizens and all relevant stakeholders and are they associated with monitoring, evaluation and learning mechanisms to ensure impact?
- When developing stakeholder participation initiatives, is communication considered as integral to this process?

Additional resources

OECD legal instruments:

- [OECD Recommendation of the Council on Open Government \(2017\)](#)

Other relevant OECD tools:

- OECD (2016) Open Government: The Global Context and the Way Forward

1.3. Inclusiveness

Governments can take active measures to design, apply, and monitor **equality in governance and decision-making**, with a special focus on empowering and integrating historically marginalised, disadvantaged and/or vulnerable groups into public life. Applying a **gender equality and inclusiveness lens** in decision-making process, in

combination with openness and transparency, can help governments better understand the needs of both women and men across the broadest of cross-sections of society, and how to respond to them effectively. Such a lens also helps decision-makers assess the differentiated impacts of their decisions - across policy themes or sectors - on women and men from different backgrounds. Governments pursue inclusiveness by leveraging the information, ideas and resources held by all stakeholders, including citizens, civil society organisations and the private sector, and by better engaging with them in tailoring policies and services to societal needs.

Youth is an additional key actor for improving diversity in policy-making. With young men and women politically empowered and more actively engaged in policy-making, societies can be more cohesive and resilient, and democracies more vibrant. However, according to the OECD Youth Stocktaking Report (2018), in 17 out of 30 OECD countries for which data exists, youth express less trust in government than their parents (aged 50+) and their participation in formal processes appears to be on the decline.

A **first enabler** to ensure inclusiveness in public-governance approaches and decision-making processes is sustaining **strong institutional mechanisms, tools and accountability structures**. In this regard, the 2015 OECD Recommendation on Gender Equality in Public Life provides important guidance in this regard which can be applied to all inclusiveness approaches:

- **Adopting a “whole-of-state” governance approach** to gender and broader equality mainstreaming: the Recommendation proposes a system-wide approach which recognises that all public institutions and branches of the state have a strong role to play in promoting gender equality and inclusiveness. The Centre of Government (CoG) can play a critical role as the “power house” influencing change across the system.
- **Leveraging all core government decision-making tools** to promote inclusiveness: All ministries and government agencies can integrate evidence-based assessments of gender impacts and considerations into various dimensions of public governance and in the early stages of all phases of the policy cycle. Decision-makers can also consider integration of the gender perspective in all phases of the budget cycle so that transparency regarding gender-relevant resource allocation decisions is maximised.
 - This approach can also be applied with respect to youth. For instance, several countries have launched national youth policies/strategies to unite ministries, different levels of government and non-governmental stakeholders around a joint vision that delivers youth-related policies and services in a coherent manner with the active participation of young people. Moreover, countries can implement youth checks, which assess the expected impact of new regulations on young men and women and hence broaden the default “adult” perspective in regulatory policy-making.
- **Strengthening accountability and oversight mechanisms** for gender equality and inclusiveness mainstreaming initiatives across and within government bodies.

A **second key enabler** of inclusive governance is **effective stakeholder participation**. Actively engaging citizens contributes to the well-targeted use of limited state resources and better public service design and delivery, for example through consulting citizens for the identification of their needs. Active participation goes beyond votes and elections and recognises the capacity of citizens to co-generate policy options (OECD, 2016). As the

previous section highlighted with respect to Open Government/Open State contributions to sound public governance, stakeholder-participation increases government inclusiveness, accountability, broadens citizen empowerment and influence on decisions and builds civic capacity. Stakeholder-participation “improves the evidence base for policy-making, reduces implementation costs and taps wider network for innovation in policy-making and service delivery” (OECD, 2009⁷). For instance, as it will be observed in chapters 3 and 4, stakeholder engagement is a key component of a sound regulatory policy

For instance, stakeholder engagement is a key component of a sound regulatory policy. The OECD Recommendation on Regulatory Policy and Governance (2012) suggest that governments “establish a clear policy identifying how open and balanced public consultation on the development of rules will take place” (OECD 2012, Principle 2.1). In this regard, and as is the case for integrity and openness frameworks, best practice identified by the OECD on stakeholder engagement in regulatory policy includes:

- A clear, crosscutting, government-wide guiding policy should exist on how to engage with stakeholders, setting clear objectives.
- Leadership and strong commitment to stakeholder engagement in regulation-making are needed at all levels, from politicians, senior managers and public officials.
- Capacities in public administration to conduct effective and efficient stakeholder engagement should receive adequate attention.
- Mechanisms to ensure that civil servants adhere to the principles of open government and stakeholder engagement in regulatory policy.

While many countries are making important progress in the design and implementation of participatory initiatives, data shows that their full potential is not yet being achieved, especially during the final phases of the policy cycle. As for open government strategies, the development of specific policy and legislative frameworks for greater inclusiveness should favour the use of participatory practices at all points in the policymaking cycle by defining which mechanisms to use and how stakeholder participation should be encouraged at each stage. Making the business case for effective engagement - measuring the cost associated with such exercises and their final impact - will also be essential for improving the strategic use of citizen-participation practices.

A third important element to build inclusiveness is to ensure **gender equality, diversity and inclusiveness in decision-making**. The OECD recognises that “fostering gender diversity in public decision-making is critical for achieving inclusive growth at all levels of government, as well as anticipating current and future steps needed to increase citizen trust and well-being” (OECD Recommendation on Gender Equality in the Public Life). Yet women still make up for only one third of leadership positions across all three branches of power. Moving forward, the OECD Recommendation on Gender Equality in Public Life provides guidance to countries on how to achieve gender balanced representation in decision-making positions in public life, and improve the gender equality in public employment, including at the top.

The OECD also underlines the opportunities provided by the open government agenda to enhance youth participation and representation in public life. OECD countries have developed different initiatives; inter alia, improved arrangements for civic and citizenship

⁷ OECD Studies on Public Engagement - Focus on Citizens (2009)

education, online consultations, the strategic use of social media and more traditional initiatives such as the establishment of national and local youth councils. Moreover, there is increasing recognition that young people should be represented adequately in elected bodies, the government cabinet and the public administration to embrace their innovative potential and deliver on young citizens' needs.

Core questions for consideration by governments

- Have you identified government-wide objectives to mainstream inclusiveness across the public sector? Are these objectives supported by governance and performance strategies? Are they integrated into government-wide policy objectives and priorities?
- Is there a whole-of-government institutional framework in place, with clear roles and responsibilities assigned for the centre of government, gender institutions, all line ministries and agencies and oversight institutions – accompanied by sufficient resources, adequate capacities and coordination structures – to systematically embed and oversee the implementation of gender equality and an inclusiveness lens in decision-making?
- Is gender-disaggregated data and information – including information on intersecting identity factors (e.g., age, ethnicity, religion, etc) -- available and used to inform decision-making?
- Are policies, mechanisms and tools in place to promote gender-balanced and inclusive participation in decision-making and leadership in the public sector?⁸

Additional resources

OECD legal instruments:

- [OECD Recommendation of the Council on Gender Equality in Public Life \(2015\)](#)
- [OECD Recommendation of the Council on Open Government \(2017\)](#)

Other relevant OECD tools:

- OECD Toolkit for Implementing and Mainstreaming Gender Equality (2018)
- OECD Best Practice Principles on Stakeholder Engagement in Regulatory Policy (forthcoming)
- OECD Youth Stocktaking Report (forthcoming)

1.4. Rule of law and access to justice

The rule of law represents one of the foundational values of the like-mindedness of OECD countries. It is intertwined with the other governance dimensions of accountability,

⁸ The elements of such an enabling environment are outlined in the OECD Recommendation on Gender Equality in Public Life and its accompanying Toolkit

transparency, openness and integrity, and defines these dimensions' interdependence. Sustainable Development Goal (SDG) 16.3 calls on countries to “promote the rule of law at the national and international levels, and ensure equal access to justice for all”.

Effective and efficient justice systems are crucial to sustaining the rule of law and sound public governance - notably of policy and regulatory performance. For instance, effective anti-corruption efforts depend on sound and accessible justice institutions at all levels of government within a framework that guarantees that every last individual in society is equal under the law and that no individual or group obtains special treatment under the law by virtue of origin or background, socio-economic circumstances or links to society's power structures.

Constitutional justice performs important functions in the consolidation and maintenance of democratic governments by guaranteeing the protection of individual rights and liberties, establishing the separation of powers between government branches and bodies, and enabling capacity for dialogue between the people and their government.

Administrative justice is one of the main interfaces between public administration and people. For example, the Recommendation on Regulatory Policy and Governance (2012) highlights that judicial review constitutes a litmus test of good regulatory practice by:

- ensuring that regulators exercise authority within the scope of their legal powers
- providing an incentive for regulators to adhere to good governance and best practice principles
- protecting regulators from undue influences from government
- enhancing trust and legitimacy of regulatory activity as part of economic policy agenda

Access to - and satisfaction with - justice services are important contributors to, and drivers of, trust in government. Access to justice and legal empowerment are important tools to advance the Open Government/Open State agenda as drivers of open government policies, social accountability, public-sector integrity and inclusive growth. Legal empowerment advances more meaningful civic engagement by ensuring that people understand how the law allows them not only to confront injustice in their lives but to participate in law-making and the implementation of legislation for society's benefit.

A sound and functioning legal and justice system contributes to a thriving business environment and longer-term investment decisions. It supports contract enforcement, reduces transaction costs and levels the playing field for market stakeholders by instilling confidence in “the rules of the game,” ensuring fair competition and protecting property rights. The OECD Policy Framework for Investment (PFI) highlights that when key elements of effective access to justice are missing or inefficient (e.g. complex, costly, and lengthy procedures), companies including SMEs tend to limit their activities in that jurisdiction/country.

Access to justice lies at the centre of inclusive growth strategies aimed at improving policy outcomes. Access to justice engenders equality of access to opportunities and public services. According to the OECD Framework for Policy Action on Inclusive Growth (2018), it is a key building block for enabling stakeholders to “invest in people and places that have been left behind”.

People's unmet legal and justice problems (e.g. family, racial, employment, housing, violence against women; consumer-related) can have adverse effects on other areas of

everyday life, e.g. health, social welfare and economic well-being. Conversely, direct and indirect benefits are attributable to meeting particular legal needs and providing legal assistance and access-to-justice programmes, notably in such areas as better housing, supporting inclusion, enhancing consumer and financial protection, supporting positive outcomes for migrants and immigrants, reducing domestic violence and facilitating access to healthcare.

One of the most important trends in OECD countries is the shift towards **people-centred justice** as a guiding principle, which implies providing access to legal and justice services from the individual's perspective and experience. It acknowledges that specific groups, notably the disadvantaged, may have additional legal needs and face extra barriers in accessing justice services.

Effective access to legal and justice services presupposes an enabling framework for an effective and efficient justice system. Such frameworks encompass a growing spectrum (or "continuum") of services, processes and procedures, and tend to include a legal architecture, institutional arrangements and alternative dispute-resolution mechanisms (specialised mediation services; problem-solving courts; justice-access centres; etc), strategic planning and performance management, data system exchanges, monitoring and evaluation systems, sound HR provisions related to the professional career (judicial and non-judicial), among others. Indeed acknowledging the relationship between effective access to justice and broader socio-economic outcomes has prompted countries to co-ordinate justice and social services under an outcome-based approach, i.e. addressing both people's justice needs and their accompanying social or health issues (e.g., domestic violence, drug and alcohol abuse, mental illness, juvenile delinquency).

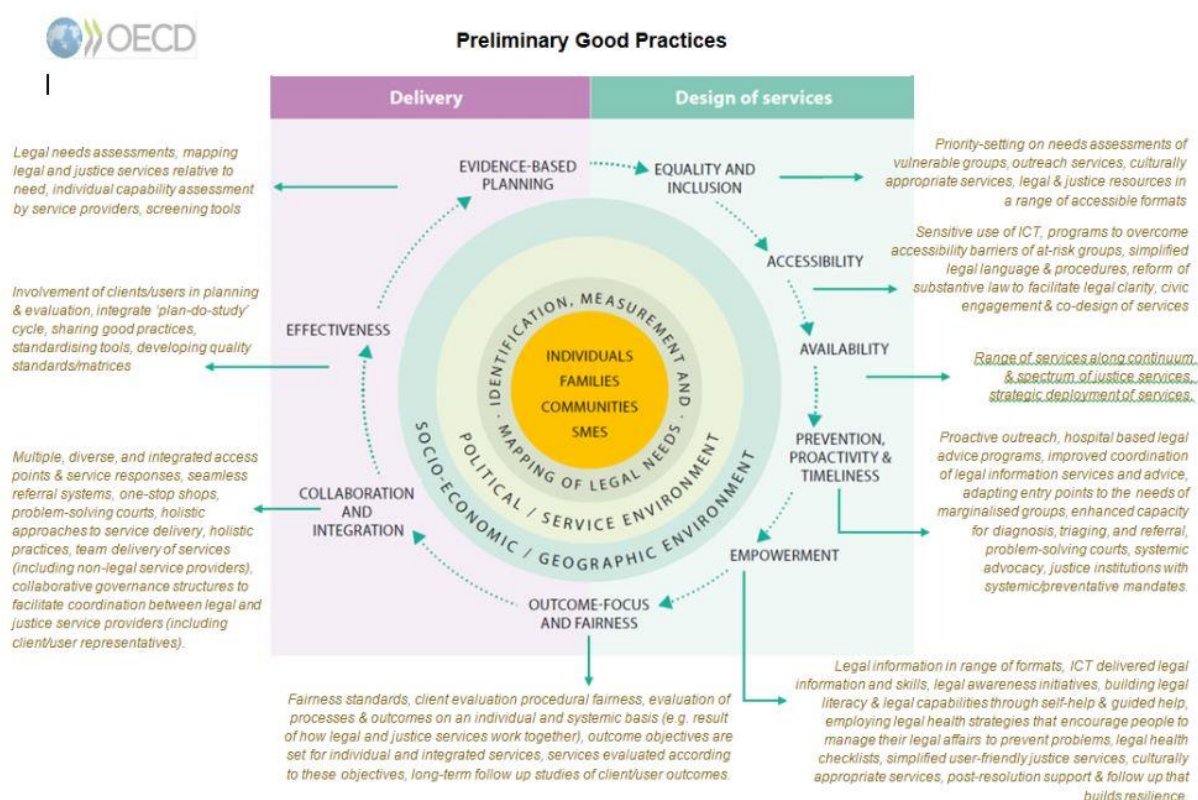
Evidence of good practice of OECD Members and Partners shows that designing and delivering people-focused legal and justice services require a coherent approach shaped by effective coordination across strategic priority areas optimising the use of available resources in a way that best reflects the specific political, socioeconomic and service environment of the country. This approach calls for:

- *the systematic identification, measurement and mapping of legal needs*, to help determine who experiences legal needs where (at the national, sub-national and local levels), along with the nature and scope of these needs. A number of OECD countries are using legal needs survey methodologies – in combination with different types of administrative data - to allow policy makers to understand the actual scope of legal needs and people's pathways to resolving them.
- *designing and delivering people-centred legal and justice services*, to effectively respond in a targeted and fair manner to identified legal needs. Practice in OECD countries suggests that legal and justice services are people-centric and effective when they are provided in an inclusive manner and available both to the general population and specific vulnerable groups, are effectively responsive; help build empowerment; prioritise proactivity, prevention and timeliness; and focus on substantive outcomes (see Figure 5).
- *adopting a data-driven approach* to identify measures of demand, supply and outcomes. This helps deliver justice services in a manner that can optimise the relative costs of different strategies, identify alternative financing possibilities to achieving a desired outcome for specific groups of the population and ensure that justice services generate value for money. Several evaluation methods (such as

cost-effectiveness, cost-benefit analysis, economic impact analysis) can be used for this purpose.

