



International Forum on Innovation and Learning

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Statement by Dr. Vinay Bhargava¹ at the Innovations in Governance Session

I would like to thank ADB for inviting me to this prestigious event.

The topic of innovations in governance is a timely one as notable innovations in many parts of the world are transforming the way the governments and donors are improving governance and fighting corruption. I am looking forward to learning more about the innovations from the panelists and participants at this session. In this statement, prepared in advance of the conference, I would like to share thoughts on what is driving these innovations, my three favorite sets of good governance innovations and a few recommendations for civil society, governments, donors and ADB for scaling up and sustaining innovations that can make real difference.

Drivers of Governance Innovations

In my view there are four key drivers of innovations in governance.

First, a consensus is emerging that governance matters for poverty reduction, social justice, peace, effectiveness of public services delivery, legitimacy of government, and inclusive and sustainable growth. As a result, promoting good governance is center stage in development agendas at local, national and global levels. For example, the 2013 Report of the High-Level Panel of Eminent Persons on the Post 2015 Development Agenda² has recommended twelve illustrative goals for the Post 2015 (new Millennium Development Goals) agenda, one of which is “Ensure Good Governance and Effective Institutions”. This report was prepared with worldwide consultations and reflects views of most development stakeholder groups.

Second, corruption is among the top public concerns in most countries and citizens are demanding more effective governance reforms to address the problem. Consider the following findings of the Transparency International’s Global Corruption Barometer 2013 survey covering 114,000 persons in 107 countries. A majority of those surveyed considered their governments to be ineffective at fighting corruption and said that corruption has increased over the last two years. They want change.

Third, citizens and civil society are ready to change the status quo by engaging with governments. For example, for the first time civil society organizations (CSOs) attained negotiating status at the 4th High Level Forum on Aid Effectiveness in Busan acknowledging that they are key partner in a country’s development along government and private sector. They signed the Busan Declaration and are

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² http://www.un.org/sg/management/pdf/HLP_P2015_Report.pdf

members of the Partnership for Effective Development Cooperation³ that will formulate aid effectiveness policies and agenda for years to come.

Fourth, information technology and social media are enabling governments and citizens to engage in revolutionary ways on an unprecedented scale. For example, the new Prime Minister of India, Mr. Narendra Modi, has created MYGOV - a citizen-centric platform that empowers any one of the 1.2 billion citizens of India to “connect with the government and contribute towards good governance”.⁴

Three Categories of Governance Innovations

My three favorite categories of innovations in governance are the Open Government Partnership, beneficiary engagement to improve public service delivery, and participatory performance monitoring to hold the state accountable. The theory of change underlying all of these innovations is that the demand side of governance reforms, i.e. engaging citizens and civil society to work with the state to improve transparency, responsiveness and accountability of government, will improve development effectiveness.

The first category of innovations is an international movement launched in 2011 – the Open Government Partnership (OGP). The OGP’s “vision is that more governments become sustainably more transparent, more accountable, and more responsive to their own citizens, with the ultimate goal of improving the quality of governance, as well as the quality of services that citizens receive”. Since it was launched only 3 years ago, the OGP has grown from 8 countries to 64 countries. The ADB has joined the partnership in May 2014. The OGP supports civic engagement as a key goal and commits “to making policy formulation and decision making more transparent, creating and using channels to solicit public feedback, and deepening public participation in developing, monitoring and evaluating government activities.”⁵

The second category of innovations is beneficiary engagement in improving public service delivery. This category includes innovations such as: citizen and community score cards; beneficiary feedback collection (patterned after the customer satisfaction industry in the private sector); grievance redress mechanisms; inclusion of beneficiaries/users in decision making bodies e.g. water utilities, forest management committees; rights based entitlements (food, employment, health, education); and participatory planning and budgeting. The World Bank has decided that beneficiary feedback collection will be featured in 100% of its lending operations and is developing a Strategic Framework for Mainstreaming Citizen Engagement⁶ in all activities. Evidence is growing that such engagement improves access and responsiveness of public service delivery. It is encouraging to note that even governments that do not rank high in terms of openness, civil liberties and human rights are increasingly accepting constructive beneficiary engagement as a means of improving their legitimacy and stability.

The third category of innovations is participatory performance monitoring. This category includes innovations such as: independent third party monitoring of government performance; social audits; public hearings; election monitoring; monitoring of discrepancies in asset and liability declarations by officials and politicians; opinion surveys; bribes reporting (e.g. the I Paid a Bribe⁷ movement that now covers 14 countries); the Extractive Industries Transparency Initiative, Publish What You Pay; and the

³ Busan Partnership for Effective Development Cooperation
<http://www.oecd.org/dac/effectiveness/fourthhighlevelforumonaideffectiveness.htm>

⁴ <http://mygov.nic.in>

⁵ <http://www.opengovpartnership.org/about/open-government-declaration>

⁶ <http://consultations.worldbank.org/consultation/engaging-citizens-improved-results>

⁷ <http://www.ipaidabribe.com/#gsc.tab=0>

Global Partnership for Social Accountability⁸.

