

THE 2ND KIPF-OECD-ADB ROUNDTABLE OF THE NETWORK ON FISCAL RELATIONS IN ASIA (RONFRA)

Local Capacity Building and Performance Improvement for Inclusive Growth

Workshop organized by the Korea Institute of Public Finance, the OECD and the ADB

Ruby Hall (22F), The Plaza, Seoul

February 21-22, 2019

Objective of the workshop

Given the current economic context around the world, inclusive growth is a hugely important topic and has been made into a key national policy objective in many countries. The objective is also promoted by international organizations – especially the OECD – as well as the ADB, the IMF, the World Bank, and the UN. The OECD has been a leading promoter of inclusive growth policies, and relevant frameworks for analysis.

Since subnational governments are involved in so many aspects of policymaking, it is natural to investigate how and to what extent subnational governments can play a role for inclusive growth. However, there remains surprisingly little research on the links between inclusive growth and fiscal decentralization. Recognizing the importance of understanding the link between fiscal decentralization and inclusive growth in developing and emerging countries, the OECD and the KIPF (Korea Institute of Public Finance) initiated a Roundtable of the Network on Fiscal Relations in Asia (RoNFRA). The first meeting was held in December 2017 in Seoul on the theme of “Making fiscal decentralization work for inclusive growth in Asia”. The main motivation of RoNFRA is to promote better policies for fiscal decentralization and sustainable development, so the core participants of RoNFRA are government officials of the Asia and Pacific region. Consequently, RoNFRA provides a rich environment for policy dialogue and discussions among Asian and Pacific countries.

The main motivation of the theme of the 2nd RoNFRA is as follows: firstly, whether and how much decentralisation contributes to inclusive growth depends on local capacity, which in turn depends on various factors such as local fiscal and human resources, the commitment of local politicians and public officials, intergovernmental fiscal relations, fiscal institutions, political environments, and their interactions with each other. In many cases, building local capacity depends on the incentives faced by local governments such as political incentive (voting and accountability); fiscal incentive (design of intergovernmental grants); administrative incentive (performance management); and citizen participation (direct democracy).

Bringing such diverse issues together and having them discussed by experts in relevant academic and policy fields will give us an opportunity for new perspectives and sharing of information on the local capacity building and performance for inclusive growth.

Program

* Venue: Ruby Hall (22F), The Plaza

Day 1 Thursday, 21 February 2019

09:00 – 09:30 Registration

09:30 – 10:00 **Welcoming Remarks**
Yu-Chan Kim, KIPF
Luiz de Mello, OECD

Session

I

10:00 – 11:00

Overview and Concepts

- What does local government capacity entail, and how can policies and institutions help to improve performance?

Moderator **Junghun Kim** Fiscal Policy Institute

Keynote Speakers **Teresa Ter-minassian** Former IMF

Paul Smoke New York University

11:00 – 11:15 Group Photo and Coffee Break

Session

II

11:15 – 12:50

Local Revenue Capacity

- Making better use of income taxes, property taxation, fees and charges, etc.

Moderator **Junghun Kim** Fiscal Policy Institute

11:15 – 11:30 Lead Speaker **Sean Dougherty** OECD

11:30 – 12:15 Country **Zhi Liu** Lincoln Institute, China

Experiences **Daovala Phommala** Lao PDR

Niño Alvina Philippines

12:15 – 12:30 Discussant (Rapporteur) **Teresa Ter-minassian** Former IMF

12:50 – 14:30 Lunch (Opal Room (22F), The Plaza)

Session

III

14:30 – 16:00

Local Government Capacity

- Technical capacity: capacity and commitment of local officials for public service delivery and development planning
- Governance capacity: effectiveness of decision-making process of local governments and citizen participation

	Moderator	John M. Kim	KIPF
14:30 – 14:45	Lead Speaker	Edwin Lau	OECD
14:45 – 15:30	Country Experiences	Bondi Arifin	Indonesia
		Win Win Myat	Myanmar
		Imelda Laceras	Philippines
15:30 – 15:45	Discussant (Rapporteur)	Hanif Rahemtulla	ADB
16:00 – 16:15	Coffee Break		

Session

IV

16:15 – 17:50

Intergovernmental Institutions, Incentives and Framework Conditions

- Constitutional, legal frameworks and enabling conditions that have an influence on subnational capacity-building

	Moderator	John M. Kim	KIPF
16:15 – 16:45	Lead Speakers	Dorothee Allain-Dupré	OECD
		Philipp Päcklar	Fiscal Network Bureau
16:45 – 17:30	Country Experiences	Preeta Lall	LOGIN Asia, India
		Anchidtha Roonguthai	Thailand
		Lourenco Pinto	Timor-Leste
17:30 – 17:45	Discussant (Rapporteur)	Paul Smoke	New York University
18:00 – 19:30	Dinner (Opal Room (22F), The Plaza)		

Day 2 Friday, 22 February 2019

Session

V

09:30 – 12:30

The Role of Intergovernmental Grants – ADB Organized

- How to be effective for local capacity building?
- General grants, earmarked grants, and block grants
- Performance-based grants

09:30 – 10:15	Lead Speakers	Roger Shotton (Rapporteur)	Local Development Associates
		Uyanga Gankhuyag	UNDP
10:15 – 11:00	Country Experiences	Suresh Balakrishnan	Nepal
		Batsukh Tumurtulga	Mongolia
		Mohammad Emdad Ullah Mian	Bangladesh
		Chanthary Huy	Cambodia
		Anna Bonagua	Philippines
11:00 – 11:20	Discussants	Junghun Kim	Fiscal Policy Institute
		Heru Wibowo	Indonesia
11:20 – 12:20	Group Discussion	<i>All Participants</i>	
12:20 – 12:30	Wrap-up	Roger Shotton	Local Development Associates
12:30 – 14:00	Lunch (Opal Room (22F), The Plaza)		

Session

VI

14:00 – 15:00

Lessons Learned and Looking Forward

Main policy implications in each of the four areas covered

Moderator	Luiz de Mello	OECD
Panel	Teresa Ter-minassian	Former IMF
	Hanif Rahemtulla	ADB
	Paul Smoke	New York University
	Roger Shotton	Local Development Associates
	Hyun-A Kim	KIPF