Figure 5. Planning for Effective Access to Justice: What works practices in designing and delivering

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Core questions for consideration by governments

- Is there a sound justice framework grounded in effective and efficient justice institutions and coherent enforcement capacity?
- Is there a systematic process for mapping legal needs and experience to understand if and how appropriate types of services are being matched to the needs of different groups of population across all regions in the country?
- Are there effective coordination and communication channels vertically (across levels of government) and horizontally (between various legal and justice services including courts) to support governance and alignment in justice services?
- Is there a data management or exchange system covering formal and non-formal legal and justice services and based on common data protocols and standards? Is this information readily available to the public?

Additional resources

- OECD (2018), Opportunities for All: A Framework for Policy Action on Inclusive Growth, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264301665-en>
- OECD (upcoming), People-centred Legal and Justice Services and What works practices: fostering Inclusive Growth through Equal Access to justice
- OECD-OSF (2018 upcoming), Toolkit on Legal Needs Surveys and Access to Justice
- OECD Business case for investing in People-centred Access to Justice (upcoming)

2. *The Enablers of Sound Public Governance*

At the same time as public-policy challenges have become more complex and multidimensional, they have become more interconnected through globalisation and greater interdependence among nations. Climate change, migration, inequality: challenges are now characterised by rising uncertainty, increasing complexity, divergent values and interdependent processes, structures and actors. In this unpredictable context, governments are facing pressure to design and deliver better policies and services, while simultaneously grappling with unprecedented fiscal-stabilisation challenges and trust levels below those that followed the 2008 financial crisis. Trust is difficult to rebuild when governments face the perception that reforms are ineffective and do not sufficiently take into account the needs of losers in the context of the gains of winners (OECD, 2017)⁹.

Lessons learned from OECD experience in supporting policy and public-governance reform efforts of Members and Partners suggest that governments are facing the general perception that reform is often seen as a means to save money rather than solve policy challenges. Moreover, as interdependence increases, outcomes, trade-offs, and the winners and losers of reform are more difficult to identify, generating considerable additional challenges for successful policy-making.

OECD lessons learned in the area of public governance suggests that traditional sector-based approaches to reform in a given policy area are increasingly less effective in improving results, as they tend not to take into account strategic considerations or spill-over effects from other policy sectors. Moreover, these sector-based approaches, historically vertical and not open to participation, are more likely to be captured by private interests or by the public administration itself. These vested interests can generate resistance to change.

Governments also face this degree of complexity when they pursue single-sector public-governance reforms. For example, such stand-alone initiatives as the creation of an anti-corruption agency, if not accompanied by the adoption of a broader framework of government-wide integrity policies, will hardly have a real impact on enhancing transparency and integrity in public governance let alone improve people's lives.

In order to promote clear, ethical, democratic principles and unanimous consent surrounding the value of, and respect for, the rule of law while enhancing the legitimacy, efficiency and effectiveness of public interventions, evidence suggests that public decisions need to be made in an **equitable and evidence-informed way**. In a context where governments are trying to regain the public's trust, institutional and decision-making methods need to move closer to the citizen, with government proactively seeking the views of stakeholders at all key points in the policy cycle, as highlighted in chapter 1, to optimise the state's accountability, responsiveness and integrity.

Evidence suggests that governance reforms, especially when they are ambitious and multidimensional, tend to be most successful and lasting when they are pursued based on a set of "operating principles" governing this process:

⁹ G@G 2017

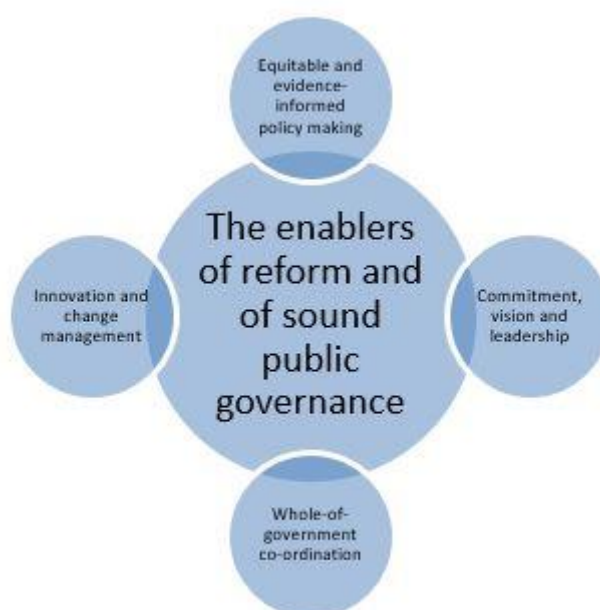
- Reforms first need **leadership**, politically and on the part of the civil service, to promote and drive change through all levels of the public administration and beyond. Moreover, reforms tend to be more effective when they contribute toward the realisation of a common **vision**, that they contribute to the common interest and do not constitute isolated efforts leading to perpetuating the same winners and losers¹⁰.
- Reforms tend to work best when they are the subject of sustained **commitment** from the highest political and management levels to ensure their effective implementation and sustainability.
- An integrated and innovative approach to reform requires overcoming traditional administrative barriers to designing, implementing and evaluating the performance of multidimensional policy responses through robust, sustained **whole-of-government coordination** across policy silos.
- Successful reforms also point to the assignment of high political and institutional priority to **innovation and experimentation to manage change successfully** over time.

Evidence from the OECD's work in this area thus suggests that taken together, leadership and sustained commitment to vision-based reforms, robust coordination across policy silos to design, implement and evaluate them, and priority assigned to innovation, experimentation and change-management, constitute the **strategic enablers of sound public governance**.

These are the enablers that, when combined with key policy instruments and management tools, whether relating to budgeting and rule making or to digitalisation and the strategic management of the civil service, can best sustain sound public governance. These enablers, instruments and tools can support successful public policy-making at all points in the cycle, from problem identification and policy design/formulation (Chapter 3 of this Framework), through policy implementation (Chapter 4), to policy evaluation results (Chapter 5).

¹⁰ OECD (2014) Vision, leadership, innovation: driving public sector performance

Figure 6. The Enablers of Reform and of Sound Public Governance



Source: Author's own elaboration.

2.1. Equitable and evidence-informed policy-making

Policy-making is not the same as technical decision-making. The former typically involves trade-off between competing social values and different interests (Parkhurst, 2017)¹¹. Yet managing policy and technical decision-making effectively and efficiently in the general public interest lies at the core of sound public governance. How public decisions are made, which interests lie behind these decisions and what their goals are define the parameters within which reforms leading to sound public governance are designed and carried out. Despite the different features and dynamics of political systems, public decision-making should be framed at all times by the commitment to pursue the public interest – hence the notion of **equitable policy-making**.

The risk of asymmetric influence on governments undermines real progress toward addressing key policy challenges equitably, in the public interest. Preventing these risks requires fixing distorted decision-making. Powerful interests that have reason to maintain the status quo can put enormous pressure on government decision-making at the expense of the common good.

A pivotal element to guaranteeing equitable decision-making is preventing undue influence by specific interests. If governments make decisions favouring a specific interest group or individual at the expense of the public interest, the whole reform process is affected: policies will privilege the few; evidence will no longer be credible and people will lose trust in their institutions. Levelling the playing field can promote broader consensus and more legitimacy to decisions. This means allowing more interests to affect the design and

¹¹ Parkhurst, J. (2017) *The Politics of Evidence: From evidence-based policy to the good governance of evidence*, Abingdon: Routledge.

implementation of policy. Equitable decision-making is strengthened when a multiplicity of actors, through robust enabling mechanisms and institutional spaces, promote and work collectively and in a representative manner in the public interest. This includes the necessity of strong and representative institutions, for example political parties, trade unions or trade associations, which represent the different interests of the society. It also includes harnessing new media and channels of representation that can reduce the costs and enhance the impact of collective action.

No government is immune from attempts at influence. Given the economic and political interests that are at stake, the public arena is always vulnerable to possible hijacking by one or more special-interest groups. This potentially affects one of the basic tenets of democracy - political equality - and can lead to inequitable and vested-interest-based policy-making. Influence on the part of particular interests of individuals or groups may not be illegal; in fact, it is part of the democratic process. However, fundamental issues emerge when not everyone has the same opportunity to ensure that their interests are taken into account in the policy-making process. This can occur because of:

- Disproportionate pressure and privileged access through lobbying of public officials,
- Excessive financing of political parties and candidates' electoral campaigns,
- Provision of manipulated or fraudulent expertise or technical data,
- Use of personal connections that lead to conflicts of interests

Box 5. What is policy capture?

Policy capture is the process of directing public policy decisions away from the public interest towards the interests of a specific interest group or person. Capture is the opposite of equitable policy-making, and always undermines core democratic values, while usually also resulting in suboptimal public policies. The capture of public decisions can be achieved through a wide variety of illegal instruments, such as bribery, but also through legal channels, such as lobbying and financial support to political parties and election campaigns. Undue influence can also be exercised without the direct involvement or knowledge of public decision makers, by manipulating the information provided to them, or establishing close social or emotional ties with them.

Source: OECD (2017) Preventing Policy Capture, Integrity in Public Decision Making, <http://www.oecd.org/corruption/preventing-policy-capture-9789264065239-en.htm>.

Policy capture can happen at all stages of the policy cycle. Hence, over the past decades OECD countries have implemented different measures to avoid it. Governance structures should include the means to guarantee that policy and reform decisions are made in the most equitable way, including through the development of a culture of integrity, openness, inclusiveness and respect of the rule of law (see Chapter 1), such as by:

- Engaging stakeholders in the decision-making process as a key means to level the playing field and generate a broader consensus and more legitimacy regarding public-policy decisions;

- Strengthening the integrity frameworks governing representative institutions, including single-interest ones;
- Ensuring strategic communication, transparency and access to information to enable civil society and all stakeholders to the same information, data and evidence when engaging in policy discussions;
- Promoting accountability through competition authorities, regulatory agencies and supreme audit institutions;
- Identifying and mitigating policy-capture risk factors through integrity policies that are tailored to the specifics of different public institutions.

In addition, OECD evidence suggests that countries are adopting key tools to balance stakeholders' ability to influence policy makers against the public interest, including:

- Effective limitations to and oversight over political financing;
- Adequate scrutiny and analysis of government policy-making, making this available in an open, transparent and easily-accessible manner to all; and
- Implementing effective controls over lobbying.

The use of evidence in policy-making; in particular the governance of how evidence is collected, applied and integrated into decision-making on the broad social, political and economic policy challenges of the day, is a key – and complementary - element that can determine the nature and impact of reforms (Parkhurst, 2017¹²). Evidence-informed policy-making can play a critical role in improving the design, implementation and evaluation of all public policies, in ensuring good governance, notably equal access to quality, responsive and people-centred public services.

The collection of evidence can represent a particular challenge for policymakers, as evidence is not always easily available, especially in complex policy areas. Moreover, it is important to assess the credibility and reliability of information, data, and factual evidence (for example through replicability, a multiplicity of sources, independent validation, etc.) used to make decisions. Moreover, strong management of the stock of evidence, with robust knowledge-management processes and the full mobilisation of administrative data, will help prevent one-sided policy design, avoid duplication, ensure that scarce resources are directed toward areas of greatest need and that services are designed and delivered based on evidence that demonstrates this need. This provides the strongest opportunity for designing policies that will benefit citizens, overcome institutional bias and guard against vested interests maintaining the status quo.

While the need for evidence is generally widely accepted, evidence-informed approaches do not obviate the need for political discretion and commitment; they can ensure, however, that all policy choices and trade-offs are fully aired. And in a context of the growing role of social media, with direct access to a range of evidence through web-based channels whose sources are of uneven quality, and with increasing concern for fake news, the need for an evidence-informed approach to decision-making is taking on added importance.

This requires closing the implementation loop from the start, to ensure that the proposed reforms will and can be implemented. Implementation research (including performance

¹² Parkhurst, J. (2017) *The Politics of Evidence: From evidence-based policy to the good governance of evidence*, Abingdon: Routledge.

evidence) can make a difference between the successful implementation of an intervention and one that is ineffective or potentially even harmful, offering tools for researchers and government officials to monitor the implementation of policies, ensuring they achieve the impacts that policy-makers and citizens expect. This requires experimentation, the capacity for policy prototyping and piloting, and appetite, support and capacity for innovation in the public sector.

To close the implementation loop, policy evaluation (chapter 5) is critical to ensure that policies are actually improving outcomes. Robust evidence on the efficacy, policy-effectiveness and cost-effectiveness of initiatives ensures that we understand ‘what works why, for whom and under what circumstances’.

Yet experience confirms that reaching this state of affairs is challenging. Even in the most developed systems, challenges in connecting evidence and decision-making remain:

- First, the civil service needs the right skills to commission, understand and use evidence. This necessitates building capacity at the level of the individual, and supporting the adoption of procedures, incentives and resources to enhance use of evidence.
- Evidence-informed policy-making also requires a supportive institutional set-up and infrastructure with a clear and transparent framework for evidence-generation and use. This might include the existence of quality control and assurance mechanisms to check the reliability and robustness of the evidence collected, before they are actually used.
- Finally, there is a recognition that evidence, no matter how robust and relevant, can only ever constitute part of the policy-making process: evidence will always be mediated through a process that integrates intuition and judgement into the shaping of the final policy decision.

Box 6. Examples of evidence-informed policy making initiatives

- Capacity building for evidence generation and use – several countries and organisations have made valuable steps to build public sector capacity and use. In the United Kingdom (UK), NESTA with the Alliance for Useful Evidence has created ‘Evidence Masterclasses’, providing “an immersive learning experience” for senior decision-makers who want to become more skilled and confident users of research.
- Evidence Based Clearing Houses and What Works Centres – many OECD countries have clearing organisations which systematically review the evidence base underpinning policies and practices, assessing the strength of evidence and communicating this in an easy to understand format. Examples include the California Evidence-Based Clearing House for Child Welfare, the UK What Works Centres, and The Danish Clearinghouse for Educational Research, Kidsmatter Australia and the Swedish Institute for Educational Research.

Core questions for consideration by governments

- Do policy makers regularly and proactively engage stakeholders with diverging interests in decision-making processes?

