

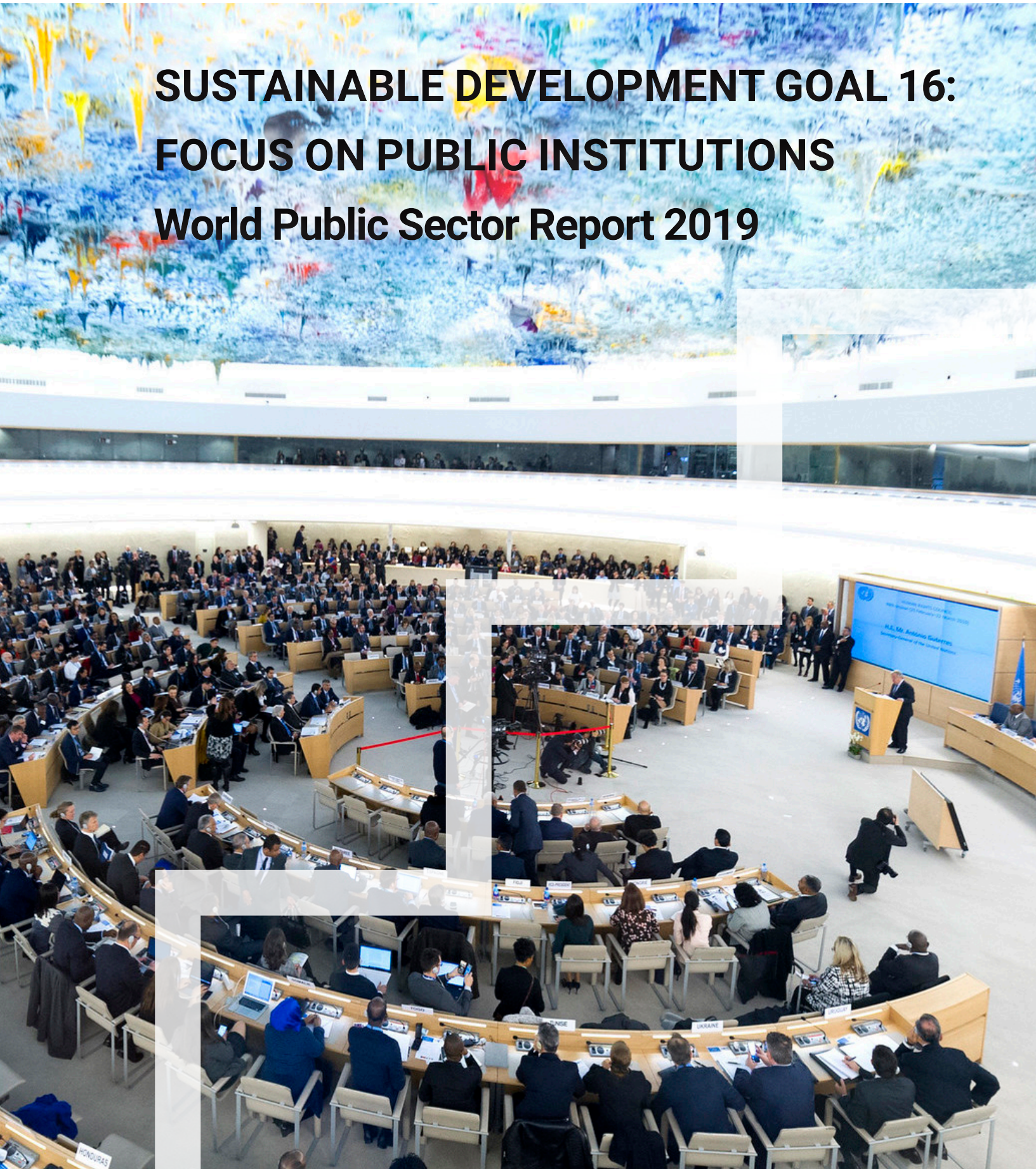


United Nations

Department of
Economic and
Social Affairs

SUSTAINABLE DEVELOPMENT GOAL 16: FOCUS ON PUBLIC INSTITUTIONS

World Public Sector Report 2019



UNITED NATIONS WORLD PUBLIC SECTOR REPORT 2019

Sustainable Development Goal 16: Focus on public institutions

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Department of Economic and Social Affairs

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United Nations
New York, 2019
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Publication No.: ST/ESA/PAD/SER.E/213

ISBN: 978-92-1-123209-7

eISBN: 978-92-1-004140-9

Sales no.: E.19.II.H.1

Suggested citation: United Nations, 2019, Sustainable Development Goal 16: Focus on public institutions, *World Public Sector Report 2019*, Division for Public Institutions and Digital Government, Department of Economic and Social Affairs, New York, June.

Website: publicadministration.un.org

Printed at the United Nations, New York

Foreword



Institutions are essential to the achievement of the 2030 Agenda for Sustainable Development and all the Sustainable Development Goals (SDGs). The strengthening of national institutions to deliver the SDGs is seen as a priority in many Member States, as shown by their voluntary presentations at the United Nations High-level Political Forum on Sustainable Development during the first three years of SDG follow-up and review.

The 2030 Agenda and the SDGs prominently feature institutions, both as a cross-cutting issue in many of the goals and as a standalone goal (SDG 16), “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”. The principles highlighted in SDG 16 in relation to institutions – effectiveness, transparency, accountability, anti-corruption, inclusiveness of decision-making processes, access to information, non-discrimination – apply to all the Goals.

The very first review of SDG 16 at the High-level Political Forum on Sustainable Development in July 2019 is a momentous occasion. It will provide all Member States of the United Nations a platform to reflect on the adequacy and effectiveness of existing societal and institutional arrangements for supporting the implementation of the Goals.

The World Public Sector Report 2019 aims to inform this reflection. It surveys trends in relation to the institutional principles of SDG 16, both at the systemic level and in relation to Goal 5 on gender equality, and presents what is known about the effectiveness of initiatives in these areas in different national contexts. The report also looks at two critical tools that can support effective public institutions and public administration, namely national budget processes and risk management. Along with reports that have examined other facets of SDG 16, this initial stocktaking provides a base on which future efforts to monitor progress on SDG 16 can build. By reviewing key challenges and opportunities for public institutions in the context of the implementation of the 2030 Agenda at the national level, the report also aims to inform efforts by all countries to create effective institutions to deliver the SDGs.

LIU Zhenmin

Under-Secretary-General for
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Acknowledgements

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The World Public Sector Report 2019 was prepared by the Department of Economic and Social Affairs of the United Nations (UNDESA), through its Division for Public Institutions and Digital Government (DPIDG). The report was prepared under the responsibility of Juwang Zhu, by a team of United Nations staff led by David Le Blanc. The team comprised Lisa Ainbinder, Peride K. Blind, Xinxin Cai, Aránzazu Guillán Montero, David Lung'aho, Julie Powell and Valentina Resta.

