DAC Network on Governance

STUDY ON INNOVATION IN PUBLIC SECTOR GOVERNANCE REFORM FOR THE ANTI-CORRUPTION TASK TEAM

GOVNET Meeting, 3 November 2014

This document is submitted for INFORMATION under Item V of the ACTT Agenda [DCD/DAC/GOVNET/A(2014)1]. GovNet agreed in its 2013 meeting to review innovative approaches to the provision of governance support in developing countries and to explore the replicability of some of these experiences. This paper brings a summary of the publication that GOVNET will publish in 2015. It outlines a study on innovations in Public Sector Governance Reform, commissioned by OECD with financial support from the Swiss Agency for Development and Cooperation.

Please note that this document is available in PDF format only.

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Study on Innovation in Public Sector Governance Reform

Room Document 5 - For information

Anti-Corruption Task Team meeting

3 November 2014, Paris
Study Objective

To identify innovative experiences on development cooperation support to governance reform programmes and to explore options for possible replicability.

Key Study Questions

1. How can we usefully define innovation in the context of governance support in developing countries?
2. What examples do we have of innovative approaches recently used in this area?
3. Can we identify concrete conditions that enable or promote more successful innovation?
4. Can we identify specific contexts in which innovation is conducive to public sector reforms and conditions when it is rather not recommendable?
5. Which concrete innovative experiences and approaches have the potential to be totally or partially replicable in other countries and contexts? Since replicability is of major interest, the review should pay particular attention to:
   - context specificity - was the innovation a “one-off”;?
   - transferability principles - what could be used to inform the design of future programmes (looking to articulate a more general theory of change rather than a blueprint)?;
   - value for money - is there evidence that benefits outweighed costs compared to the norm?;
   - inspiration for change - does the approach inspire further innovation – even if it failed?
6. What has been learned to date about the sustainability of innovative governance initiatives?

Focus for the 19th DAC Network on Governance Meeting

1. Introduction to the study and update for participants on progress to date;
2. Facilitated discussion focusing on three key questions drawing on participant knowledge and experience:
   - What conditions within organisations enable the identification and introduction of innovations in public sector governance reform?
   - What contextual factors within the external environment enable the introduction of innovation in public sector governance reform?
   - What factors should be considered as the basis for reaching judgements on the replicability of innovations in public sector reform?
**Background: Rationale for the Study**

Weak and poorly performing public institutions are an enduring characteristic of many developing countries, despite significant amounts of Official Development Assistance (ODA) devoted to public sector reform and institutional strengthening. This presents development partners with a fundamental challenge to their cooperation since public sector reform has been identified as a crucial precursor to the successful management of economies; to the effective implementation of policies; to the delivery of services to citizens; to the recovery of states from conflict and fragility; and to the maintenance of security and stability. In particular, responsive governance has been seen as key to the restoration of trust in governments blemished by corruption, inefficiencies and ineffectiveness. Given these imperatives, continued partial and limited reform success signals poor prospects for development and suggests the need for innovative solutions to intractable problems, whether through invention, imitation or adaptation. Such observations are widely shared and have led to a call by practitioners for investment in research to determine what innovation in public sector governance reform looks like; if, how and why it works; how lessons from innovative experiences can be replicated and how benefits can be sustained.

In response to this and recognising that there are currently “no systematic mechanisms for capturing, evaluating and disseminating innovation” and little coordination between development actors, the OECD-DAC network on governance (GovNet) agreed in its 2013 meeting to review innovative approaches to the provision of governance support in developing countries and to explore the replicability of some of these experiences. This study has been designed as a central element to that response.

**Study Scope**

Given the significant scale and spread of governance programming and the limited time and resources available for research, the scope of the study has been contained (within the ToR) against a number of criteria.

1. the study will look at donors as the source of innovation with regard to governance reform (primarily as direct initiators but also as indirect supporters of developing country initiatives);
2. the study will map and assess innovation in three thematic areas only: sub-national governance reform (decentralisation); reforms aimed at improving accountability in the public sector; and anti-corruption initiatives;
3. the study will focus on four types of innovations (as highlighted in the ToR): better strategies, better tools, improved internal systems and the dissemination of lesser known or used modalities that have a proven capacity to achieve impact;
4. the number of innovative experiences to be recorded will be limited to twelve.