- Does your government have regulations to establish formal links between interest groups and decision-makers for public decision-making?
- For non-governmental institutions representing specific interests, such as political parties, trade union or trade associations, are there laws or regulations that frame their governance and representativeness from a public-integrity standpoint (as competitive elections for leaders, democratic decision-making; financial transparency and audit requirements; rules respecting electoral financing; etc)?
- Are there measures in place to ensure a balanced composition of advisory and expert groups?
- Does the civil service have the knowledge, skills and capacity to ensure a right uptake of quality evidence in policy-making?
- Does the senior civil service have a strategic understanding of the role of evidence-informed policy-making and to ensure that policy makers possess the right evidence at the right time in the right format?
- Does the public sector have the processes and institutional set-up for incorporating evidence in policy-making?
- Is the evidence used by policymakers subject to transparency and integrity requirements? Does the collection of evidence follow particular criteria/requirements to ensure its validity?

Key resources

OECD legal instruments:

- [OECD \(2017\) OECD Recommendation of the Council on Public Integrity](#)
- [OECD \(2010\) Recommendation of the Council on Principles for Transparency and Integrity in Lobbying](#)
- [OECD \(2017\) Recommendation of the Council on Open Government](#)

Other relevant OECD tools:

- OECD (2017) Preventing Policy Capture, Integrity in Public Decision Making, OECD Publishing, Paris.
- OECD (2017), Policy Advisory Systems: Supporting Good Governance and Sound Public Decision Making, OECD Public Governance Reviews, OECD Publishing, Paris.
- OECD (2017) Summary of OECD conference on Evidence-Informed Policy Making

2.2. Commitment, vision and leadership

Commitment at the highest political level is crucial to ensuring the success of reforms. Policy-makers face a broad range of day-to-day challenges that at times leaves little room for the effective planning of a reform agenda to pursue better governance. In this regard, without commitment to reform from the highest political level, it is difficult to find incentives for public service leadership to pursue medium-term reform initiatives as it goes about managing its day-to-day responsibilities while fixing short-term, urgent issues.

Governments can exercise leadership in this area by expressing a strong political commitment for better governance and demonstrating the political will to endorse and pursue a reform policy or strategy at the highest political level. The OECD explicitly recommends such an approach in such areas as regulation, gender equality in public life and digital government:

- *The Recommendation on Regulatory Policy and Governance* recommends that Adherents commit at the highest political level to an explicit whole-of-government policy for regulatory quality.
- *The Recommendation on Gender Equality in Public Life* suggests that Adherents secure leadership and commitment at the highest political level as well as at the appropriate level of government on order develop and implement a whole-of-government strategy for effective gender equality and mainstreaming.
- *The Recommendation on Digital Government Strategies* recommends that Adherents secure leadership and political commitment for the strategy, through a combination of efforts aimed at promoting inter-ministerial co-ordination and collaboration, setting priorities and facilitate engagement and co-ordination of relevant agencies across levels of government in pursuing the digital government agenda.

The **Centre of Government** and the institutional leadership it can offer for the public sector (see Box 7) can play an important role in mainstreaming reform across the public administration. In OECD countries, the CoG is playing an increasingly important role in driving strategic priorities, closely linked with their increasing responsibilities on policy co-ordination (see next section). According to the OECD Survey on the Organisation and Functions of Centres of Government, the CoG tends to play a prominent role in temporarily driving sensitive and/or structural reforms of the public administration, in particular at their initial stage. This temporary assignment can send a strong message of political commitment both within the public sector and to the public. This has been the case in a number of OECD countries with e-government strategies and with red tape/administrative burden reduction initiatives (OECD, 2014).

Box 7. What is the Centre of Government?

The strategic role of Centre of Government (CoG) has been expanding over the course of the last decade due to the increasing complexity of policy-making and the emergence of whole-of-government strategy-setting and implementation, strategic monitoring of government performance over the medium term, and strategic issues management.

The CoG is “the body of group of bodies that provide direct support and advice to Heads of Government and the Council of Minister, or Cabinet”. The CoG is mandated “to ensure

the consistency and prudence of government decisions and to promote evidence-based, strategic and consistent policies” (OECD, 2013).

The CoG concept does not make explicit reference to any particular organisational structure: institutions vary from one country to another, depending on the constitutional order, the political system, the administrative structure of the country, contextual and historical actors and even the personality of the chief executive. Therefore, expanded definitions of the CoG can include institutions or agencies which perform core cross-cutting governmental functions, such as finance or planning ministries, even if they are not reporting directly to, or supporting, the Head of Government/Head of State and Council of Ministers.

Sources: OECD (2014) Centre Stage, Driving Better Policies from the Centre of Government, <https://www.oecd.org/gov/Centre-Stage-Report.pdf>; Alessandro, M, et al. (2013) The Role of the Center of Government: a Literature Review, Institutions for Development, Technical Note, IDB-TN-581, IDB, Washington, DC, <https://publications.iadb.org/handle/11319/5988>.

A broad government commitment can usually find expression in a government vision. As shown in the Centre Stage report on driving better policies from the CoG, nearly all OECD countries have some sort of strategic vision document. In this regard, OECD experience garnered through its country reviews has shown that governments can give better coherence to the activities when they have the capacity to define, implement and communicate both internally and externally their strategic visions, a means to orient the state, civil society, the private sector and citizens toward a common goal (OECD, 2015b).

How this vision is formulated and translated into specific long or medium-term strategies and policy decisions is an important process as it contributes to defining priorities and objectives along with the nature and scope of reforms; it underpins the rationale for better coordination as a means to pursue it. A vision-building exercise and planning process that are open and include robust stakeholder engagement can legitimatise policymaking and can constitute an effective tool to ensure the sustainability of reforms (OECD, 2016).

In this connection, **public service leadership** is also fundamental to achieve successful reforms for sound public governance. Public service leadership refers to senior-level public servants, who are those public servants who take decisions and exert influence at the highest hierarchical levels of the permanent public service. In today’s complex political and policy environment, senior-level public servants are expected to work effectively across administrative and policy silos, responding diligently and ethically to support rapidly changing political agendas and reacting with agility to unpredictable developments. As senior-level public servants usually link strategy to policy execution, governments should invest in building a values-driven culture and leadership in the public service, centred on improving outcomes for society. Senior-management leadership can help ensure the effective policy design and implementation by drawing from institutional knowledge and experience to contribute to evidence-based decision making¹³. Investing in leadership is an important catalyzer for effective reform, regardless the area or policy theme.

Recognising the essential role of these key actors, the forthcoming OECD Recommendation on Public Service leadership and Capability specifically recommends adherents to build leadership capability in the public service. The guidance it provides encourages government to:

¹³ <http://www.oecd.org/gov/pem/performanceandleadership.htm>

- Clarify the expectations incumbent upon senior-level public servants to be politically impartial leaders of public organisations, trusted to deliver on the priorities of the government, and uphold and embody the highest standards of integrity without fear of politically-motivated retribution. This suggests the need to codify these expectations in law and ensure they are upheld and regularly monitored.
- Select and appoint the right people to these positions considering merit-based criteria and transparent procedures, and holding them accountable for performance through appropriate means. This suggests the need to look at performance management mechanisms for leaders and the integration of these mechanisms into the governance system.
- Ensure senior-level public servants have the mandate, competencies, and conditions necessary to provide impartial evidence-informed advice and speak truth to power.
- Develop the leadership capabilities of current and potential senior-level public servants.
- The OECD Recommendation on Public Integrity also suggests, for instance, investing in integrity leadership to demonstrate a public sector organisation's commitment to integrity.

Core questions for consideration by governments

- When identifying and pursuing a priority reform initiative, does the government demonstrate sustainable commitment at the highest political and management levels through an explicit institutional measure? How can the administration support the government in conveying this commitment towards sound public governance internally inwithin and outside the administration
- Has the government established a medium to long-term vision and goals, and clear institutional mandates and financial resources for their accomplishment?
- Is there an emphasis put on leadership to support the management of individual and collective performance? Does the government invest in skills to build leadership capability in the public service?

Key resources

- OECD (2017) Core Skills for Public Sector Innovation.
- OECD (2017) The Principles of Public Administration, OECD Publishing, Paris.
- OECD (2014) Centre Stage, Driving Better Policies from the Centre of Government
- Draft OECD Recommendation on Public Service Leadership and Capability (forthcoming)

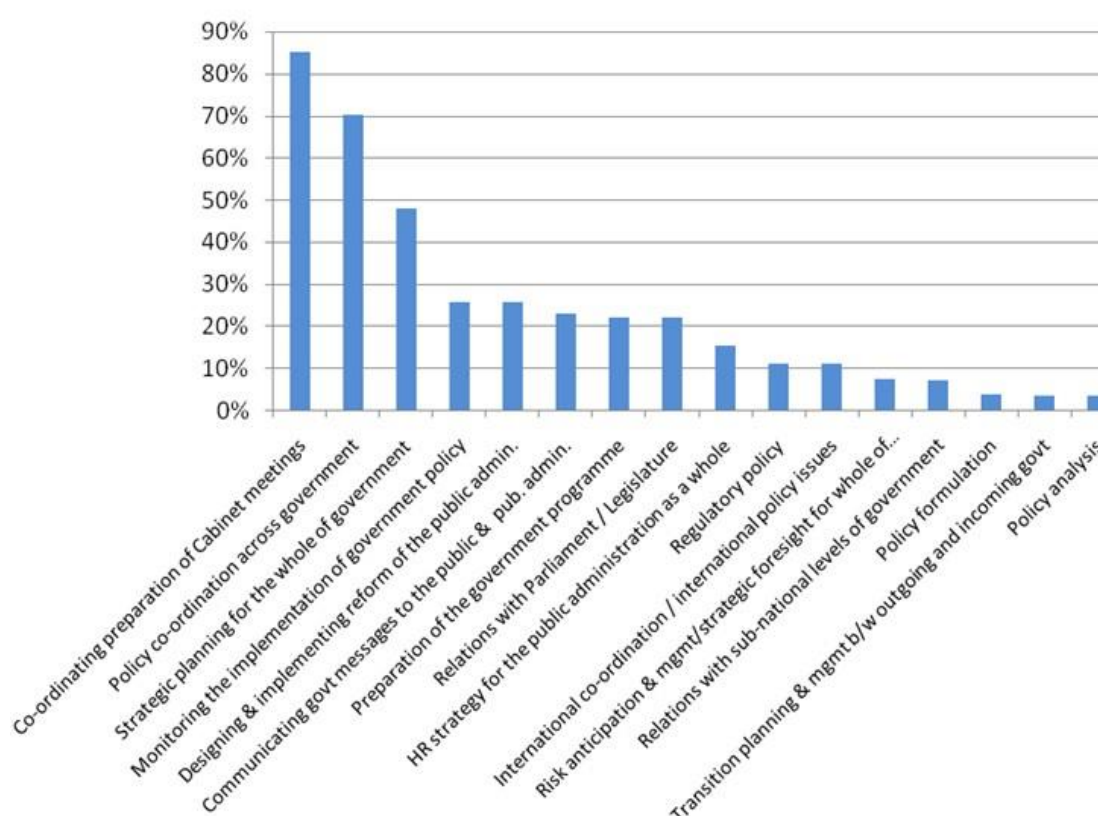
2.3. Whole-of-government co-ordination

In recent decades **policy co-ordination** to achieve greater policy coherence has become particularly relevant for many OECD Members and Partners, mainly due to the emergence of cross-cutting, multi-dimensional policy challenges and the subsequent atomisation of administrative structures illustrated by the exponential growth of agencies and other autonomous bodies (Beuselinck, 2008; Alessandro et al., 2013). According to the 2014 OECD Survey on Centre of Governments, most of the countries surveyed (59%) reported that the number of cross-ministerial policy initiatives has grown since 2008 (OECD, 2013).

To promote coherence in the way the government works across ministries, agencies and other administrative units, the majority (67%) of OECD countries surveyed in the 2017 update to the 2014 survey has strengthened the institutional and financial capacities of their Centres of Government, whose mandates have progressively shifted from administrative support to policy coordination (see Box 7) (OECD, forthcoming).

Figure 7. Top responsibilities delegated to the Centre of Government across OECD countries

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Source: OECD (forthcoming) 2017 Survey on the Organisation and Functions of the Centre of Government, OECD, Paris

Despite the wide range of institutional CoG structures across OECD countries, the 2014 and 2017 OECD surveys on Centre of Government (OECD, 2014, 2018 –forthcoming)

show several commonalities in their functions and responsibilities for leading whole-of-government co-ordination (Figure 1). These can be clustered in the following key areas:

- **Driving evidence-based, inclusive and timely decision-making** by the Head of Government;
 - In most countries, the chief executive is supported by a private office that structures daily business and provides political intelligence and advisory support on an ad hoc basis. Regular Cabinet meetings remain the principal channel for policy discussion.
 - Legal conformity, regulatory quality and adequate costing are three important technical functions that support decision-making and can be co-ordinated by the CoG.
- **Policy co-ordination across government**, which increasingly includes leading cross-cutting, multidimensional priority strategies;
 - One test of the effectiveness of the Centre of Government is its ability to play a mediator role between ministries' disagreements.
 - The Centre is playing more of a leadership role with respect to strategic priorities – also in sensitive policy issues –, designing action plans in cooperation with relevant departments and leading in project management.
 - Several CoGs provide technical and advisory support to line ministries to help them adjust and meet the extra demands of horizontal projects. The main incentives used by the Centre to promote horizontal work are individual or collective performance targets as well as evaluation.
- **Medium-term strategic planning** for the whole-of-government;
 - A majority of OECD countries adopt strategic documents with a relatively short time horizon, similar to a single electoral term.
 - Three planning models are common in OECD countries: (i) a thigh-level cluster located close to and reporting directly the Head of Government; (ii) a system of strategy meetings including multiple departments and co-ordinated by the CoG; (iii) a specific unit dedicated to horizon scanning.
- **Monitoring the implementation of government policy** for impact and results;
 - Monitoring can take different forms: regular reports delivered to the CoG, cabinet meetings to discuss on the achievement of particular targets, and more specific performance management mechanisms, which could include planning expenditure, input and outcome indicators.
- **Strategic communications**: the Centre of Government is also playing an increasing role in strategic communications both internally and with the public, including managing the government's social media strategies.

Core questions for consideration by governments

- Has your government developed civil-service capacities within the public administration to organise and lead high-level strategic policy discussion and planning?

- Are there instruments at your government for the coordination and oversight of cross-governmental policy initiatives, such as policy co-ordination groups or committees?
- Does your government generate incentives to promote co-ordination across ministries and agencies, such as financial, or individual or collective performance targets?
- Has your government established clear mechanisms such as clear work plans for the implementation of the government programme, performance targets or monitoring instruments to ensure that the government's policy priorities are implemented?

Key resources

- OECD (forthcoming) 2017 Survey on the Organisation and Functions of the Centre of Government.
- OECD (2017) The Principles of Public Administration, OECD Publishing, Paris.
- OECD (2014) Centre Stage, Driving Better Policies from the Centre of Government

2.4. Change Management and Innovation

Public-sector change-management and innovation is about introducing and implementing new ideas whose impact helps promote and improve sound public governance by reinforcing the strategic agility and forward-looking nature of the state. It is about how to introduce, and how to respond to, discontinuous change while promoting citizen-centred approaches in the design and implementation of public services.