DPIDG interns Néstor de Buen Alatorre, Lily Chan, Sofia Chrysikopoulou, Omar Dammak, Emmanuel Ebot, Omar El Hefnawy, Rafia Farooqui, Siyu Gu, Ying Huang, Shihao Lin, Bruno Viale and United Nations Volunteer Aurora Morandi provided research support.

Chapter 1 was coordinated by David Le Blanc. Inputs for this chapter were provided by Lisa Ainbinder and Julie Powell. Aránzazu Guillán Montero coordinated and wrote Chapter 2. Chapter 3 was written by Lisa Ainbinder, Aránzazu Guillán Montero and David Le Blanc. The chapter benefitted from discussions at an Expert Group Meeting on “Budgeting and planning in support of effective institutions for the Sustainable Development Goals”, held on 4-5 February 2019 in New York, and drew extensively on inputs prepared by the following experts for that workshop: Thomas Beloe (United Nations Development Programme); Juan Pablo Guerrero (Global Initiative for Fiscal Transparency); Christopher Mihm (United States Government Accountability Office); Yamini Mishra (Amnesty International); Delphine Moretti (Organisation for Economic Co-operation and Development); Stephen Masha Ngowa (Government of Kenya); Katarina Ott (Institute of Public Finance, Croatia); and Claire Schouten (International Budget Partnership). The chapter also benefited from a commissioned paper prepared by Lorena Rivero del Paso (Global Initiative for Fiscal Transparency). Chapter 4 was coordinated and written by Peride Blind. Chapter 5 was coordinated by Valentina Resta and written with UN Women staff Zohra Khan and Katherine Gifford.

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Inputs for the report were received from the following organizations and individuals.

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Global Digital Service (GDS); UK Government; Global Fund for the development of cities – FMDV; Spanish Federation of Municipalities and Provinces; Organisation for Economic Co-operation and Development (OECD); Permanent Mission of Serbia; Permanent Mission of South Korea; Permanent Mission of Ethiopia; Permanent Mission of Kenya; United Nations Department of Economic and Social Affairs (UN DESA) - Statistics Division; United Nations Development Programme (UNDP); United Nations Office on Drugs and Crime (UNODC); United Nations University World Institute for Development Economics Research (UNU-WIDER); United Nations Economic Commission for Latin America and the Caribbean (ECLAC), Division for Gender Affairs; United Nations Economic Commission for Europe (UNECE); United Nations Entity for Gender Equality and the Empowerment of Women; United Nations Human Settlements Programme (UN Habitat).

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EXECUTIVE SUMMARY

The World Public Sector Report 2019

Institutions are paramount to the achievement of the 2030 Agenda for Sustainable Development and all the Sustainable Development Goals (SDGs). The strengthening of national institutions to deliver the SDGs is seen as a priority in many Member States, as shown by their voluntary presentations at the UN high-level political forum on sustainable development during the first three years of SDG follow-up and review.

The Agenda and the SDGs prominently feature institutions, both as a cross-cutting issue in many of the goals and as a standalone goal (SDG 16), “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”. The targets under SDG 16 highlight several concepts that may be viewed as institutional principles: effectiveness, transparency, accountability, anti-corruption, inclusiveness of decision-making processes, access to information, non-discrimination of laws and policies. Those principles apply to all the Goals.

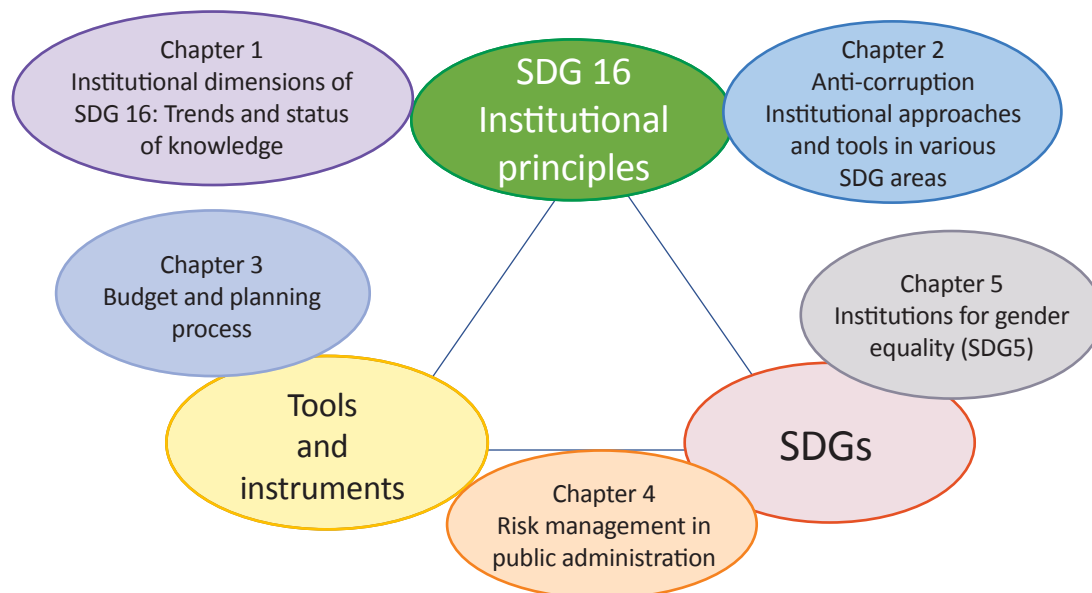
In July 2019, the high-level political forum on sustainable development (HLPF) will review SDG 16 for the first time. The forum will provide a platform for reflecting on the adequacy and effectiveness of existing societal and institutional arrangements to support the implementation of all the SDGs. The World Public Sector Report 2019 aims to inform that discussion. The report provides an overview of trends in relation to the institutional principles of SDG 16, highlighting developments from past decades and reviewing what is known about the effectiveness of initiatives in these areas in different national contexts.

Within SDG 16, the report limits its scope to the following targets: 16.5, 16.6, 16.7, 16.10 and 16.b. These targets are arguably the most directly relevant to public institutions, even though the case can be made that other targets could be considered as well. The report is organized around the institutional principles encapsulated in the above targets of SDG 16, rather than around the targets themselves.