**Study Stakeholders**

The study has been commissioned by the Organisation for Economic Cooperation and Development (OECD) with financial support from the Swiss Agency for Development and Cooperation (SDC). It will be conducted in close collaboration with the OECD Observatory of Public Sector Innovation (OPSI). The study will be guided by the DAC Network on Governance (GovNet) through an ad-hoc Reference Panel. The Development Partners Working Group on Decentralisation and Local Governance (DeLoG) will collaborate with the study, specifically facilitating the identification of possible experiences in the area of sub-national governance reform. The study is led by IMC Worldwide.
Study Methodology
The approach to the study incorporates a desk-based review of innovation in governance; a survey on innovation in governance experiences; the application of an analytical assessment framework and the discussion and development of findings within an innovation in governance workshop. The combination of these data gathering and analysis methods will enable the study team to address the key questions posed in the terms of reference and listed above.

The purposive sampling approach adopted for the study will mean that the selection of innovation experiences will be based on a considered judgement of the quality and sufficiency of evidence available to reach a judgement on three key issues:

- **Transferability**, which will include consideration of whether innovation: has been introduced into a common area of service delivery; requires minimal or reasonable structural change; is likely to be compatible with political and cultural sensitivities; has a reasonably clear theory of change; is not dependent on unavailable or unaffordable technologies; represents an acceptable level of risk (for example with regard to potential misappropriation of funds and conflict sensitivity).
- **Inspiration for Change**, which will include considerations of level of visible impact; ease of measuring benefits; ease with which innovation can be communicated; degree to which experience conveys important lessons in terms of why innovation failed.
- **Value for Money**, which will require a consideration of whether there is some evidence that the innovation can be introduced at reasonable levels of economy, efficiency and effectiveness and with due attention to equity; cost-benefit analysis might be possible as the basis for economic appraisals in other contexts.

Final Deliverables

**Product I: A set of twelve data files for the OPSI data base** – As much of the information gathered during the study as possible will be incorporated into OPSI in order to make it accessible to a wider audience. The systematic and structured way in which information will be collated will also facilitate comparison between experiences and generate and test a process of collection, collation and analysis that could continue beyond the study.

**Product II: Review of Innovative Experiences** – A review report will include the following: a brief description of the experiences gathered (based on a summary of final product I); a review of assessment systems that have been used to generate information about the innovation experiences - based on the results frameworks and evaluation systems that have been used in the assessed cases; a review of the enablers for innovation, focusing particularly on context and conditions; and a consideration of replicability using evidence gathered against a replication rating system.

**Product III: Guide to Innovation** – This guide will be designed to promote innovative approaches to a wide audience of practitioners and decision makers. Presented in a highly accessible way, the guide will suggest general principles for identifying and learning from innovation, based on the processes used in this study. It is intended that the guide will be a useful tool for donors and partners considering innovation at the design stage of governance programming. This will include the menu of innovation examples identified within this study including information about their strengths and weaknesses.

**Product IV: Policy Brief on Supporting Innovative Practices in the Governance Sector** – This will outline “headline” findings and provide key recommendations on how to support innovative practices in the governance sector. It will include what to consider when countries and organisations
are interested in replicating some of the innovative experiences outlined and will draw upon the main findings included in the other study products.

**Progress to Date**

1. The **Inception Phase** is complete and has produced an Inception Report which has been reviewed and approved by the Reference Panel.

2. The **Desk Review** is underway and potential “experiences” are being screened and scoped according to the study methodology prior to being selected. Selected experiences are being documented according to the OPSI database format. The set of experiences will be reviewed to identify the enablers for innovation in each case (conditions and context) and the weight of evidence on replicability. The Desk Review Report will be presented to the Reference Panel in draft form at the end of November.

3. The **Survey on Innovation in Governance Experiences** has been designed, piloted and sent to GovNet and DeLOG members.

4. The contributions of the participants of the **19th DAC Network on Governance Meeting** will be incorporated into the analysis stage of the Desk review.

**Implementation Plan**

Progress to date and next steps are based on the implementation schedule below which covers key study activities and delivery deadlines. Deliverables are indicated by dates provided in the activity column.

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**IMC Study Team:**

- Angela Christie (Governance Expert: Team Leader)
- Bryony Everett (Innovations Technical Expert)
- Kate Conroy (Research and Learning Expert)
- Hannah Swan (Governance and Innovations Researcher)