- This change can range from the more incremental (significantly altering or introducing an entirely new process), to the radical (a whole new way of understanding the world).
- The change can be about disruption (i.e. new technology and associated operating models), about transformation (e.g. moving from analogue processes to digital interactions), or about defining and pursuing strategic priorities and ambitions when there were none before.

Evidence suggests that promoting public-sector innovation is a key priority in promoting sound public governance in many OECD countries. While market forces, notably competition, shape private-sector performance, the public sector needs to implement a range of mechanisms that supports, or at least establishes the conditions for, dynamic and disruptive capacity to change in ways that improve the government's performance in serving citizens and businesses successfully in a fast-changing world. Governments now have to grapple with a number of drivers that requires a more structured and consistent approach to managing change and encouraging innovation:

- *Changing functions* – in an environment of change, governments must also change how they operate;
- *Running to stay in place* – in an evolving economy, governments have to change policy settings just in order to maintain results;

- *No room for spectators* – in order to remain effective decision-makers, governments have to have actual knowledge of innovation; they cannot wait for the answers to be given to them;
- *People expect more* – many politicians, citizens and public servants want and expect things to change;
- *Risk of a mismatch* – a government that does not innovate is one that is at risk of always being behind, always reacting yet forever disappointing;
- *Innovation as a core competency* – the need for innovation can strike anywhere, therefore everyone must be ready to play a part.

Much is still being learned about how best to create the conditions for innovation, and the skills, capabilities, tools and resources needed to undertake it successfully. Experience from across OECD countries indicates that innovation takes place across all levels of government. There is a role for the central government to create the conditions for it to emerge (see Box 8). Research has found that the main innovation enablers in government are linked to factors related to how people are managed, whether internal regulations work, the role of budgets in creating space for innovation, how project management practices can be designed to deal with risks, and how to create safe spaces to experiment (innovation labs and units). However considering these factors in isolation only provides a partial view of where innovation is most required or wanted, and may result in shifting blockages from one part of the system to another.

A systems perspective can bolster the capacity and ability of the civil service to identify, develop and apply new approaches as needed, both to meet current mandates and respond to new threats and opportunities¹⁴. The OECD has identified four areas that administrations should concentrate on if innovation is to be a consistent and reliable resource for governments:

- *Clarity* – is there a clear signal being sent to actors in the public service about innovation and how it fits with other priorities?
- *Parity* – does innovation have equal footing with other considerations for proposed courses of action?
- *Suitability* – are the capabilities, systems, and infrastructure suitable for the options that are available?
- *Normality* – is innovation seen as integral rather than as an occasionally accepted deviation from the norm?

¹⁴ A systems approach “analyse the different elements of the system underlying a policy problem, as well as the dynamics and interactions of these elements that produce a particular outcome. The term “systems approaches” denotes a set of processes, methods and practices that aim to affect systems change” (OECD (2017) “Working with change. systems approaches to public sector challenges”, www.oecd.org/media/oecdorg/satellitesites/opsi/contents/files/SystemsApproachesDraft.pdf; in G@G 2017).

Box 8. Canada Experimentation Direction

In 2015 the Prime Minister of Canada set out the Government's commitment for agencies to devote a fixed percentage of program funds. This had the aim to encourage experimenting with new approaches and measuring impact to instil a culture of measurement, evaluation and innovation in program and policy design and delivery. This initiative has acted as a powerful structural driver for innovation, by ensuring that there is an ongoing push for looking at new (and hopefully better) ways of doing things. This has helped spur further investigation and use of new methods and techniques (such as behavioural insights, impact investing and challenge approaches).

Core questions for consideration by governments

- Does the public sector have the capacity to absorb new trends, address underlying shifts, and track potential changes in citizen expectations and needs?
- How does your government learn from emerging practices, and mainstream the lessons into core practices?
- Does your government support (advising, guiding, resourcing) agencies, public servants, and actors at the local level to enable them to test and apply new ways of doing things in order to deliver public value?

Key resources

- The OECD Observatory of Public Sector Innovation (OPSI)
- OECD (2018) Embracing Innovation in Government: Global Trends 2018 Report
- OECD (2017) Fostering innovation in the public sector

Part II: Sound Public Governance for Policy Formulation, Implementation and Evaluation

Sound public governance is not only about the values and enablers underpinning institutional and decision-making arrangements to manage governing in the public interest; it is about how governments pursue formulating, implementing and evaluating decisions against their impact on citizens' lives.

The first part of this Framework presented elements related to public-sector values and ethics that can positively influence the manner in which governments select and prioritise policy problems (chapter 1), and presented operating principles and practices that OECD countries have developed and adopted to enable sound decision-making and pursue reform effectively and efficiently (chapter 2).

This second part will complement these values and enablers with an integrated overview of instruments and tools adopted through trial and error by OECD countries to improve various areas of public governance. These good practices, in many cases embodied in OECD legal instruments in the form of policy recommendations, can enhance the quality and impact of policy-making on improving outcomes for citizens and businesses. This second part presents how governments can shape the policymaking process through the strategic use of:

- **Management tools**, such as strategic planning, human resources, digital capacities, public procurement, performance monitoring and policy evaluation that can affect policy outcomes indirectly by informing policy-making processes (Howlett et al., 2009).
- **Policy instruments**, understood as the interventions made by government to directly influence the content and effects of policy action, such as regulations, fiscal allocations and public expenditures (Turnpenny et al., 2015).

Policy-making usually does not follow a linear path. Governments face multiple and urgent issues; they have to make daily decisions while sustaining pressure from different stakeholders without necessarily having the proper time to embark on a thorough planning process. Policy-making might evolve over electoral cycles or because of international and domestic developments; often, political urgencies can push decision-makers to act with incomplete policy advice outside of a comprehensive policy-design framework to guide decision-making.

The different stages of the policy cycle – usually categorised as policy formulation, implementation and evaluation – are thus interdependent and pursued simultaneously. In this regard, one of the goals of this Framework is to share evidence with governments on OECD standards and practice on how OECD Members tend to use specific instruments and tools to engage in the policy-making process strategically and in tackling long-term complex challenges correctly while meeting immediate and urgent demands from citizens and stakeholders. This includes, inter alia, specific guidance and self-assessment questions based on OECD legal instruments and evidence of practice on:

- Problem identification, and policy formulation and design (chapter 3);
- Policy implementation, (chapter 4); and

- Policy evaluation (chapter 5).

3. Toward sound policy formulation and design

The first step in sound policymaking is properly identifying a problem and designing the right responses to address it. The identification of policy challenges and their incorporation into the public agenda are influenced by multiple factors, including:

- The capacity of representative institutions (for example political parties, trade unions or trade associations) to articulate the challenge;
- The role of the media in translating and communicating the challenge in a way that resonates with citizens;
- The availability of robust data and evidence to enable the government to confirm that the issue is real and that it is up to the government to address it;
- Effective stakeholder-engagement capacity that enables the government to launch and sustain dialogue with relevant civil-society actors and with citizens on the issue and on how to address it successfully; and
- The capacity of the government to anticipate challenges through, for example, strategic foresight, horizon scanning and debates on alternative futures, including with civil society.

Chapter 1 and 2 of this Framework have highlighted governance practices that can support open, equitable and evidence-informed problem identification as a way, inter alia, to avoid the capture of public policies by interest groups. Section 3.2 of this chapter also focuses on the importance of civil servants in having the right analytical skills to define policy problems, notably to detect and understand the root causes of policy challenges.

Once an issue has been correctly identified, defined and framed, policymakers can determine adequate courses of action to solve the problem or implement the reform as the second step of the policy cycle. The first step – the policy formulation stage - is the process by which governments translate long and medium-term policy goals, as well as short-term problems and challenges, into concrete courses of action. This process provides an opportunity for governments to share the policy-formulation process with citizens, business and CSOs, to innovate and deliver improved public service outcomes. Examples of co-production and co-decision making range from referenda to consultation processes in which the course of action is developed and deliberated with a wide range of stakeholders and representative groups (OECD, 2011). As explained in chapter 2, engaging stakeholders can also constitute a key factor to avoid policy capture during the policymaking process. The outputs of this process can for instance be draft legislation, regulation, resource allocations or roadmaps and frameworks for future negotiations on more detailed plans. In an ideal setting, policy formulation therefore includes the identification, assessment, discussion and drafting of policy options to address societal needs and challenges.

One essential part of the formulation stage is the policy design, which deals with planning of the implementation stage (Howlett, 2014). This implies that the government – and in particular, elected officials and senior management - decides based on a broad range of political and technical input which tools and instruments they intend to use, and what financial and human resources they should allocate. Translating these visions and plans into achievable policies constitutes one of the greatest challenges in policy-making. Decision makers usually have to choose among a wide array of options provided by an

increasing range of policy advisors, from civil servants to such external actors as lobbying firms, private sector representatives, advisory or expert groups, NGOs, think tanks, academia, or political parties among others stakeholders. For instance, evidence from advisory bodies operating at arms' length from government are playing and increasing role in policymaking and can constitute enablers for inclusive and sound policymaking (OECD, 2017c).

Analysing and weighing the political, economic, social and environmental benefits and costs of different policy actions thus forms the core of the policy cycle's formulation phase. For instance, OECD evidence suggests that without a proper governance framework, public decisions and regulations are more prone to be influenced or captured by special interests (OECD, 2017a)¹⁵. Moreover, lack or limited budget, human and technological capacities, shortcomings of the institutional framework or inadequate regulations are a few of the numerous "design" barriers that consequently hamper efficient policy implementation and service delivery. For instance, when governments face crises or unexpected challenges, they can turn to the creation of regulations or the injection of funds without having a concrete knowledge of the longer-term impact of these instruments, nor of whether other, simpler and more efficient options could solve the problem.

Having identified some of these barriers over the past decades, the OECD has pursued specific work in the governance of (1) management tools and (2) policy instruments that can enhance the quality of policy formulation and design.

To ensure the effectiveness of, and support for, the course of action chosen by decision-makers, it is important that stakeholders perceive the policy action as valid, efficient and implementable. Thus, the policy formulation and design stage represents an opportunity for policymakers to ensure that practices associated with public governance values and principles are adopted, mainstreamed and integrated into the implementation process. Only when these governance values and principles are embedded as part of the policy formulation phase can their impact be maximised at later stages of the policy cycle. In addition to the practices that will be highlighted in this chapter, successful practices and aspirations regarding mainstreaming of governance values are codified in the OECD Recommendation of the Council on Digital Government Strategies (2014), the revised Recommendation on Promoting Good Institutional Practices for Policy Coherence for Development (2010) – which is under the responsibility of the Development Assistance Committee¹⁶ - as well as the Recommendation on Public Integrity (2017), the Recommendation on Open Government (2017), and the Recommendation on Gender Equality in the Public Life (2015) as discussed in chapter 1 of this Framework.

3.1. Management tools for policy formulation and design

Throughout all stages of the policy process, policymakers use **management tools** to pursue desired outcomes. In the policy formulation and design stage, management tools can affect the quality of policy outcomes, as they constitute means to enhance public sector skills and capacity for policy design. Moreover, they can serve as direct channels for policy implementation such as is the case of digital learning platforms. Some of key management

¹⁵ <http://www.oecd.org/cleangovbiz/toolkit/49256979.pdf>

¹⁶ As part of the OECD-wide Standard Setting Review, the Development Assistance Committee agreed to update the Recommendation of the Council on Good Institutional Practices in Promoting Policy Coherence for Development.

tools to improve the quality of policy design and therefore, shape policy outcomes are (1) **strategic planning**, (2) **skills for developing policy**, (3) **digital capacities** and (4) **public procurement** as a strategic lever to pursue outcomes.

3.1.1. Strategic planning

A well-embedded planning practice can be instrumental in translating political commitments and ambitions into both long/medium-term strategies and operational action plans to guide the work of government in pursuing these commitments. This takes on added importance in the context of countries engaged in adapting and pursuing the Agenda 2030 SDGs within their national circumstances. In this respect, evidence points to the following:

- Prioritisation should be an important part of the early stages of policy formulation, based on the problem-identification. Governments usually do not have resources to address all problems (at once, at least). Prioritisation can lead to realistic commitments, well-designed interventions, that can help governments to develop more credible plans and hence may add to enhanced trust in institutions and sequencing.
- In this regard, planning needs to be systematic, by defining priorities, ensuring alignment between various plans as well as by aligning the policy objectives to the financial resources of the state:
 - Strategic planning needs to align long-, medium- and short-term policy priorities towards a common goal;
 - Strategic planning needs to ensure that policy instruments such as budgeting, regulations and workforce planning are oriented towards this strategy.
 - Indeed planning should to be linked with the budgeting process. Principle 2 of the OECD Recommendation on Budgetary Governance (2015) aims to help policymakers use budget as a substantial policy instrument to achieve medium-term strategic priorities of the government, including those reflecting the SDGs. When considering budgetary action as a policy instrument, policymakers have to organise budget allocations in a way that enables the government to pursue its government-wide strategic development goals - its national policy objectives and deliverables for development codified in its national strategic documents through effective spending decisions on financial resource allocation and execution.
- Recent experiences in OECD countries show that when the planning process is open and includes stakeholder engagement, such as citizen-driven approaches through citizen participation mechanisms, strategic planning can enhance the legitimacy of policymaking as well as constitute an effective tool for the sustainability of policies beyond the electoral cycle (OECD, 2016).

3.1.2. Skills for developing policy

The OECD highlights a set of skills for a high-performing civil service: (1) skills for policy development, (2) skills for citizen engagement and service delivery, (3) skills for commissioning and contracting, and (4) skills for managing networks.

The skills for developing policy are particularly important for the policy formulation stage. Those are the combination of traditional aptitudes, such as the capacities for providing evidence-based and balanced and objective advice while withstanding political and partisan pressure to act in certain ways, with a new set of skills to meet expectations for digital, open and innovative government, technological transformations and the increasingly complexity of multidimensional policy challenges. Policymakers need to know when and how to deploy institutional and administrative tools for policy formulation and design. Hence, OECD evidence suggests the importance of developing professional, strategic and innovation skills for:

- **Defining policy problems:** civil servants need to be capable of detecting and understanding the root causes of policy challenges. This requires “analytical skills that can synthesise multiple disciplines and/or perspectives into a single narrative” (OECD, 2017)¹⁷. This includes the capacity to interpret and integrate different and sometimes conflicting visions correctly, and to refocus and reframe policies. This also includes networking and digital skills to identify the right stakeholders and the right experts outside the civil service for engagement in policy formulation.
- **Designing Solutions:** civil servants need the skills to understand potential future scenarios, and find resilient solutions to future challenges. These might include foresight skills and systems and design thinking to understand and influence the interactions among internal and external stakeholders and reconcile different sector expertise. They need to be able to identify and harness internal and external resources to facilitate the refining and implementation of the solution. They need to understand what has worked in the recent past and identify best practice that can be adapted to current problems.
- **Influencing the policy agenda:** civil servants need the skills to understand the political environment and identify the right opportunities to move forward with policy initiatives. This requires judgement skills to provide timely advice, recognise and manage risk and uncertainty, and design policy proposals in a way that responds to the political imperatives of the moment. Moreover, skills for communicating policy ideas, such as visual presentations and storytelling, can be central for the interaction with political/elected decision-makers.