Institutional principles encapsulated in SDG 16 targets on which the report focuses

- 16.5 Substantially **reduce corruption and bribery** in all their forms
- 16.6 Develop **effective, accountable and transparent** institutions at all levels
- 16.7 Ensure **responsive, inclusive, participatory and representative decision-making** at all levels
- 16.10 Ensure **public access to information** and protect fundamental freedoms, in accordance with national legislation and international agreements
- 16.b Promote and enforce **non-discriminatory laws and policies** for sustainable development

The focus of the report is on public institutions to deliver the SDGs. The report looks primarily at the national level, and international institutions are mentioned only to the extent that they contribute to shape the development of national institutional landscapes. The conceptual framework of the report is based on the interplay among three broad sets of concepts: (1) societal goals and strategies to achieve them, as articulated in the SDGs at the global level and in national sustainable development strategies at the country level, as well as by general principles articulated in the 2030 Agenda; (2) the principles for institutions highlighted in SDG 16; and (3) tools and instruments that support the building and functioning of institutions. In practice, it is this interplay that determines how well institutions work for the achievement of societal goals. The report uses this analytical framework as a unifying thread. The first chapter of the report reviews trends in terms of the operationalization of the institutional principles of SDG 16; the other chapters all illustrate the interplay of goals, institutional principles and tools, from different perspectives (Figure E.1).

Figure E.1.**Chapters of the World Public Sector Report 2019****Progress on institutional dimensions of SDG 16**

The report presents a preliminary stocktaking of developments in relation to the institutional principles of SDG 16: transparency, access to information, accountability, anti-corruption, inclusiveness of decision-making processes, and non-discrimination.

Challenges to measuring progress on SDG 16

Monitoring developments of institutional dimensions of the SDGs is challenging, for several reasons. First, transparency, accountability, participation, and other institutional principles are broad concepts, and are approached differently by scholars and practitioners from different disciplines. The various expert communities, including international institutions that promote work on governance, often adopt different semantic maps of these concepts.

Second, for any of the institutional dimensions considered in the report, defining progress can be challenging, as tensions may arise with other institutional or human rights principles. For example, defining the “appropriate” degree of transparency in a given environment has to balance considerations of privacy and security, among other factors. Institutional choices that best reflect societal consensus vary across countries and may change over time due to social, political or technological developments. In addition, within each dimension, there remain conceptual debates on how the development of institutions and processes in a certain area (e.g., access to information) produces societal outcomes (for example, better access to public services or reductions in corruption). This translates into difficulty in unambiguously defining “progress” at the level of broad principles such as accountability or transparency, in a way that would be valid in all contexts and at all times. Therefore, progress can only be meaningfully defined in reference to local political and institutional contexts and dynamics.

In spite of the multitude of national level indicators and indices that have developed over time around all dimensions of governance, no comprehensive information system exists that would provide trends in simple, readily understandable forms for all institutional dimensions and all countries. Institutional developments in relation to some dimensions are well covered for some groups of countries, but this is not the rule. For all the institutional dimensions covered in the report, more evidence is available on processes and outputs of initiatives than on outcomes and broader impacts.

Institutional developments at the national level: a global overview

Over the past two decades, a steady wave of international and national legal instruments have framed institutional developments in relation to the institutional principles considered in the report. Rapid changes in information technologies are modifying the space in which policies and institutions develop. Drastically reduced costs of producing and disseminating information have made possible the development of the open government data movement. The Internet has enabled almost universal adoption of e-government practices, including channels for e-participation. The wave of access to information laws, the adoption of new norms and standards for fiscal transparency, the development of open government data, and the development of new channels for direct citizen participation are undeniable. At a first level, this can be seen as a sign of progress.

Yet, when focusing on outcomes and impacts of the observed changes, it remains difficult to construct a clear global picture in terms of “progress”. The impacts of transparency, accountability and participation initiatives vary widely. Enforcement of laws can be an issue, and this can be linked to multiple factors, including limited resources and capacity in government. Resistance to change in public institutions or in political leadership can also be a constraining factor. Experts underline the importance of context, and the lack of replicability of institutional instruments. For all the institutional principles reviewed in the report, experts point to a lack of clarity on causal links and the lack of clear models of institutional change. These challenges often lead to gaps between the assumed objectives of policy initiatives and their actual impacts.

Recent literature has pointed to the importance of using broad strategies that combine multiple instruments, as opposed to individual institutional mechanisms. For example, when working on social accountability for the delivery of public services, combining the use of social participation tools with actions that promote legal empowerment may result in higher likelihood of enhanced accountability. In general, the effectiveness of specific institutional arrangements crucially depends on the broader accountability system that prevails in a given country.

Monitoring developments of institutional aspects of the SDGs over the next 12 years until 2030 will be a challenge. More work is needed to provide a comprehensive global review of developments in this area. In all, the question of the effectiveness of institutional arrangements that seek to promote accountability, transparency and inclusive decision-making remains vexed. Similarly, surprisingly little is known about the effectiveness of anti-corruption initiatives. This lack of evidence calls for systematic efforts to collect and analyze information in this domain, with greater focus needed on outcomes and impacts, rather than on processes and outputs.

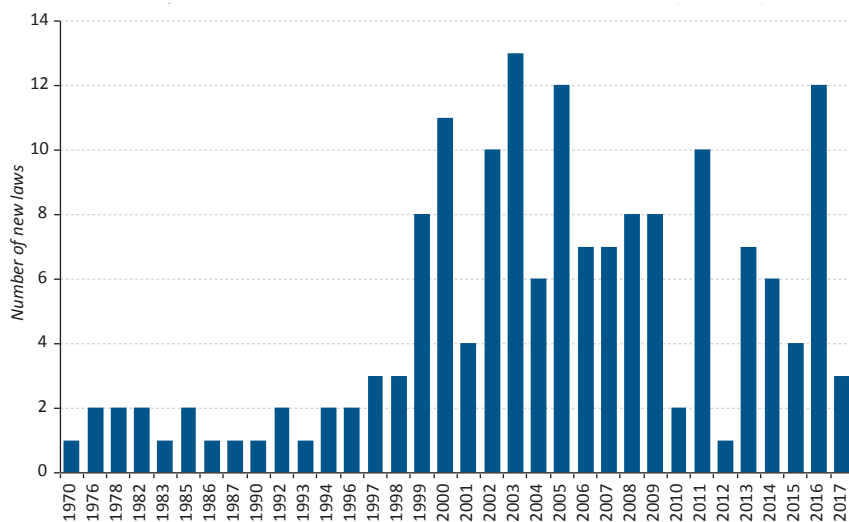
Understanding institutional developments in relation to the implementation of the SDGs at the national level (and sub-national level when relevant) requires taking into account the history and institutional setting of each country. SDG 16 and the SDGs more generally provide a convenient frame or umbrella for looking at institutions in a holistic manner. In every country, existing institutional processes (for instance, reforms of the justice system, reporting under various international treaties, internal monitoring done by government agencies, and reports done by oversight bodies) have evolved monitoring systems that track changes, outcomes and sometimes impacts on relevant dimensions of SDG 16. Finding ways to assemble information coming from those processes would enable reviews that are relevant to national circumstances and can inform SDG 16 implementation and monitoring. Many countries have started in this direction.

Transparency and access to information

Access to information has been addressed in multiple international instruments. At the national level, the right to information has been inscribed in access to information laws and sectoral laws (e.g. on environment, consumer protection, anti-corruption or public procurement) that regulate access to specific types of information. As of 2017, 118 countries had adopted a law or policy on the right to information. In addition, 90 countries had the right to information explicitly mentioned in their national constitution.

