

#### *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 implementation<sup>20</sup>

### 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.

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<sup>20</sup> 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](http://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 worked 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.