The forthcoming OECD recommendation on Public Service Leadership and Capability recommends that Adherents invest in public service capability in order to develop an effective and trusted public service, with the appropriate skills to ensure policy capacity and effective sound public governance. This includes specific principles and guidance to:

- Continuously identify skills and competencies needed to transform political vision into services which deliver value to society;
- Attract and retain employees with the skills and competencies required from the labour market;
- Recruit, select and promote candidates through transparent, open and merit-based processes, to guarantee fair and equal treatment;

¹⁷ OECD (2017), Skills for a High Performing Civil Service, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/9789264280724-en>

- Develop the necessary skills and competencies by creating a learning culture and environment in the public service;
- Assess, reward and recognise performance, talent and initiative.

3.1.3. Digital capacities

In order to allow relevant stakeholders to collaborate actively with policymakers in the formulation of public policies, the government's digital capacities are pivotal. New technologies and digital progress allow a more meaningful and participatory stakeholder engagement to collaborate in the design of policies. Governments are not only confronted with the challenge to introduce digital technologies into public administrations; but also with the integration of digital means into public sector modernisation efforts. "Public sector capacities, workflows, business processes, operations, methodologies and frameworks need to be adapted to the rapidly evolving dynamics and relations between the stakeholders that are already enabled – and in many instances empowered – by the digital environment." (OECD Recommendation on Digital Government Strategies).

However, often governments are not yet sufficiently equipped to make use of digital innovations and new technologies. Digital progress and its impact on enhancing the capacity to guide or steer the policy process require governments to assess on a regular basis their digital capacities so that these can be adjusted to reflect the vagaries of a constantly changing digital environment.

The OECD Recommendation on Digital Government Strategies (2014) helps governments adopt more coherent and strategic approaches for "digital technologies use in all areas and at all levels of the administration" that stimulate more open, participatory and innovative administrations and that are aligned with governments' own digital capacities. In order to develop and implement digital government strategies, the Recommendation suggests that governments:

- Ensure greater transparency, openness and inclusiveness of government processes and operations (Principle 1);
- Encourage engagement and participation of public, private and civil society stakeholders in policy-making and public services design and delivery (Principle 2).

Core questions for consideration by governments

- Does your government have in place a robust multi-year strategic planning framework? Does this framework link strategic plans together and with the national budget?
- Has your government undertaken specific measures to build civil service skills for policy formulation and design (e.g. through recruitment, promotion and training frameworks)?
- Has your government established a legal or policy framework to facilitate the use of ICT as a mean to foster engagement and more participatory approaches in decision-making and the service design and delivery process?
- Does your government evaluate the efficiency of its public procurement system?

Additional resources

OECD legal instruments:

- [OECD Recommendation of the Council on Digital Government Strategies \(2014\)](#)
- [OECD Recommendation of the Council on Regulatory Policy and Governance \(2012\)](#)
- [Draft OECD Recommendation of the Council on Public Service Leadership and Capability \(forthcoming\)](#)
- [OECD Recommendation of the Council on Promoting Good Institutional Practices for Policy Coherence for Development \(2010\)](#)¹⁸

Other relevant OECD tools:

- OECD Public Governance Review: Skills for a High Performing Civil Service (2017)
- OECD Public Procurement Toolbox (2016)
- SIGMA Strategy Toolkit (2018)

References

OECD (2016), Open Government: The Global Context and the Way Forward, OECD Publishing, Paris, <https://doi.org/10.1787/9789264268104-en>

3.2. The strategic use of policy instruments

During the problem-identification and policy-formulation phase policymakers not only have to decide what to do in setting the objectives they aim to achieve, they need to consider how best to address the problem by deliberating about costs and effects of proposed solutions. As part of this process, policymakers have to decide which substantial policy instruments can best be deployed to address a problem and implement a solution. Substantial policy instruments or tools are “the actual means or devices that governments make use of in implementing policies” (Howlett, 2009). In the area of public governance, the OECD highlights the importance of **the policy instruments of budgeting and rule-making** to ensure that policies can meet the desired objectives and new challenges in as efficient as possible.

3.2.1. Regulatory policy and governance

A central policy instrument used by governments to intervene in economic matters and steer societal development are regulations. Policymakers can use regulation as an instrument, by imposing binding rules or limiting access to certain benefits and/or

¹⁸ As part of the OECD-wide Standard Setting Review, the Development Assistance Committee agreed to update the Recommendation of the Council on Good Institutional Practices in Promoting Policy Coherence for Development

advantages directly or indirectly. When they are proportionate, targeted and smart they can improve social, economic and environmental conditions.

The 2008 global financial and economic crisis and its underlying failings in governance and regulation have shown the importance of regulatory policy as an instrument for sound policy-making. A “well-functioning national regulatory framework for transparent and efficient markets is central to re-injecting confidence and restoring [economic] growth” (Recommendation on Regulatory Policy and Governance, 2012). Moreover, sound regulations can eventually help policymakers meet fundamental social objectives in areas such as health, social welfare or public safety and represent an important instrument to master environmental challenges.

However, adopting the right regulations as an instrument to solve policy problems is a continuously demanding task. Policy-makers have to evaluate if regulation is necessary and to what extent means other than regulation could be more effective efficient to achieve policy objectives. To help governments implement and advance regulatory practice that meets stated public policy objectives, the Recommendation on Regulatory Policy and Governance (2012):

- Provides governments with clear and timely guidance on the principles, mechanisms and institutions required to improve the design, enforcement and review of their regulatory framework to the highest standards;
- Advises governments on the effective use of regulation to achieve better social, environmental and economic outcomes; and
- Calls for a “whole-of-government” approach to regulatory reform, with emphasis on the importance of consultation, co-ordination, communication and co-operation to address the challenges posed by the inter-connectedness of sectors and economies”.

Being the first comprehensive international statement on regulatory policy since the financial crisis, the Recommendation advises policymakers on regulation design and quality during the policy formulation phase. The Recommendation highlights the importance of the public-governance values associated with open government, including transparency and participation in the regulatory process “to ensure that regulation serves the public interest and is informed by the legitimate needs of those interested in and affected by regulation”.

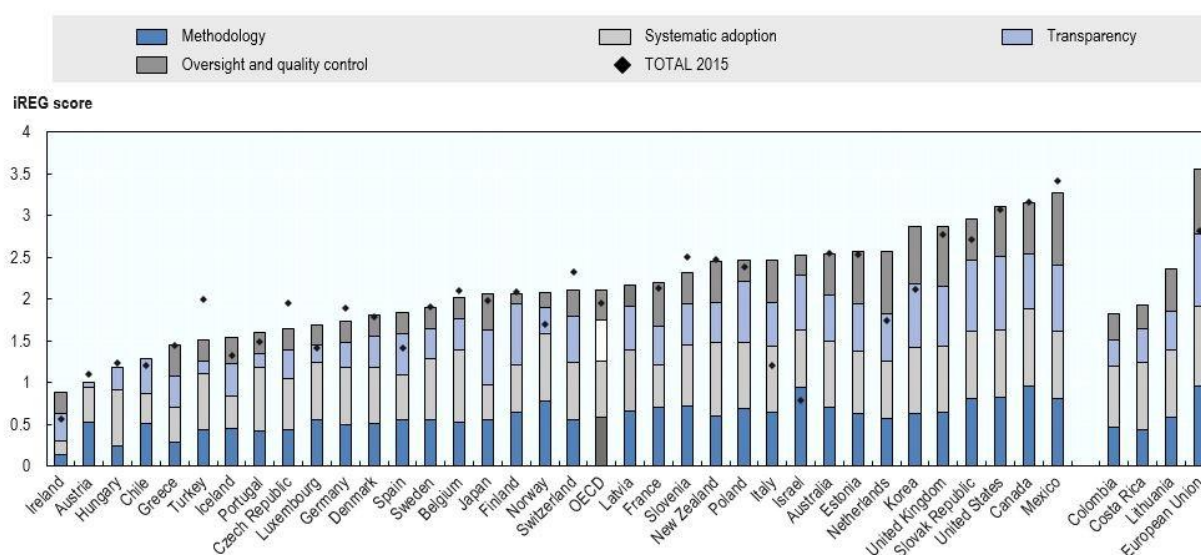
Transparency can positively add to the accountability of policymakers and increase citizens’ trust in the regulatory framework. The Recommendation stresses the role of public consultations to engage stakeholders both in the drafting process of regulatory proposals and in ensuring the quality of the supporting analysis. Consultation and engagement eventually improve the transparency and quality of regulations through the collection of ideas, information and evidence from stakeholders regarding public policy-making.

External consultation is a crucial element to avoid that regulators are subjected to one-sided influences, especially during the formulation phase and therefore to ensure that regulators act in the public interest and serve social cohesion. The OECD Recommendation on Public Integrity further highlights the importance of levelling the playing field by granting all stakeholders – in particular, stakeholders with diverging interests – access in the development of public policies. This requires instilling integrity and transparency in lobbying activities and political financing. Overall, transparency and stakeholder engagement (also as part of Open Government, which is discussed in Section 1.2) can

further reinforce trust in government, strengthen the inclusiveness of regulations and help to increase compliance with regulations by developing a sense of ownership. The Recommendation therefore recommends adherence to “principles of open government, including transparency and participation in the regulatory process to ensure that regulation serves the public interest and is informed by the legitimate needs of those interested in and affected by regulation.”

The majority of OECD countries have adopted stakeholder-engagement practices for the development of regulations. They use various forms of engagement, ranging from public online consultation to informal participation mechanisms. Countries with the highest scores of stakeholder-engagement in developing regulations have for instance adopted frameworks to open consultation processes to all parties interested and to disclose all stakeholder comments as well as government responses (see Figure 8).

Figure 8. Stakeholder engagement in developing subordinate regulations, 2018



Note: The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Source: Indicators of Regulatory Policy and Governance Surveys 2014 and 2017, <http://oe.cd/ireg>

In order to assess benefits, costs and effect of different regulatory and non-regulatory solutions during the policy formulation stage, **ex ante Regulatory Impact Assessment (RIA)** offers policymakers a key instrument to achieve the best response to specific policy problems. OECD experience has shown that conducting ex ante RIA improves the governments’ capacity to regulate efficiently and enables policymakers to identify the policy solution that is most suitable to reach public policy goals.

RIA can help increase policy coherence by revealing regulatory proposals’ trade-offs and identifying potential beneficiaries of regulations. In addition, RIA can also add to a more evidence-informed policy-making and help prevent regulatory failure due to unnecessary regulation, or lack of regulation when regulatory policy would be required. The collection of evidence through the RIA process can enhance the accountability of policy decisions at

the formulation phase. Furthermore, external oversight and control bodies such as Supreme Audit Institutions (SAIs) can verify whether a coherent, evidence-based and reliable RIA accompanied the drafting of regulations (OECD, 2017a). The OECD Recommendation on Public Integrity emphasises their crucial role in promoting accountable public decision-making.

All OECD countries have adopted formal requirements and developed methodologies for conduction RIA (OECD, 2018). In the ideal case, RIA should not only assess the potential costs and benefits of regulatory proposals, but also try to determine other impacts such as compliance and enforcement issues regulatory decisions might have.

Based on these practices, the OECD Recommendation on Regulatory Policy and Governance suggests governments “integrate Regulatory Impact Assessment (RIA) into the early stages of the policy process for the formulation of new regulatory proposals” and offers guidance for the design and implementation of assessment practices. In addition, as highlighted in chapter 5, countries are progressively moving toward the ex post review of their regulatory stock not only to improve their efficiency and quality but also as a way to enhance the development of new regulations.

3.2.2. Budgetary Governance

The other policy instrument for sound public governance is budgeting. The Budget reflects a government’s policy priorities and translates political commitments, goals and objectives into decisions on the financial resources to be allocated to pursue them, and on how these financial resources are to be generated¹⁹. It enables the government to establish spending priorities related to the pursuit of its strategic objectives and to proceed with a sequencing of initiatives that takes into account the availability of financial resources as defined in the fiscal framework. As mentioned above, governments are more systematically aligning planning priorities with spending priorities by ensuring greater linkages between planning and budgeting. This ensures that the government can pursue its strategic development objectives for the country by assigning financial resources through the national budget to reach them. This also enables the government to measure the impact of spending on the achievement of these development goals.

Through budget allocation policymakers can strategically encourage or discourage particular courses of action. Government spending can, for instance, influence the provision of services or infrastructure in case of market imperfections or failure in areas such as public health or environment protection and serve as leverage to encourage private investment and innovation. Moreover, public expenditure can positively contribute to spatial, social and economic cohesion. Through budget decisions, policymakers can also help discourage certain economic or private behaviour through the use of such fiscal instruments as taxes, tariffs, duties and charges.

Given its central importance for public governance and policy-making, the OECD has developed the OECD Recommendation on Budgetary Governance (2015), which focuses on “the processes, laws, structures and institutions in place for ensuring that the budgeting system meets its objectives in an effective, sustainable and enduring manner” (OECD, 2015).

¹⁹ Taxation (and tax administration) is a distinct policy instrument under budgetary governance, but they have different impacts and relevance. The next draft of the Policy Framework will present these separately from Budgeting and Regulating in this chapter as key governance instruments.

Figure 9. The ten principles of good budgetary governance



Source: OECD Recommendation of the Council on Budgetary Governance (2015)

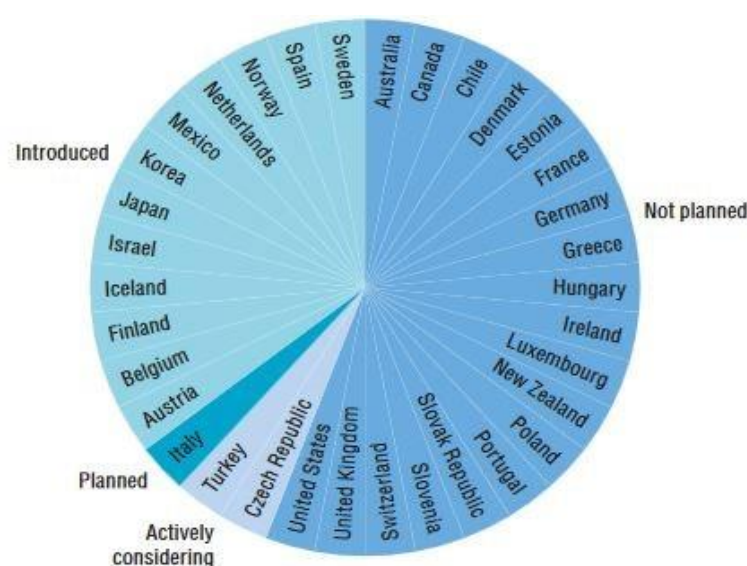
Providing a concise overview of good budgetary practices, this Recommendation contains ten principles that can serve as guidance for policymakers to make use of the budget system to achieve policy objectives and meet the challenges of the future. In addition to the aforementioned principle 2 (on linking budgeting with national priorities), three principles are of particular importance for the policy formulation phase:

- **Principle 3** of the Recommendations calls upon governments to design the capital budgeting framework in a way that it supports meeting national development needs in a cost-effective and coherent manner. How governments prioritise, plan, budget, deliver, regulate and evaluate their capital investment is essential to ensure that infrastructure projects meet their timeframe, budget, and service delivery objectives.
- **Principle 4** of the Recommendation points to the importance of ensuring that budget documents and data are open, transparent and accessible. Only with clear, factual budget reports that inform the stage of policy formulation, policymakers can take sufficiently informed budget decision to address policy problems. All budget information should further be presented in comparable format to discuss policy choices with citizens, civil society and other stakeholders to promote effective decision-making and accountability.
- **Principle 5** recommends policymakers to provide for an inclusive, participative and realistic debate on budgetary choices that need to be made in the general public interest. Engagement with parliaments, citizens and civil society

organisations in a realistic debate about key priorities, trade-offs, opportunity costs and value for money can increase the quality of budgetary decisions. But public engagement also required the provision of clarity about relative costs and benefits of the public expenditure programmes and tax expenditures.