Not all right to information laws have been implemented effectively. Governments and public institutions have adapted their practices to information disclosure requirements, in ways that are not always conducive to increased transparency. In a broader context, advances in government transparency may be concomitant to threats to privacy and increased surveillance. International instruments and national access to information regimes derived from them in general do not oblige the private sector to disclose information, even when it performs public service missions and delivers public services.

A large portion of the information disclosed by public agencies or private firms providing public services results from compliance with laws or regulations. In a great variety of sectors, such mandated transparency has increased over the years, often with the dual purpose of reducing risks faced by citizens and improving the public services they use. No global or even national maps of such provisions exist. In terms of effectiveness, these initiatives exhibit a great diversity of outcomes, which are often linked

Figure E.2.**Development of national freedom of information laws or decrees, 1970-2017**

Source: Open Society Justice initiative 2017, list of countries that guarantee a right of access to information in national/federal laws or decrees.

with detailed characteristics of their design and implementation. For example, the choice of the information to disclose and the way in which it is presented often greatly influence impact. As with other forms of transparency, it has been suggested that targeted transparency tools should be seen as a complement to other forms of policy intervention, for example standards or market-based instruments. In many cases, their success depends on the concomitant use of other policy instruments.

Proactive publication of government data on government websites has made massive strides during the past decade. Most governments now offer information and transactional services online. For example, the majority of countries now offer e-procurement tools, with a rapid progression in the diffusion of such tools during the past few years. As of 2018, 139 countries had gone a step further and implemented open government data (OGD) initiatives that make data available to the public through central portals, as compared with only 46 in 2014. Most of these portals offer data in machine-readable format, as per commonly accepted Open Government Data standards. The Open Government Partnership, launched in 2011, has been a highly visible initiative to promote open government, including (but not limited to) open government data.

Participation and engagement

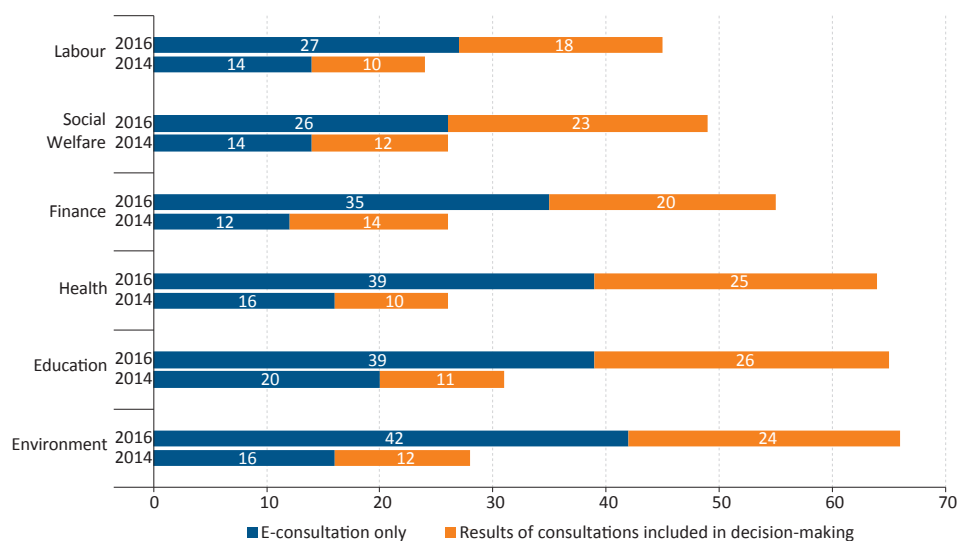
The past few decades have witnessed the development of a myriad of direct participatory mechanisms, in many forms and at different geographical levels. Consultation mechanisms at the systemic (cross-sectoral) level include traditional advisory councils such as Economic and Social Councils, and structures linked with the sustainable development tradition such as national sustainable development councils. Over the years, many countries have also put in place consultative mechanisms at the sector level. This has encompassed a great variety of institutional mechanisms and channels for engagement. The level of stakeholder engagement vary across sectors and within the same sector from country to country.

No comprehensive global mapping of the different types of consultative mechanisms seems to exist for any sector. Similarly, a systematic analysis of the effectiveness of these consultative mechanisms has not been undertaken. Evaluations do exist for specific types of mechanisms, such as participatory budgeting, national sustainable development councils, and co-management of natural resources. Those are reviewed in the report.

In many countries, Governments have put in place processes for consulting stakeholders at different stages of the elaboration of new policies. The trends show a rapid increase in the number of countries that use e-consultation over the past few years, and also indicate that governments often acknowledge how e-consultations have informed decision-making.

Accountability

Modern forms of government include formal oversight mechanisms such as parliaments and supreme audit institutions. The constitutional mandates conferred to parliaments in terms of oversight vary, as does the political space in which parliaments conduct their debates and the processes they use for doing so. For example, out of a sample of 115 countries, the Open Budget Survey 2017 found only 29 in which the legislature debates and approves key policy recommendations prior to the tabling of

Figure E.3.**Number of countries conducting e-consultations in different policy areas, 2014 and 2016**

the budget. Among key challenges to effective parliamentary oversight are lack of resources and staff to conduct independent analysis of the questions under consideration; information gaps between governments and parliaments; insufficient time to review the budget and other issues; lack of willingness of governments to engage with parliamentary oversight; and conflicting incentives for majority members of parliaments to challenge the government.

The scope and depth of the oversight exerted by supreme audit institutions (SAIs) varies across countries. Many SAIs undertake performance audits, but others are limited to conducting compliance and financial audits. In many countries, lack of independence of SAIs remains an issue of concern, as are resource and capacity constraints. Although the past decade has witnessed a clear trend of professionalization of SAIs, this has not been uniform.

One key indicator of the effectiveness of the oversight functions of parliaments and supreme audit institutions is the degree to which governments act on recommendations included in audits and coming out of parliamentary debates. This has been an issue in developed and developing countries alike. Oversight mechanisms can use engagement with civil society and individual citizens to make their work more effective.

Social accountability – defined as citizen-led action geared to demanding direct (outside of formal electoral systems) accountability from public officials for the delivery of public services – emerged more than two decades ago. Social accountability initiatives have made use of a variety of tools that involve some type of citizen feedback on services received as well as on the use of public funds that should reach them. Those include citizen report cards, community score cards; public expenditure tracking surveys; community monitoring; and complaint and grievance redress mechanisms. There is no global map of social accountability initiatives.

Among often assumed benefits of social accountability initiatives are increased satisfaction with public services and increased accountability of public service providers, reductions in corruption, and increased citizen engagement in public matters. However, such benefits cannot be taken for granted. There is evidence that social accountability initiatives have been effective in terms of immediate goals – raising citizens' awareness of their rights and exposing corruption. On the other hand, the evidence in terms of impacts on accessibility and quality of services and improved outcomes for citizens is mixed and varies across locations.