Many governments are recognizing the value of such participatory performance monitoring and are creating space for it through new policies and legislation. For example, the legislation governing the National Rural Employment Guarantee and Food Security Schemes of India provides for independent citizen led social audit and vigilance committees. The 2003 Procurement Law in the Philippines provides for independent civil society monitors to attend public procurement bid opening and contract award proceedings. More recently, the government of the Philippines adopted a policy of participatory budgeting at local and national levels and independent CSO monitoring of the nationwide conditional cash transfer program that has an annual budget in excess of US\$1 billion.

Conclusions and Recommendations

Citizens worldwide are increasingly concerned with and demanding actions to confront poor governance and corruption. More and more governments are responding constructively to these demands though we still have a long way to go. Fighting corruption in a country requires actions by ministries and agencies in the executive branch of government, independent institutions of accountability and civil society and the media. Unfortunately evidence from independent evaluations of public sector governance programs⁹ supported by the multilateral development banks shows that success in such programs is at best uneven. No wonder that the 2013 Transparency International Global Corruption Barometer survey covering 107 countries found that government led programs are widely regarded to be ineffective.

To the governments participating in this conference I would like to say that civil society's role is evolving from simply a watch dog to constructively engaging with the executive branch and the accountability institutions to complement their roles and actions. Citizens organizations have pioneered many good governance innovations that now need to be mainstreamed to complement and strengthen state led good governance and anti-corruption programs. Increasingly citizen engagement is no longer a choice for governments. Either they do it proactively (witness the growing number of nations joining the Open Government Partnership) or citizens will politically engage to demand it (witness the people power movements across the world). The experience of many nations shows that over the long-term, the risks associated with not involving citizens in good governance and anti-corruption programs are higher than risks of involving them. Only three developing countries in Asia (Indonesia, Mongolia and the Philippines) have joined the OGP. I appeal to other Asian counties to join the OGP and/or embrace its key principles.

Let me now submit my recommendations to civil society, donors and ADB.

To my fellow CSOs, I appeal for understanding over donor concerns over the effectiveness of citizen led programs. We must work harder to present robust results measurement systems and human success stories. We also need to demonstrate that we have the organizational capacity and skills to scale up the citizen led programs when funding is made available and can work collaboratively among ourselves and with governments.

⁸ <http://www.thegpsa.org/sa/>

⁹ For example. The World Bank's Independent Evaluation Department's report on World Bank Country-Level Engagement on Governance and Anti-corruption found that "the Bank's success in helping achieve countrywide improvements in governance was limited". Page 90. http://ieg.worldbankgroup.org/Data/reports/chapters/gac_chap7.pdf. The Asian Development Bank has not done much better--the success rate of public sector governance operations is reported to be barely above 50 percent.

To donors, I appeal for funding strategies that adequately support governance innovations in beneficiary engagement and participatory performance monitoring. Donors are currently failing to do so because they channel most of their anti-corruption funding to the executive branch and provide only relatively tiny amounts of irregular short term project funding for citizen led (demand side) good governance programs. To comprehend the severity of this issue just reflect on the scale of human and financial resource needed for CSOs to monitor the implementation of mega-sized social protection schemes such as the guaranteed rural employment, food security and conditional cash transfer schemes in India and the Philippines. These programs involve millions of households over vast nationwide territories. Donors provide billions of dollars of funding for these but have largely ignored the funding needs of civil society to develop skills and organizations to hold them accountable. The result is that these schemes continue to suffer from governance weaknesses that undermine the value of donor investments. My strong appeal to donors is to realize this major weakness in their funding strategy and remedy this bias and imbalance.

To be successful, donor funding for demand-side initiatives are best channeled indirectly via lower profile international non-governmental organizations (INGOs) which attract less criticism from the governments for interfering in the internal affairs of their countries. Some INGOs have been shown by the recently completed UK DFID Governance and Transparency fund supported programs to be brilliantly successful. It will also be important for donors to continue to press governments to allow CSOs the political space to be active in promoting reforms to make government agencies honest and accountable. This includes pressure to accept the rule of law.

My last appeal is to the Asian Development Bank (ADB). I compliment ADB on embracing participation and accountability as two key principles enshrined in its Governance Policy. I also welcome the priorities set after the Strategy 2020 Mid-term review in 2014 that state that the ADB will help “strengthen governance systems and institutional capacities to support effective, timely, and corruption-free delivery of public services” and “CSOs will be more involved in the design and implementation of projects, and in the monitoring of project activities and outputs.” My appeal to the ADB is that these commitments be followed by clearer direction to managers and staff in terms of how the ADB will support greater citizen and civil society participation, including through new partnerships (with non-traditional partners, for instance) and financing.

Ladies and gentlemen, the potential pay-offs from citizen engagement and policies and investments are huge and will result in better governance, reduced corruption, more effective service delivery, greater social inclusion and increased economy and effectiveness of public financial management. Let us make sure that the opportunities created by these innovations do not go waste. Thank you.