The policy formulation phase also allows for an application of inclusive measures, such as gender mainstreaming in the budgetary process. Adopting a gender perspective with regard to budget decisions, by making use of special processes and analytical tools, can help to promote gender-responsive policies that address existing gender inequalities and disparities. The 2016 OECD Survey on Gender Budgeting has shown that one third of the OECD countries (12 countries) had already introduced and adopted gender mainstreaming in the budget process.

Figure 10. Status of gender budgeting, 2016



Source: OECD (2016), *Survey of Gender Budgeting*, OECD, Paris

Reflecting **environmental considerations in budget documents** and fiscal frameworks, including the annual budget, can help governments to ensure financing and implementation of policies to attain their environmental objectives. By ensuring that national expenditure and revenue processes are aligned with goals on climate and environmental policies, governments can, moreover, increase the accountability of their commitments and move towards environmentally sustainable development as stipulated by the Paris Agreement on climate change and the UN Sustainable Development Goals.

Core questions for consideration by governments

- Has the government established policies, institutions and tools to ensure the quality and coherence of regulatory processes (e.g. the design, oversight and enforcement of rules in all sectors)?
- Has the government established institutions and tools to ensure the involvement of stakeholders in the policy formulation process (with informing affected parties

about the policy intentions and embedding an interactive dialogue with stakeholders in the process)?

- To what extent are regulatory impact assessments used to evaluate the wider impacts and consequences of regulations, including on the competition, SMA and investment climate?
- Does your government ensure the alignment of the annual budget, its multi-year budget frameworks as well as its capital-expenditure planning with strategic policy objectives, such as national development plans or the SDGs, that have a long-term planning horizon? Does this alignment include setting annual or pluri-annual targets at the institutional level?
- Has your government established mechanisms to discuss the budget with stakeholders such as citizens and civil society organisations during the budget-setting process?
- Has your government implemented - or is planning to implement - specific policies for the development of a gender perspective on budget decisions?
- Has your government implemented – or is planning to implement – specific policies to reflect environmental considerations in the budget documents and fiscal frameworks?

Additional resources

OECD legal instruments:

- [Recommendation of the Council on Budgetary Governance \(2015\)](#)
- [Recommendation of the Council on Regulatory Policy and Governance \(2012\)](#)
- [Recommendation of the Council on Improving the Quality of Government Regulation \(1995\)](#)
- [OECD Recommendation on Public Integrity \(2017\)](#)

Other relevant OECD tools:

- OECD CleanGovBiz Toolkit “Regulatory Policy: Improving Governance” (2012)
- Budget Transparency Toolkit
- OECD Best Practice Principles on Stakeholder Engagement in Regulatory Policy (forthcoming)
- OECD Framework for the Governance of Infrastructure (2017)
- OECD Principles for Public Governance of Public-Private Partnerships (2012)
- OECD Regulatory Policy Outlook (2018)

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4. *Toward sound policy implementation*

If sound public governance is about **doing the right things** through sound decision-making, it is also about **doing things right** to ensure that policies and services continue to meet people's needs successfully in an increasingly complex, changing environment that is often fraught with uncertainty. In this regard, people largely evaluate governments by their success or failure to deal with urgencies and problems and their effectiveness in carrying out their policy initiatives.

Successful policy implementation is largely dependent on the government having the right tools at hand to identify the nature and dimensions of those challenges and to formulate and design adequate policy responses to address them. As underscored in Chapter 2 on the Enablers of Sound Public Governance, OECD evidence suggest that such enablers as sustained political commitment, leadership, effective co-ordination and innovation are essential to drive and sustain the implementation process.

However, even the best-designed policy will fail if government machinery does not enable the translation of policy decisions into action. All governance elements explained in the previous chapters, such as the reform enablers, regulation, and effective budgeting, are key for policy implementation. Moreover, OECD evidence also highlights the importance of paying attention to the **human and financial resources** required to create an agile administration, and to the mechanisms and instruments **for monitoring policy development and performance**, including the possibility to make corrections to courses of action if they are achieving results sub-optimally. Governments that develop and deploy these tools and practices in a strategic and integrated way, and consider the different complementarities across these tools of sound public governance when doing so, can enhance the quality and impact of policies and services.

Successful policy implementation is also predicated on an acknowledgement that this process involves technical as well as political implications. The public sector generally, and national governments in particular, no longer detain a monopoly on policy implementation. Different agencies and levels of government can be involved in the implementation of policies and initiatives, representing diverse and often conflicting interests. Indeed in many cases, policies are not implemented by those who design it, and sometimes they are pursued by actors or stakeholders from outside the public administration. This can create a vulnerable environment for corruption and negligence. In this regard, chapter 1 examined the importance of the value of integrity, openness and inclusiveness for the policy cycle and, hence, for the implementation process. Evidence suggests that policymakers need to provide a timely and sufficient degree of transparency and ensure that equal opportunities exist for public, private and civil society stakeholders to participate in policy delivery, including public-private partnerships.

The first section of this chapter assesses key determinants of successful policy implementation by exploring the role and importance of **civil service capabilities and skills, digital tools and public procurement**. The chapter then highlights the need to engage in policy monitoring as a key component of sound policy implementation.

4.1. Managing implementation²⁰

4.1.1. Public service leadership, capacity and skills for implementation

Whatever the public policy may be, whether in health, education, finance, or science, civil servants lie at the core of its implementation. The OECD experience in public employment and management underscores the importance of developing adequate frameworks to strengthen the capacities and skills of the public sector in order to create a values-driven, trusted and capable, response and adaptive public service.

The values that a system adopts depend on each country. As discussed in Chapter 2, common public-governance values include transparency, accountability, integrity and inclusiveness. Adherence and compliance with these values is, for instance, fundamental to prevent corruption and misuse of public resources during the implementation process. The promotion of values across the public sector and at all levels of government can be supported by (i) proactive clarification and communication, (ii) leadership commitment, (iii) regular opportunities for all public servants to discuss and evaluate the value performance, and (iv) value training tools (draft OECD Recommendation of the Council on Public Service Leadership and Capability)

The quality of public policy invariably depends on the capacities and motivation of the senior civil service to translate the decisions taken by the political leadership into manageable, actionable initiatives and to harness the necessary human and financial resources to implement them by ensuring that these initiatives are pursued successfully.

OECD evidence also suggests that the set of civil servants' skills required to pursue effective problem identification and policy design and formulation as presented in chapter 3 are also pivotal for effective policy implementation (OECD, 2017):

- Skills to provide timely policy advice and analyses to inform policy development;
- Skills to effectively engage citizens and crowdsource ideas to co-create better service delivery;
- Skills to work in collaborative partnerships and networks;
- Skills to commission and contract services, as in most cases, policies are not implemented by those who design it and often they are carried out by outside the public administration.
- Skills to make use of and maximize potential of the digital transformation.
- Skills to identify and address policy complementarities or contradictions in order to identify potential policy trade-off, resource-allocation and sequencing issues to ensure effective planning and implementation.

²⁰ The current draft of this section focuses primarily on skills. The next iteration of the Policy Framework will also highlight in this chapter (as well as in the remaining two where appropriate) other instruments such as contractual arrangements, business cases, internal review processes, experimentation and agile management tools that help in benefits realisation, course correction, and learning loops that make the delivery stage more about delivering value than simply implementing policy.

This last point is particularly important as it is linked to the opportunities and challenges posed by digitalisation, and therefore with the need for governments to develop broader digital government strategies.

4.1.2. Better service delivery through digital government

As described in chapter 3, the development of digital government strategies can be pivotal for the improvement of policy-making in all its stages, as it can be used strategically to shape public-governance outcomes beyond using them simply to improve government processes.

A sound digital environment allows for more collaborative and participatory relations with stakeholders such as citizens, the private sector and civil-society organisations to define political priorities actively together and to co-design and co-deliver public services. In addition to front-office design and delivery capacity, it can also foster back-office efficiency through, for instance, big-data sharing to design/deliver integrated services more seamlessly. The OECD Recommendation on Digital Government Strategies (2014) codifies best practice on the adoption of “more effective co-ordination mechanisms, stronger capacities and framework conditions to improve digital technologies’ effectiveness for delivering public value and strengthening citizen trust”. The Recommendation advises governments to:

- Ensure coherent use of digital technologies across policy areas and levels of government (Principle 6)
- Develop clear business cases to sustain the funding and focused implementation of digital technologies project (Principle 9)
- Reinforce institutional capacities to manage and monitor projects’ implementation (Principle 10)
- Procure digital technologies based on assessment of existing assets (Principle 11)

Box 9. ChileAtiende

ChileAtiende seeks to bring the State closer to its citizen, by providing a multichannel and multiservice network for the delivery of public services (one-stop shop). The network includes the following channels:

- Offices geographically distributed across the country to cover most of the population;
- Digital Channel: a website that provides information on more than 2,500 benefits and services in simple citizen language;
- Call Center: provides information and orientation on public services and benefits and
- ChileAtiende Vehicles: vans that reach remote and rural areas to provide public services.

The project was launched in January 2012. It was inspired by the compared experiences of Canada, Singapore and Australia, and designed by seizing an opportunity to reuse previously installed capacities. For more information: www.chileatiende.cl

Source: OECD Digital Government Toolkit (<http://www.oecd.org/governance/digital-government/toolkit/home/>). This toolkit is designed to help governments in the implementation of the OECD Recommendation on Digital Government Strategies. By comparing good practices across OECD countries, this site can guide decision-makers in using digital technologies to encourage innovation, transparency, and efficiency in the public sector.

4.1.3. Public Procurement as a strategic lever to pursue policy objectives

Policymakers can use public procurement as a strategic lever to pursue policy objectives: “well-designed public procurement systems contribute to achieving pressing policy goals such as environmental protection, innovation, job creation and the development of small and medium enterprises” (OECD, 2015). To this end, the OECD Recommendation on Public Procurement (2015) advises governments to:

- Evaluate the use of public procurement as one method of pursuing secondary policy objectives in accordance with clear national priorities;
- Develop an appropriate strategy for the integration of secondary policy objectives in public procurement systems.
- Employ an appropriate impact assessment methodology to measure the effectiveness of procurement in achieving secondary policy objectives.

Box 10. OECD Framework for the Governance of Infrastructure

Poor infrastructure governance is one of the most common bottlenecks to achieving long-term development. It affects not only the capacity of the public sector to deliver quality infrastructure but also has a negative impact on investment by the private sector. Good governance promotes value for money and allows financing to flow, poor governance generates waste and discourages investment.

The OECD Framework for the Governance of Infrastructure is designed to help governments improve their management of infrastructure policy from strategic planning all the way to project level delivery. It is built around ten key dimensions across the governance cycle of infrastructure, including determining a long-term national strategic vision for infrastructure; integration of infrastructure policy with other government priorities; co-ordination mechanisms for infrastructure policy within and across levels of government; stakeholder engagement and consultation. It furthermore looks at procedures to monitor performance of the asset throughout its life and measures needed to safeguard integrity at each phase of infrastructure projects; as well as the procedures used to ensure feasibility, affordability and cost efficiency; and under which conditions projects with private participation can lead to better outcomes.

Source: OECD (2017) Getting Infrastructure Right: a Framework for Better Governance.

Core questions for consideration by governments

- Does the government proactively promote and support values of sound civil service management – such as codes of conduct- that are essential to prevent corruption and misuse of public resources during the implementation process?
- Does your government has a strategy to use digital technologies – back-office and front-office - in a coherent and integrated way to shape public policy implementation in all policy domains and across all levels of government?

Additional resources

OECD legal instruments:

- [OECD Recommendation of the Council on Public Procurement \(2015\)](#)
- [OECD Recommendation of the Council on Digital Government Strategies \(2014\)](#)
- [Draft Recommendation of the Council on Public Service Leadership and Capability](#)
- [OECD Recommendation of the Council on Public Procurement \(2015\)](#)

Other relevant OECD tools:

- OECD Public Governance Review: Skills for a High Performing Civil Service (2017)
- OECD Public Procurement Toolbox (2016)
- OECD Comparative Study: Digital Government Strategies for Transforming Public Services in the Welfare Areas (2016)
- OECD Framework for the Governance of Infrastructure (2017)

4.2. Monitoring performance

Performance monitoring is “the continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing policy or reform initiative with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds” (OECD, 2016). It is a critical tool to inform governments on how they are progressing along the path to achieving their stated policy goals.

Monitoring policy and governance performance is essential to ensure the proper implementation of a public policy. As opposed to policy evaluation, which seeks to analyse the implementation of an intervention for its impact on results and outcomes (see chapter 5), monitoring is mainly a descriptive tool that helps policymakers track progress and make adjustments when necessary during the implementation phase to make sure it is on track to achieve the objectives for which it was adopted.

Policy monitoring information can feed **planning, decision-making and improve performance**, for example by “the analysis of data on the policy context, problems or needs in the preparation of a policy intervention, decisions on the allocation of resources and/or the choice between different options” (OECD, 2017). It can moreover serve as a **follow-up tool**, improving the implementation processes and the functioning of organisations; with a view to further enhance efficiency or the use of organisational capacity, among others. Eventually, it **provides accountability to stakeholders**, on issues such as resources use internal processes, outputs and outcomes of a policy (OECD, 2017). In the long term, data and information accumulated during implementation through monitoring can supplement evaluation insights and, together with evaluation (discussed in the next chapter), can inform **formulation and decision-making** of other policy interventions, for instance as part of performance-informed budgeting. Policy monitoring can be used to identify areas for further investigation and evaluation, as a basis for data-driven reviews in which qualitative discussions help to provide context for progress on indicators, which in turn allows organisations to adjust existing Key Performance Indicators (KPIs) or to set new ones.