Non-discrimination

The principle of non-discrimination is mainstreamed in the 2030 Agenda for Sustainable Development, and is the object of two SDG targets (16.b and 10.3). In addition, many targets of the Goals are directly relevant to non-discrimination, for example those that seek universal access to public services or resources. Non-discrimination has strong linkages with other institutional principles of SDG 16. In particular, participation and inclusive decision-making, as well as access to information, play a key role in addressing discrimination. At the most basic level, civil registration, which is the object of target 16.9, is a fundamental requirement for participation, inclusion and non-discrimination.

Policies addressing discrimination across the Sustainable Development Goals

The SDGs outline a number of policies that can address discrimination directly and indirectly. This includes social protection systems and the universal provision of services, including health care and education. Many countries have adopted policies on the rights or well-being of specific social groups. For example, according to a World Bank report, between 2016 and 2018, 65 economies implemented 87 reforms to expand women's economic opportunities, particularly in the areas of improving access to jobs and credit. The importance of complementary measures, which recognize that some social groups are more disadvantaged than others, is widely recognized. Special or targeted measures may include, for instance, affirmative action policies in education, housing, and access to finance. These measures are most effective when accompanied by relevant universal policies, for example, universal access to education.

International law promoting non-discrimination is extensive. Many global and regional instruments focus on the rights of groups (e.g. women and persons with disabilities), as well as non-discrimination in sectors, such as employment and education. Key international instruments have been widely adopted by Member States. However, their implementation faces multiple challenges, including the harmonization of national laws and policies to reflect treaties. The evidence on the effectiveness of international instruments in fostering non-discrimination has been mixed.

The Constitutions of most countries guarantee the right to equality for all citizens, with many additionally specifying the rights of specific groups. Constitutional protections for women and persons with disability have become more widespread. Discriminatory laws and policies are declining in number, while laws providing protection against discrimination are on the rise. However, multiple challenges to the implementation and enforcement of national legal and policy instruments have been identified. Reporting by victims of discrimination is generally low. Awareness of available instruments and channels for seeking redress is also low, and relevant case law in most countries continues to be limited. Other barriers prevent access to justice to persons suffering from discrimination in both developed and developing countries.

Challenges to the implementation of non-discrimination law in Europe

In the European Union, the adoption in 2000 of directives against discrimination on the grounds of race and ethnic origin and against discrimination at work on grounds of religion or belief, disability, age or sexual orientation has led to enhanced legal protections of rights and to some improvements in access to justice. Yet, while the number of complaints to courts and equality bodies has slowly risen, relevant case law in most countries continues to be limited. A 2017 review of non-discrimination law in Europe identified several obstacles to litigation, including the complexity of discrimination law, inadequate financial resources with which to pursue cases, short time limits for bringing cases, as well as the duration and complexity of procedures. The fact that litigation occurs rarely was identified as an additional deterrent to those seeking justice.

Available evidence shows that discrimination remains entrenched, and outcomes in this regard tend to change slowly. For example, a survey by the European Union Agency for Fundamental Rights on discrimination and minorities published in 2017 showed little progress compared to 2008. Similarly, in many countries, persistent differences in a range of social outcomes for vulnerable groups suggests that more action is needed to fight discrimination. For instance, in many developed countries, the gender pay gap has only declined slowly, despite the adoption of legal and regulatory instruments to address discrimination against women in this area.

Corruption and the Sustainable Development Goals

Chapter 2 focuses on addressing corruption to support the implementation of the 2030 Agenda and the Sustainable Development Goals (SDGs). Effective prevention, detection and sanction of corrupt practices are fundamental for building effective and inclusive institutions and achieve all the SDGs. SDG16 acknowledges the importance of anti-corruption as an institutional principle through target 16.5, which aims to substantially reduce corruption and bribery in all their forms. Other institutional principles embraced by the 2030 Agenda—accountability, transparency, participation, and inclusion—are crucial for combatting corruption. Though not explicitly mentioned in the Agenda, integrity has also become a cornerstone of many anti-corruption approaches.

Corruption as an obstacle to sustainable development

Corruption hinders progress towards the achievement of the SDGs. The World Economic Forum estimated that corruption costs USD2.6 trillion—or 5% of the global gross domestic product, and the World Bank found that USD1 trillion is paid in bribes each year. World Bank estimates suggest that 20% to 40% of official development assistance is lost to high level corruption every year. The negative impacts of corruption are wide-ranging. Corruption hampers economic growth, creates economic losses, stymies innovation, and increases poverty in terms of income, access to public services including health, water, quality education, and access to resources. Evidence shows that corruption disproportionately affects women, the poor and vulnerable groups.

Corruption remains a problem at all levels of development. It is present at every stage of the public service delivery chain. It fuels conflict and diminishes interpersonal trust as well as trust in public institutions. It erodes democracy and produces exclusion by affecting democratic norms, processes and mechanisms.

Growing attention to corruption as a development challenge is reflected in the number of international and regional anti-corruption instruments, including the United Nations Convention Against Corruption (UNCAC). In the context of 2030 Agenda, critical questions include how the high level of participation in international anti-corruption agreements can be leveraged for SDG implementation, and how countries can build on their experience with those instruments to strengthen coordination and monitoring of anti-corruption reforms in support of the SDGs.

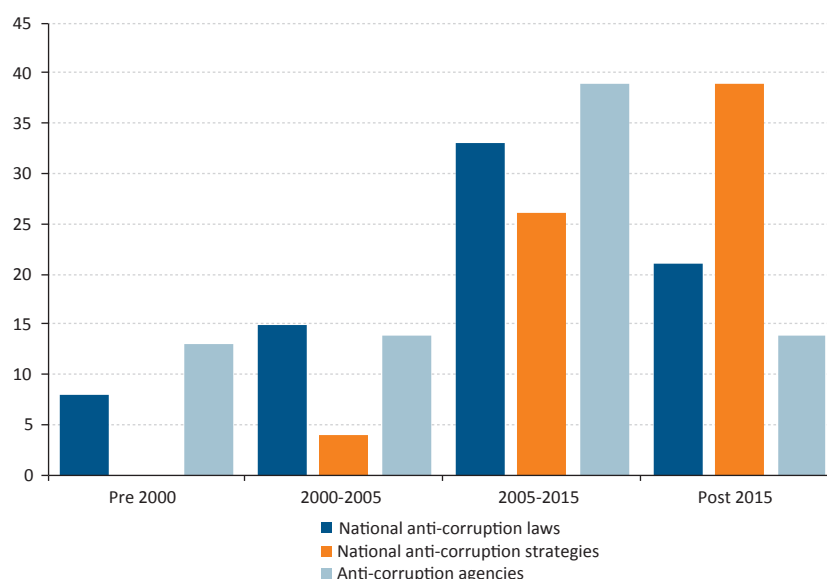
National anti-corruption efforts in support of the 2030 Agenda

National anti-corruption efforts have multiplied since the early 2000s. Countries have adopted and implemented a large variety of approaches and tools, with a focus on raising awareness about corruption, enhancing legislative and regulatory frameworks, detecting and monitoring corruption vulnerabilities and practices, preventing corruption and effectively sanctioning corrupt behavior. Some anti-corruption tools are implemented in the public administration generally, while others are sector-specific. Among the most common tools are anti-corruption laws, specialized anti-corruption agencies or authorities, national anti-corruption strategies, and selective anti-corruption and public integrity measures.

Countries across the world have also adopted a number of indirect anti-corruption strategies and policies. Major areas in this regard include public financial management, including public procurement; social accountability initiatives; and oversight institutions, in particular supreme audit institutions. The role of civil society and the media in helping expose and address corruption is also critical.

Figure E.4.

Adoption of national anti-corruption tools by year



The role of supreme audit institutions in fighting corruption

Supreme audit institutions (SAIs) are important guardians of accountability and key institutions of national integrity systems. SAIs can contribute to corruption prevention in particular by: incorporating corruption and wrongdoing issues in SAI's routine audit work; raising public awareness of corruption through timely disclosure of audit findings; improving methods and tools for combatting corruption; providing a means for whistleblowers to report instances of wrongdoing; and cooperating with other institutions. SAIs can also focus their audit plan on areas and entities prone to corruption, and evaluate the effectiveness of financial and internal control systems as well as anti-corruption systems, strategies and programmes.

Levels of SAI activism regarding corruption vary across countries and depend on the mandate that these institutions have with respect to corruption. In 2017, most SAIs (77%) had a mandate to share information with specialized anti-corruption institutions, 55% to investigate corruption and fraud, and 39% to exercise oversight of national institutions whose mandate is to investigate corruption. Even without an investigation mandate, SAIs may perceive that anti-corruption is part of their general obligation to oversee public resources. Major corruption scandals may also move the SAI to focus on corruption.

There are many positive examples of SAIs' contributions to detecting and preventing corruption. In Korea, the SAI assesses the application of integrity policies at the ministry level as part of other mandated audits. SAIs conducting similar audits include Brazil, Poland, Portugal and Sweden, among others. In Brazil, the SAI (*Tribunal de Contas da União, TCU*) has developed a systematic assessment of corruption risks in federal government entities. SAIs also evaluate the design and quality of anti-corruption frameworks at a whole of government level (e.g., Poland, EU, the Netherlands, USA, Canada, Mexico). Poland, Mexico and Colombia's SAIs, among others, have conducted evaluations of national anti-corruption programmes across ministries and central institutions.

Anti-corruption reform at the subnational level can contribute to accelerate the implementation of target 16.5. Many local governments have adopted anti-corruption strategies and measures, often resorting to innovative strategies that leverage the potential of information and communication technologies to increase internal controls and monitoring by citizens. Some countries provide support to local governments, and experiment with different mechanisms for enhancing the coordination of anti-corruption measures between levels of government.

With few exceptions, evidence of the effectiveness of specific anti-corruption measures, both systemic and sector specific, is still scarce and inconsistent. Supreme audit institutions are among the few institutions for which there exists some consistent evidence of positive anti-corruption effects. In sectors, measures that have been found to have potential include public expenditure tracking tools, specialized audits and, under certain conditions, selected social accountability measures in combination with other interventions.

Coherent anti-corruption policies in support of the SDG

Anti-corruption approaches should be designed strategically and based on assessments of corruption risks and vulnerabilities. The available evidence indicates that long-term sustained efforts, and tailored, multi-pronged anti-corruption approaches combining multiple tools, are needed to effectively address corruption.

Integrated anti-corruption policy-making seeks to enhance consistency among anti-corruption interventions in various sectors, and to address potential tensions and maximize coherence between anti-corruption and other policies. For example, addressing corruption in road projects may enhance access to health services. Conversely, development initiatives, such as investments in education, may pay off in enhancing integrity and decreasing corruption over time. Different instruments, such as corruption risk assessments, can be used to systematically identify and address potential inconsistencies and tensions between anti-corruption measures and other instruments.

Adopting systemic approaches can contribute to more coherent and integrated anti-corruption policies in support of the SDGs. A country's (or an organization's or sector's) anti-corruption system is made up of the multiple bodies, actors, laws and norms, processes and practices that have responsibilities in preventing, detecting, prosecuting and sanctioning corruption. The effectiveness of anti-corruption measures depends on the performance of the whole accountability system, including the interaction between all its parts.

Institutional coordination of entities with a mandate and authority for anti-corruption (including prevention) is one way of advancing integrated approaches. However, effective coordination has been a common challenge. Specialized anti-corruption

bodies should cooperate with sector-level institutions to assess corruption risks, conduct investigations, develop preventive anti-corruption measures (e.g., codes of conduct) in vulnerable sectors, or develop common strategies to prevent and combat corruption.

Reducing corruption requires strengthening the monitoring of anti-corruption interventions. More integrated and stronger monitoring and evaluation systems, which rely on multiple indicators to measure progress, are critical to improve anti-corruption efforts, gather evidence of effective reforms and report on progress on target 16.5. Some countries are developing their own national indicators to complement the global SDG indicators, with some of them tracking progress on the implementation of anti-corruption reforms.

Budget processes in support of the Sustainable Development Goals

Chapter 3 of the report examines how budget processes can be harnessed to better support the implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals. The budget process is a critical link in the chain that connects sustainable development objectives, strategies and plans to achieve those, public spending and finally outcomes. Ideally, such systems should enable governments to measure shifts in the allocation of public resources across the various goals, and more broadly to answer the question of how the allocation of public resources is changing society in the short, medium and long terms.

Linking national budget processes with the SDGs

Efforts to link the budget process with the SDGs started very soon after the adoption of the 2030 Agenda, and are informed by previous attempts to link the Millennium Development Goals (MDGs) with national budgets, as well as efforts to track public expenditures in support of sectoral objectives, including the environment and climate change, both in developed and developing countries.

In many countries, the SDGs or national adaptations thereof have been integrated in sustainable development strategies and national development plans, as well as increasingly into sustainable development financing strategies that seek to mobilize resources from different actors (both public and private) in support of SDG implementation. The integration of SDGs into national budget processes has so far been more limited.

Limited information on national efforts to link budget process with the SDGs

Mappings produced by the OECD, the European Parliament's Committee on Development, a group of international civil society organizations, and UNDP, among others, show limited adaptation of national budget systems to link them with the SDGs, except in a small number of countries.