Regardless of the policy or governance area, policymakers have to decide what elements should be monitored and how these can be tracked. In this regard, the OECD and the European Union, through the joint SIGMA initiative, have defined Public Administration Principles that include advice for purposeful monitoring (SIGMA, 2017). Governments could therefore:

- Set reform objectives and targets in planning documents.
- Define a set of performance indicators (aligned with objectives) that monitor progress on the implementation of reforms in planning documents.
- Ensure that performance indicators are measurable and relevant to the objectives and support accountability arrangements between institutions and responsible managers.
- Establish a data-collection system for all identified indicators that provides ministers and officials with timely and accurate data.
- Conduct progress reports at least every two years and ensure that they are publicly available and form a basis for discussion of implementation at political and top administrative levels.
- Put in place functioning central steering and strategy review processes.
- Involve civil society and the business community in the monitoring and review process by ensuring transparency and access to information, and enable them to provide input on implementation performance and challenges.

4.2.1. Monitoring government-wide policy priorities

Monitoring government-wide policy priorities has become one of the Centre-of-Government’s (CoG) major responsibilities to ensure that operational and strategic objectives are reached and policies are implemented in an effective and co-ordinated manner (OECD, 2017).

In this regard, as explained in Chapter 2, the CoG in OECD countries is increasingly focusing on monitoring the alignment of policies as well as their impact, in order to improve co-ordination across multidimensional policies and highlight progress and achievements vis-à-vis stakeholders.

The 2017 OECD Survey on the Organisation and Functions of the CoG showed that the above mentioned monitoring tasks are increasingly fulfilled by special monitoring units, namely results and delivery units, government project units, or government co-ordination units with different capacities. Delivery Units (DUs), for instance, can help line ministries with collecting data for different policy priorities, identifying all components of the implementation process, and offer support with the definition of Key Performance Indicators and policy targets that link performance information across related single- and multi-sector strategies.

While DUs can be a useful strategic tool, they must adopt a whole-of-government approach to monitoring and evaluating policy performance. In order to link policies with the delivery of desired outcomes, Key Performance Indicators (KPIs) are composite by definition, and need to cover a mix of input, intermediate (process, output) and outcome indicators. DUs and KPIs need to be carefully adapted to the institutional framework within a country in order to optimise their utility over time.

4.2.2. Monitoring financial performance and budget execution

OECD countries have developed different monitoring capacities to ensure efficient policymaking. The monitoring of the administration's financial performance and budget execution can help governments to assess the effectiveness of public spending against their strategic objectives and adjust the allocation of financial resources in case of unforeseen implementation challenges or misspending. To this effect, clear performance goals as well as sufficient control mechanisms should be established, to allow senior civil servants to track the performance. Linkages between the government's strategic objectives (as identified for example in its pluriennial development planning) and its spending results areas in the national budget need to be clearly identified.

These links take on added importance as governments pursue the translation of the UN SDGs into their national contexts through a triangulation exercise that aligns the SDGs with national strategic planning objectives and spending result areas in the national budget. Translating the SDGs into national development goals complete with key performance targets and indicators can enable the government to reflect the SDGs in their own strategic planning. Governments can then align their national strategic objectives (now reflecting the SDGs) with the spending result areas in the national budget. This has the potential of enabling governments to assess how their financial allocations and spending decisions are advancing the country down the path of achieving the SDGs in a way that reflects national development priorities and objectives.

The OECD Recommendation on Budgetary Governance (2015) advises governments on to “actively plan, manage and monitor the execution of the budget” and to ensure that performance is integral to the budget process. To that end, the Recommendation on Budgetary Governance recommends that Adherents use “performance information that is:

- limited to a small number of relevant indicators for each policy programme or area;
- clear and easily understood;
- clearly linked to government-wide strategic objectives;
- functional for tracking of results against targets and for comparison with international and other benchmarks.“

Moreover, countries could improve their monitoring efforts through, inter alia, developing oversight capacities in the Central Budget Authority and line ministries as appropriate and

organise the national budget around composite, multidimensional result areas. Supreme Audit Institutions can also play an important role by conducting performance audits to inform decision-makers. This enables governments to measure the impact of spending decisions against the strategic outcomes identified in the national strategy (and in the SDGs).

4.2.3. Measuring regulatory performance and ensuring implementation

In many OECD countries, measuring regulatory performance is a tool to improve policymaking and service delivery, as it can help governments to identify specific barriers and improve regulations in general, and also in specific sectors, for instance, to reduce compliance costs, to maximize net benefits and to ensure that regulations are transparent and accessible for citizens (see chapter 3). Moreover, intermediate successes can be measured and directly communicated as part of the implementation process. The OECD Recommendation on Regulatory Policy and Governance (2012) recommends that Adherents “establish mechanisms and institutions to actively provide oversight of regulatory policy procedures and goals, support and implement regulatory policy, and thereby foster regulatory quality”.

Improving the implementation and the enforcement of regulations is a shared challenge across OECD countries (OECD, 2018). Historically, this has been an underdeveloped area of research, despite the key role proper enforcement of regulations plays in people’s lives.

One of the most important ways to enforce regulations and to ensure regulatory compliance is through inspections. The way these are planned, targeted, and communicated, and the ethical standards and independence that govern how inspectors carry out their mandate are key factors that governments could consider to ensure that regulations are implemented effectively. In this connection, the OECD has developed eleven principles “on which effective and efficient regulatory enforcement and inspections should be based in pursuit of the best compliance outcomes and highest regulatory quality” (OECD, 2014):

- *Evidence-based enforcement.* Deciding what to inspect and how should be grounded on data and evidence, and results should be evaluated regularly.
- *Selectivity.* Promoting compliance and enforcing rules should be left to market forces, private sector and civil society actions wherever possible
- *Risk focus and proportionality.* Enforcement needs to be risk-based and proportionate.
- *Responsive regulation.* Inspection enforcement actions should be modulated depending on the profile and behaviour of specific businesses.
- *Long-term vision.* Governments should adopt policies and institutional mechanisms on regulatory enforcement and inspections with clear objectives and a long-term road-map.
- *Co-ordination and consolidation.* Less duplication and overlaps will ensure better use of public resources, minimise burden on regulated subjects, and maximise effectiveness.
- *Transparent governance.* Governance structures and human resources policies for regulatory enforcement should support transparency, professionalism, and results oriented management.

- *Information integration.* Information and communication technologies should be used to maximise risk-focus, co-ordination and information-sharing – as well as optimal use of resources.
- *Clear and fair process.* Coherent legislation to organise inspections and enforcement needs to be adopted and published, and clearly articulate rights and obligations of officials and of businesses.
- *Compliance promotion.* Transparency and compliance should be promoted through the use of appropriate instruments such as guidance, toolkits and checklists.
- *Professionalism.* Inspectors should be trained and managed to ensure professionalism, integrity, consistency and transparency.

4.2.4. Building robust governance indicators

As mentioned above, Key Performance Indicators (KPIs) are central for governments to measure progress in achieving national strategic sustainable development goals. Some of these KPIs can measure the impact of governance reforms on improving the government's capacity to pursue its development goals for the country.

Policymakers have continuously to decide what elements of a policy should be monitored and how these can be tracked through various different indicators. Many OECD countries use indicators that comply with the SMART criteria - criteria that are sufficiently specific, measurable, attainable, relevant, and time bound. The classic typology of governance indicators distinguishes between:

- *Input indicators:* measure the quantity and type of resources, such as staff, money, time, equipment, etc. the Government invests to attain a specific public policy.
- *Process indicators:* refer to actual processes employed, often with assessment of the effectiveness from individuals involved in the policy.
- *Output indicators:* refer to the quantity, type and quality of goods or services produced by the Government's policy. They can include operational goals such as the number of meetings held.
- *Outcome/Impact indicators:* measure the strategic effect and change produced by the policy implemented. Outcome indicators commonly refer to short-term or immediate effect, while impact indicators refer to long-term effect.

Box 11. Toward a framework to assessing the relevance and robustness of public governance indicators

Based on the work carried out by the OECD in governance indicators, Lafortune et al (2017) have proposed a criteria to evaluate the relevance and robustness of public governance indicators.

Relevance corresponds to the degree to which indicators serve a clear purpose and provide useful information that can guide public sector reforms. The target audience of these

indicators are mainly decision makers. To be useful and relevant is fundamental that the indicators sets provided are:

- Action worthy; an indicators should measure something that is important and which is meaningful for policy makers and the society.
- Actionability; governments should know what actions they need to take in order to improve their performance. Indicators should provide useful and informative insights into the type of reform countries should engage.
- Behavioural; while measuring the existence of directives, laws and other institutional documents, provided some information on the legal framework in place, what really matters is that they are actually implemented (output) and what their outcome/impact is. Therefore, in order to effectively inform public sector reforms, indicators should generally measure actual and observable facts, practices, and implementation (de facto).

Robustness corresponds to the statistical soundness of indicators. In this regard, the authors outline two main characteristics:

- Validity: A valid indicator measures precisely the concept it is intended to measure.
- Reliability. The measure should produce consistent results when repeated across populations and settings and event when assessed by different peoples and different times. In this regard, does the indicator provide stable results across various population and circumstances?

Source: Lafortune, G., Gonzalez, S., and Lonti, Z. (2017), Government at a Glance: A Dashboard Approach to Indicators. The Palgrave Handbook of Indicators of Global Governance, Palgrave Macmillan, Cham.

How governments make strategic use of policy evaluation to assess the relevance and fulfilment of objectives, efficiency, effectiveness, impact and sustainability of policies to foster a range of governance objectives will be discussed in Chapter 5.

Core questions for consideration by governments

- Has your government developed specific initiatives to ensure that performance information and data feed a strategic monitoring mechanism?
- Is your government focusing on translating the UN SDGs into national planning? Is the government aligning its national strategic planning goals as they reflect the SDGs with spending result areas in the national budget in a way that will enable it to measure the impact of spending on the pursuit of its planning objectives in the context of its efforts to implement the SDGs?
- How are monitoring results used to improve decision-making, including allowing senior civil servants to track financial performance and budget execution and link this performance to the pursuit of the strategies the budget is funding?
- Are the necessary mechanisms in place to ensure regulatory compliance and monitor regulatory enforcement against outcomes?

Additional resources:

OECD legal instruments:

- [OECD Recommendation on Budgetary Governance \(2015\)](#)
- [OECD Recommendation on Regulatory Policy and Governance \(2012\)](#)

Other relevant OECD tools:

- OECD SIGMA Principles of Public Administration (2017)
- OECD Regulatory Enforcement and Inspections Toolkit (2018)
- OECD Regulatory Enforcement and Inspections, OECD Best Practice Principles for Regulatory Policy (2014)
- OECD Centre Stage, Driving Better Policies from the Centre of Government (2014)

References

Lafortune, G., Gonzalez, S., and Lonti, Z. (2017), Government at a Glance: A Dashboard Approach to Indicators. The Palgrave Handbook of Indicators of Global Governance, Palgrave Macmillan, Cham.

OECD (2014), Regulatory Enforcement and Inspections, OECD Best Practice Principles for Regulatory Policy, OECD Publishing. <http://dx.doi.org/10.1787/9789264208117-en>

OECD (2016), Open Government: The Global Context and the Way Forward, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264268104-en>, p.112, based on OECD (2009), “OECD DAC Glossary” in Guidelines for Project and Programme Evaluations.

OECD (2017) Concept note - Towards Open Government Indicators: Framework for the Governance of Open Government (GOOG) index and the checklist for open government impact indicators, non-published.

5. *Toward robust policy evaluation systems*²¹

Evaluating performance and results helps to understand better why some policies work and others do not. By producing and promoting evidence, policy evaluation supports the quality of decision-making (see chapter 2), providing tailored advice to improve policy formulation (chapter 3) and implementation (chapter 4). Robust policy evaluation and its strategic use throughout the policy cycle can foster a range of governance objectives such as policies' value for money, and accountability and overall transparency of the policy-making process (chapter 1). More generally, it can minimise the risk of policy failure (Howlett, 2009). According to preliminary data from the OECD 2018 Survey on Policy Evaluation, policy evaluations are primarily carried out to measure government's results and the performance of the resources required to achieve them, to promote evidence-informed policy-making and to support budgetary governance.

Policy evaluation is the structured and objective assessment of a future, ongoing or completed policy or reform initiative. The aim is to determine, inter alia, the relevance and fulfilment of objectives along with the initiative's efficiency, effectiveness, impact and sustainability. Contrary to policy monitoring – which as explained in chapter 4 is essentially a descriptive exercise – policy evaluation seeks to analyse linkages between policy interventions and effects. It strives to create deeper understanding of observed policy success or failure. **This not only supports better decision-making; it specifically promotes:**

- **Learning**, as it helps to understand why and how a policy was or has the potential to be successful or not. Policy evaluation requires deep exploration and explanation, in order to identify - and provide responses to - challenges and barriers affecting sound public governance and policy-making. It is of particular interest to public officials willing to produce and use evidence to enhance decision-making.
- **Accountability**, as it provides citizens and other stakeholders with information whether the efforts carried out by the government, including allocated financial resources, are producing the expected results (OECD, 2017).

Robust policy-evaluation systems imply that evaluations are part and parcel of the policy cycle; that evaluations are carried out rigorously and systematically; that the results are used by decisions-makers; and that information is readily available to the public (Lazaro, 2015). Moreover, it is important that mechanisms for policy evaluation are considered during the policy-formulation and design phase and integrated into the overall approach, and that the agreed approach includes mechanisms to ensure that all relevant information and data needed for effective policy evaluation can be collected during the implementation phase.

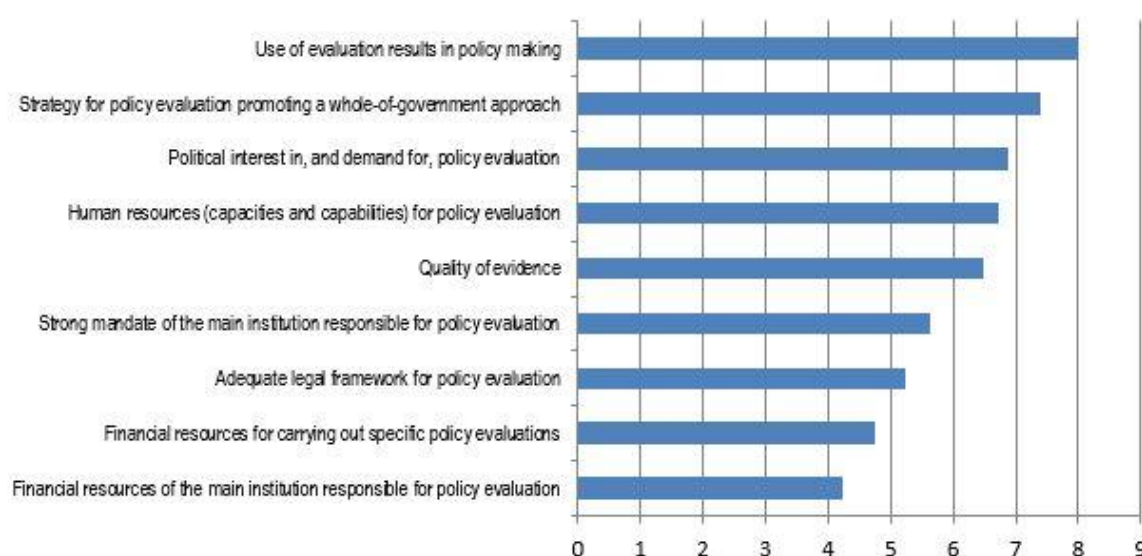
Given the overall importance and benefit of policy evaluation, several OECD Recommendations - such as the ones on Open Government and Public Integrity - underline the importance of undertaking policy evaluations. More specifically,

²¹ This chapter will be completed with evidence of practice gathered through the 2018 OECD Survey on Policy Evaluation in time for the consideration of the next version of the draft by the PGC and the RPC in 2019.

- The Recommendation on Regulatory Policy and Governance (2012) recommends that Adherents “[c]onduct systematic programme reviews of the stock of significant regulation against clearly defined policy goals, including consideration of costs and benefits, to ensure that regulations remain up to date, cost justified, cost effective and consistent, and deliver the intended policy objectives.”
- The Recommendation on Budgetary Governance (2014) recommends governments to ensure that “performance, evaluation & value for money are integral to the budget process”. To this end, the Recommendation suggests countries evaluate and review “expenditure programmes (including associated staffing resources as well as tax expenditures) in a manner that is objective, routine and regular, to inform resource allocation and re-prioritisation both within line ministries and across government as a whole”.

Nevertheless, policy evaluation very often constitutes the weakest link in the policy cycle and countries are still facing substantial challenges to promote policy evaluation (see Figure 5.1)

Figure 11. Government’s current challenges for promoting policy evaluations



Source: OECD Survey on Policy Evaluation (forthcoming)

Note: Preliminary results.

As Figure 5.1 shows, developing and/or implementing a strategy for promoting a whole-of-government approach on policy evaluation is a key challenge for many countries. Such a strategy would ideally address three main issues, i.e. providing guidance on how to:

- **Build an institutional framework for policy evaluation**, which provides amongst others (a) the legal basis to undertake policy evaluations; (b) macro-level guidance on when and how to carry out evaluations; and (c) the identification of mandated institutional actors with allocated resources to oversee or carry out evaluations.
- **Foster a policy evaluation culture**, including for instance direct and indirect measures to promote the quality and use of policy evaluations across government,

including efforts related to building human resources capacity, ensuring appropriate stakeholder engagement, etc.

- **Deliver government-wide and sector policy evaluations**, ensuring the link with, for instance, economic, social and/or environmental priorities.

5.1. Building an institutional framework for policy evaluation

As for any area of public governance, an adequate institutional framework constitutes a solid basis to embed the practice of evaluations across government in a systematic and systemic way. However, there is no one-size-fits-all approach for this.

The legal and policy anchoring of evaluation can vary substantially across countries. Some countries have specific stipulations in their constitutions; others focus on primary or secondary law to anchor policy evaluation; while still others opt for flexible arrangements linked for instance to specific public-sector reform strategies.

Furthermore, robust policy evaluation systems can benefit from clearly designated institutional actors with a well-defined mandate and specific resources to oversee and/or carry out policy evaluation. Here, the landscape is also quite diverse. While in some countries there is one, or a small number of organisation(s) promoting and/or coordinating policy evaluation across government, such a centralised element can also be absent, without necessarily jeopardising the overall importance given to policy evaluation. This is specifically the case in more decentralised countries

Even if a clear central coordinating entity exists, these can be of very different nature. Some countries created departments or offices located within the Presidency, the Cabinet Office or the Prime Minister Office. Other countries have established independent agencies that set and coordinate evaluations across government. Moreover, certain line ministries can also play a central role in promoting and/or co-ordinating policy evaluation across government. What is evaluated might also affect the institutional set-up that is required. For instance, while independent bodies might be the best option for conducting or overseeing ex post evaluation of sensitive regulations with significant impact, line ministries and agencies in charge of the implementation of the evaluated policy might be adequate to conduct less sensitive evaluations (OECD, forthcoming)²².

Box 12. Canada's Policy on Results

The Government of Canada launched a new Policy on Results in July 2016. The policy seeks to improve the achievement of results across government; and to enhance the understanding of the results government seeks to achieve, does achieve, and the resources used to achieve them.

Responsibilities on policy evaluation are shared between the Privy Council Office, as body responsible for promoting the use of evaluation findings into policymaking, and the Treasury Board, which defines and updates the evaluation policy.

The Policy establishes that all government departments should have an evaluation unit. Line Ministries are responsible for establishing a Departmental Results Framework. For the implementation of the policy, the Treasury Board of Canada can require departments

²² Regulatory Outlook 2018

to undertake specific evaluations and participate in centrally-led evaluations; can initiate or undertake Resource Alignment Reviews; approves line ministries Departmental Results Frameworks and changes to their organizations core responsibilities.

Source: <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=31300>.

5.2. Fostering a policy evaluation culture

Promoting policy evaluation across the policy cycle requires more than ticking the box that evaluations are produced. Ensuring the systematic production of policy evaluations is a necessary but not sufficient condition to enhance the quality of public governance and service delivery. Poor quality evaluations will hardly contribute to better learning, higher accountability, or better decision-making and policy design. Likewise, high-quality evaluations may be completely ignored for actual policy decisions, due to a lack of incentives.

While the idea of fostering an evaluation culture can sound somewhat ephemeral, concrete actions can be taken to promote the relevance and uptake of policy evaluations. These can for instance include the promotion of political commitment and stakeholder engagement (see chapter 1 and 2), or the support for skills development in the area of policy evaluation, which can all evaluations' their quality and use in policymaking.

The **quality of policy evaluations** is an essential factor to guarantee the robustness and validity of any policy evaluation effort. Both quality control (deliverable oriented) and quality assurance (process oriented, i.e. doing the right things in the right way) are essential in this respect. For this reason, the Recommendation on Budgetary Governance recommends for instance that Adherents “ensure the availability of high-quality (i.e. relevant, consistent, comprehensive and comparable) performance and evaluation information to facilitate an evidence-based review”.

A preliminary analysis of the data collected through the OECD Survey on Policy Evaluation (SPE) shows that governments are focusing in the following areas to foster the quality of their policy evaluations:

- The skills and capacities within the public service to conduct or commission policy evaluations.
- The role of stakeholders, to ensure that evaluations are targeted properly and that recommendations for improvement are practical and user-centred (OECD, forthcoming, regulatory outlook)²³.
- The realisation of meta-evaluations and the role of Supreme Audit Institutions to audit the policy evaluation system.
 - Supreme Audit Institutions can play a critical role in the evaluation process through their audits, evaluations and advice, thus holding the government to account for the use of public resources. In addition to evaluating policies and programmes on a performance or value-for-money basis, they can act as “evaluators of evaluators” in government by auditing the effectiveness of a

²³ The importance of stakeholder engagement for the quality of policymaking is addressed in chapter 1

monitoring and evaluation (M&E) system and those responsible for it. They produce evidence to inform what works and what does not work, provide insight into potential duplications and fragmentations across government, and can expose where a policy does not serve the public interest or clearly advantages a narrow interest group. In addition, they are active in assessing the functions required for the formulation, implementation and evaluation of public policies and programmes (OECD, 2016).

As shown in Figure 5.1, the **use of policy evaluation results in policy-making** represents an important challenge for governments in the area of policy evaluation²⁴. Factors such as overall quality, timing of evaluations and political commitment to the evaluation process can increase the use (and therefore impact) of policy evaluation recommendations (OECD, [GOV/RPC\(2018\)5](#)). To this end, countries have developed specific initiatives to promote the strategic use of policy evaluation results. According to the preliminary results of the SPE, almost half of the surveyed countries for instance promote the use of policy evaluation through the incorporation of their findings in budgeting. This is in line with the OECD Recommendation on Budgetary Governance, which suggests that governments should take into account the results of evaluations to reassess the alignment of overall expenditure (including tax expenditure) with fiscal objectives and national priorities (OECD, 2015). More than one third of surveyed countries also foster the use of evaluations by discussing their results at the highest political level (Council of Ministries or equivalent). A similar number of countries has established co-ordination platforms to promote the use of evidence produced by policy evaluations.

Box 13. OECD Best Practice Principles for Ex Post Regulatory Reviews

The OECD Regulatory Policy Committee is discussing the development of Best Practice Principles for Ex Post Regulatory Reviews; based in the fact the it remains the less developed area of regulatory policy despite that their importance to improve the current regulation stocks but also to improve the design and administration of new regulations.

The document will intend to provide general guidance in system governance, under the following overarching principles:

- Regulatory policy frameworks should explicitly and permanently incorporate ex post reviews as an integral part of the regulatory cycle.
- A sound system for the ex post review of regulation would ensure comprehensive coverage of the regulatory stock over time, while ‘quality controlling’ key reviews and monitoring the operations of the system as a whole.
- Reviews should include an assessment of the actual outcomes from regulations against their rationales and objectives, and make recommendations to address any deficiencies.

The Principles will address several governance dimensions, such as methodologies, public consultation and sequencing, capacity building and committed leadership for evaluations.

²⁴ Chapter 2 of this Framework addresses the broader issues related to evidence-informed policy-making.

Source: OECD Best Practice Principles for Regulatory Policy: Reviewing the Stock of Regulation, [GOV/RPC\(2018\)5](#).

5.3. Delivering government-wide and sector-specific policy evaluations

Policy evaluation, along with other practices such as user and staff feedback built into the policy implementation processes, enables the strategic use of **feedback loops in the policymaking process**, as it connects policies outcomes, impacts, and policymakers' decisions (learning dimension), as well as government and beneficiaries (stronger focus on the accountability dimension). Considering the importance of conducting policy evaluations to measure government's results and the resources required to achieve these, countries have a strategic interest in developing an approach enabling the practical organisation and actual delivery of their policy evaluations. This enables the use of evaluation results to assess the quality and impact of policies and services so that the government can improve upon policy and service design and delivery.

In this regard, a first cluster of the OECD Survey on Policy Evaluation regards the **evaluation of government-wide policy priorities**²⁵. As mentioned earlier, public sector capacity to manage complex policy initiatives has become a priority for many governments. However, the crosscutting and multidimensional nature of most of these policies constitutes an extra challenge.

Understanding what works, what does not, and what can be improved in the implementation of government-wide policy priorities seems to be relevant for OECD countries. According to the preliminary results of the OECD Survey on Policy Evaluation, the majority of the surveyed countries evaluate their government-wide policy priorities. Moreover, almost half of these have a specific process in place to evaluate this type of policies.

How countries define and evaluate their policies priorities varies substantively, however. While some countries define their priorities within the framework of a national development plan or strategy, in several European countries the EU's Structural Reform Support Programme has played an important role in the definition and methodology for the evaluation of these policies. The data collected in the SPE points to specific evidence of practice concerning what countries evaluate (input, output, process, outcome and impact); which methodologies do they use; to which extent do they involve stakeholders in the evaluation process; and how they report and use evidence on policy evaluation.

²⁵ Policy priorities are understood as a limited number of long-term or medium-term (and usually cross-sector) policy goals that are acknowledged across government as being of greatest importance/highest priority.

Box 14. Country practices in fostering the use of evaluation results in policymaking

According to the responses provided by countries to the OECD Survey on Policy Evaluation, countries are adopting different practices to fostering the use of evaluation results in policymaking:

- Norway has launched a web service (<https://evalueringsportalen.no/>), which gathers the findings of the evaluations carried out by the central government in one platform. By increasing accessibility to evaluation results, the Government aims to increase the use and reuse of knowledge and results from evaluations in all state policy areas, in future evaluations, and in society as a whole. It is moreover important for legitimacy and transparency in relation to government activities.
- The United States of America has created an Interagency Council on Evaluation Policy, co-chaired by the Office on Management and Budget (OMB) and the Department of Labor, composed of about ten high-capacity evaluation officers from government agencies, who meet on a monthly basis, to discuss evaluation results.

Moreover, in several countries evaluations results are discussed at the parliamentary level:

- In Germany, the Bundestag (first chamber of Parliament) requires annually approximately 80 reports from the Federal Government regarding the evaluation of single policies or specific regulations and measures of administrative action of the government. Over the past five years, the country has issued the following evaluation reports: Scientific Advisory Council of the Federal Government on Global Change (Wissenschaftlicher Beirat der Bundesregierung Globale Veränderungen); Main Report Monopolies Commission 2016 (Hauptgutachten Monopolkommission 2016); Evaluation of the Age Allowance Act (Evaluation des Altersgeldgesetzes).
- In Japan, the government submits a report each year to the Japan's bicameral legislature Diet on the status of Policy Evaluation and on how the results of such evaluation have been reflected in policy planning and development (see http://www.soumu.go.jp/menu_news/s-news/104284_00003.html).

Source: OECD Report on Policy Evaluation (forthcoming).

Next to the evaluation of government-wide policies, policy evaluation is also organised for specific sector or thematic areas. As policy evaluation has progressed at different speeds from one country to another, different evaluation practices (and cultures) have developed within the same country. Countries can have a strong policy evaluation tradition within line ministers and departments, without the existence of a centralised overseeing or coordination bodies (Jacob et al, 2015; Olejniczak et al., 2012).

Historically, its development has been striking in areas such as education and health care, but less so in other areas. The SPE also highlights OECD evidence of practice in the delivery and use of evaluations at the sector/thematic level. Moreover, ex post evaluation of governance reform initiatives is also a relevant area of work of OECD countries. For example, the OECD developed the Framework for Regulatory Policy Evaluation (2014),

which assists countries in systematically evaluating the design and implementation of regulatory policy, against the achievement of strategic regulatory objectives.

Over time, evaluating multidimensional and single-sector policy performance will also take on added importance in OECD Member and non-Member countries as government work toward assessing progress in pursuing the SDGs and reporting on this progress to their citizens.

Core questions for consideration by governments

- Does your country's current legal and policy framework foster systematic policy evaluation across government? Are the necessary mechanisms in place to ensure ex-post evaluations of regulations?
- How does your government ensure the quality of evaluations across government? Are there specific mechanisms in place?
- To what extent does your government engage with stakeholders during the policy evaluation process?
- How does your government promote the use of the findings of policy evaluations? Does your government consider evaluation results for budgetary discussions? How does your government institutionalise feedback loops to optimise the impact of the evaluation of policy performance and sustain its influence on policy-making?
- In the context of pursuing the Agenda 2030 SDGs, is policy evaluation and its feedback loops taking on added importance? How is your government preparing for assessing its progress in pursuing this Agenda and in reporting to citizens on this progress?

Additional resources

OECD legal instruments:

- [Recommendation of the Council on Regulatory Policy and Governance \(2012\)](#)
- [Recommendation of the Council on Budgetary Governance \(2015\)](#)

Other relevant OECD tools:

- OECD Report on Policy Evaluation (forthcoming)
- OECD Best Practice Principles for Regulatory Policy: Reviewing the Stock of Regulation, [GOV/RPC\(2018\)5](#)
- Regulatory Policy Outlook 2018
- 2016 OECD Performance Budgeting Survey
- OECD Supreme Audit Institutions and Good Governance (2016)
- OECD Framework for Regulatory Policy Evaluation (2014)

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