Among 46 reports of voluntary national reviews presented at the United Nations in 2018, more than half provide no information on inclusion of the SDGs in national budgets or budgeting processes. Reports for an additional 15 countries show that the SDGs have not been incorporated into budgetary processes, with ten of these countries indicating plans to do so. Only six countries reported incorporating the SDGs into their budget processes in some fashion: Colombia, Ecuador, Latvia, Mexico, Uruguay and Viet Nam.

In OECD countries, the SDGs have not prominently impacted national approaches for designing performance budget indicators. Similarly, there is little evidence of reporting on SDG progress in the accounts that are produced at the end of the budget cycle. Some countries comprehensively report on a limited number of strategic, cross-cutting priorities, rather than individual SDGs. Some developed countries already tag how different budget appropriations contribute to certain SDGs or targets, but this is often limited to aid budgets.

There is great variety in the arrangements adopted across countries. While Mexico stands out for including performance indicators linked to the SDGs in its budget process and for mapping a large portion of government expenditures to SDG targets, many countries have adopted more limited approaches. These cover a wide range, from qualitative reporting of budget allocations in a narrative way presented by the executive branch, to the mapping and tracking of budgets against SDGs. Depending on the motivations underlying budget process reform, countries put emphasis on different products and

tools (for example, “citizens’ budgets” (simplified, non-technical briefs designed to inform the average citizen and published in tandem with the corresponding official budget document) for specific SDG areas or more participatory approaches to budgeting.

National actions reflect differing political circumstances, administrative dynamics and technical capacities. Experts seem to agree that the most frequently adopted approaches at present are SDG-specific (for example, focusing on climate or biodiversity) rather than Agenda-wide; and ad hoc rather than systemic. Linkages with the SDGs are made at different stages of the planning and budget cycle.

In setting up mechanisms to link their budget processes to the SDGs, countries have to operate under political, administrative and technical constraints, which are essentially idiosyncratic. Hence, it is reasonable to expect that the capacity of national governments – and by extension, of the international community – to track how public spending contributes to the realization of the SDGs will only progressively increase and will vary depending on national circumstances.

Efforts to better reflect the SDGs in national budget processes have to be conceived as part of broader efforts to strengthen budget systems, especially public financial management (PFM) reforms. While their motives and objectives are often unrelated to the SDGs, PFM reforms can provide opportunities for changes in the budget process that enhance linkages with the SDGs. International organizations, and especially international financing institutions such as the IMF and the World Bank, are an important driver of PFM reforms. There may be further opportunities for those organizations to factor the SDGs into their work on budgeting and budget reform.

The budget process and the institutional principles of SDG 16

The institutional principles of SDG 16 are all instrumental to stronger budget systems that support the implementation of the SDGs. In addition to showing the relevance of these principles at different stages of the budget process, the report illustrates how they reinforce each other – for instance, budget transparency and participation are now seen as fundamental building blocks and enablers of accountability. This complementarity calls for the creation of robust institutional arrangements that make the most of the synergies among all the principles.

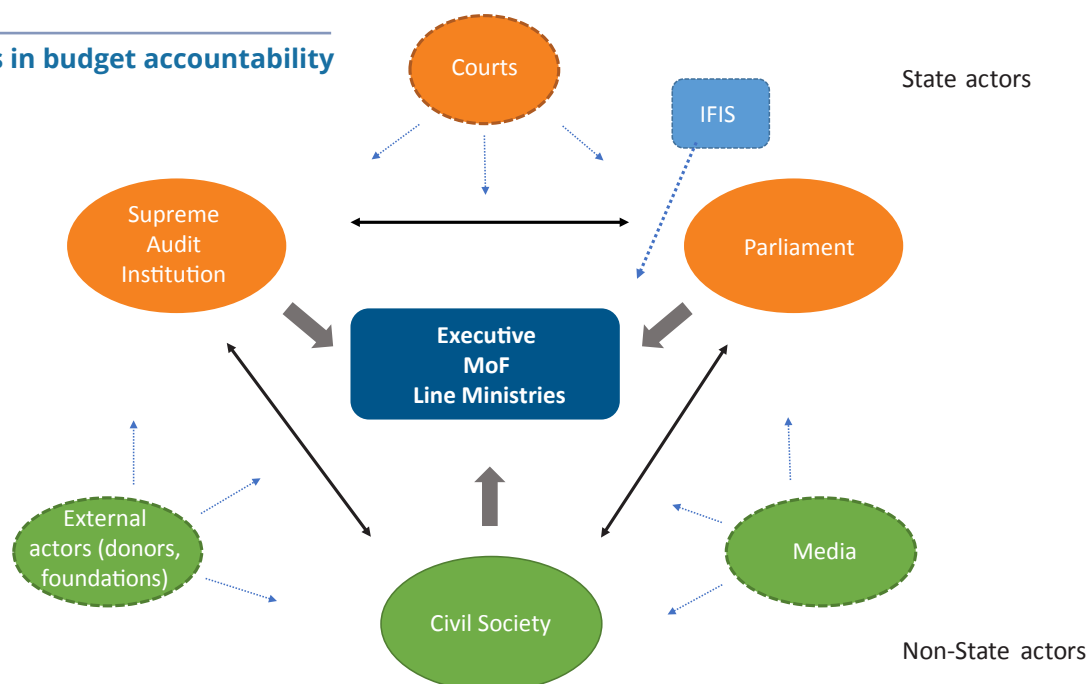
The evolving nature of budget accountability

The nature of budget accountability has changed from a year-end focus to activities that span the whole budget cycle. It now goes beyond budget control and oversight and becomes a tool for managing the strategic objectives of the government, including their sustainable development objectives. Budget accountability now involves looking for good practices, learning what works, and managing networks that allow achieving interrelated policy goals, beyond the traditional focus on compliance. In some important ways, the SDGs do not represent a radical departure from the past. Governments often have national plans to address complex issues at a whole-of-government level, which overlap with the SDGs even when no explicit connection is made with them.

Budget reforms in recent years have sought to strengthen budget accountability by strengthening the role of Parliament, enhancing the capacity of independent oversight institutions and opening more opportunities for citizens to engage in the budget process. There has been increasing emphasis on the need to look at the whole accountability system, which includes civil society and the general public. The increasing number of stakeholders expands the opportunities for collaboration (e.g., between Parliaments and civil society, between supreme audit institutions and civil society) to contribute to increased budget accountability.

Budget transparency is a crucial principle in its own right. On the one hand, emerging and expanding means of enhancing transparency, such as fiscal transparency portals and citizens’ budgets, show promise in expanding both access to and understanding of budget information. On the other hand, the still limited level transparency observed in international surveys shows that there is room for improvement.

The notion of public participation in budget processes has steadily gained ground in past decades. Broad principles for engagement have been elaborated and increasingly used to design participatory processes at different stages of the budget cycle, as well as to analyze their impacts and effectiveness. However, participation in budget matters at the central government level remains limited, as does the body of evidence around the effectiveness of various participation mechanisms. Participatory

Figure E.5**Stakeholders in budget accountability**

budgeting at the local level is more developed, and knowledge on the impacts of different versions of the tool on political and social outcomes has accumulated. Many Governments have undertaken measures to develop budget literacy, or the ability to read and understand public budgets, including in public education systems as in England, UK and Singapore. Participation in the budget process should be conceived in the broader context of citizen engagement in SDG implementation in general. In many parts of the world, civil society is already strongly engaged in SDG follow-up and review. There likely is potential for synergies, for instance through ensuring that information on budget matters is fully utilized by those engaging in other areas than budgeting.

The budget process is key to translating commitments to non-discrimination into concrete action. There is growing recognition of the relationship between budgets and discrimination. Budget-based approaches to tackle discrimination include targeted interventions, mainstreaming public services, and monitoring the impact of budget programmes on various groups of the population. Many national and local governments are utilizing a variety of gender-responsive budgeting tools. Those tools have started to be applied to other disadvantaged groups, such as children, persons with disabilities, and ethnic minorities.

Risk management in public administration and the SDGs

Chapter 4 examines how risks of various natures across the SDGs are addressed by public administration at the national level. Public administration plays a central role in managing risk across all SDG areas, as risk manager, regulator, or in other roles. As risk management becomes prominent in development management, public institutions have to not only adopt risk management approaches and tools, but also adapt their cultures and ways of operating in order to embed risks considerations in their daily business.

Public institutions and public administration processes to manage risk have evolved over time, driven both by overarching paradigm changes in governance and by developments in knowledge and practice of risk management in different fields. The adoption of national risk management frameworks in specific sectors has been significantly influenced by international and regional institutions through normative frameworks, analytical work and technical assistance.

The rise in prominence of risk considerations in public administration has also proceeded at a different pace in different sectors. In some sectors, risk management has been integrated in core functions and practices of public administration for decades (for instance, in the way Central Banks manage systemic risk in the financial sector). In other areas such as natural disasters and climate change, risk considerations have become central tenets of the mainstream paradigms over the past two or three decades. Relatively new risks such as cybersecurity have gained in importance in recent years and have elicited increasingly sophisticated responses in public administration. In yet other sectors and SDG areas, risk management may not be

firmly embedded in the way public administration thinks of its missions, nor in the ways it delivers its functions on a daily basis.

Developments in risk-related practices in different sectors have occurred largely independently from one sector to another. For example, rules and practices relating to the management of systemic risk in finance have had very little to do with developments in natural disaster management. Therefore, risk management at the national level is still primarily done on a sectoral basis, with the high-level government agencies in charge of given areas often assuming a lead role for risk management in those.

Yet, risks across SDG areas can intersect, and they frequently impact one another. Recent trends point to a recognition of the importance of, and potential for, addressing risk in more holistic ways. In particular, several emerging economies and developing countries have adopted innovative approaches to integrated risk management. They coordinate and integrate their risk management strategies and decision-making processes horizontally across various ministries, departments and agencies, with some of them establishing cross-cutting commissions. Assessments of multiple risks has become common, with a growing number of countries having instituted national risks assessment processes. These processes vary significantly across countries in scope, in how forward-looking they are, and in how they connect to other institutional processes of risk management. The coordination of risk management in public administration across a wide range of sectors is still relatively new. Few countries have created a position of Chief Risk Officer or equivalent, with a role of coordination of government response across a broad range of risks. An increasing number of countries also integrate their risk management activities vertically by engaging subnational governments. Some countries also involve non-state actors, including civil society, experts and the private sector, in all or some parts of their national risk assessment and management processes.

Risk management in public administration and institutional principles of SDG 16

The report shows the high relevance of the institutional principles of SDG 16 to risk management in public administration. The connections between them are multiple and apply at different stages of the risk cycle. Transparency is a critical enabler of efficient risk management in many sectors, with the financial sector being a prominent example. Communication around risk is an important component of transparency policies and has received increasing attention from governments in recent years. Transparency on risks is also critical to enable informed discussions within societies, including about acceptable tolerance levels and how risk should be shared among different actors. Accountability around risk is a cornerstone of effective risk management. Questions in this regard include who is responsible for risk identification and mitigation, as well as how the consequences of risk materialization (including financial crises, natural disasters, or social unrest) are addressed. Participation is also critical to risk identification, analysis and management, for instance for floods and other natural disasters. The way risk is managed can also have strong impacts on discrimination and inequality outcomes, from the community level to the global level. Lastly, the notions of risk and vulnerability are central to effective anti-corruption approaches, as highlighted in chapter 2.

Risk management in public administration faces a range of challenges. Issues at the systemic level include the politicization of certain sectors, especially in contexts where risk prevention and preparedness may not produce immediate and tangible results (for example, climate change) and electoral cycles promote short-termism; insufficient coordination, collaboration and integration among national and subnational governments, public institutions, the private sector and other stakeholders; top-down, technocratic risk management practices, which tend to put heavy emphasis on technical aspects such as modelling, foresight and innovation, including software development, to the detriment of social or local dimensions; fragmentation, duplications and inefficiencies when too many risk management institutions with overlapping mandates exist; and lack of funding, financing opportunities, investment and resource mobilization means and capacities.

Challenges noted at the level of individual organizations in public administration include insufficient awareness, weak technical skills and knowledge gaps over coping methods and other risk management techniques; opaque organizational goals; confusion between unwanted outcomes and risks; inadequate methods for monitoring and assessing risks; unclear indicators, risk thresholds and action triggers; weak uptake of risk management by senior management and operational personnel; and ineffective risk communication strategies. This is in spite of the existence of a wide variety of national, regional and international standards, guidelines, recommendations and directives on risk management. Finally, lack of adequate data is a ubiquitous challenge in risk management, both in the context of specific risks or sectors and at the level of the whole 2030 Agenda. Data, even when existing and adequate for risk management purposes, may not be interoperable due to institutional silos, even though interagency and intersectoral communication and exchange of information are critical to integrated risk management.

Going forward, the Sustainable Development Goals, due to their breadth of scope and risk-sensitive formulation, can provide a convenient framework for integrated approaches to risk management in public administration.

Institutions for gender equality

Chapter 5 analyses how public institutions have been promoting gender equality and the empowerment of women and girls. Sustainable Development Goal 5 of the 2030 Agenda calls for the achievement of gender equality and the empowerment of all women and girls. Not only is gender equality a standalone goal but it is integral to achieving all the other goals. Conversely, progress on the other SDGs impacts gender equality outcomes. In recent decades, gender equality policies have achieved wider visibility.

Governments have a key role in accelerating progress toward gender equality and the empowerment of women and girls. The array of instruments that governments have used to foster gender equality ranges from constitutional and legal approaches to regulatory frameworks to reform within organizations to the use of instruments such as gender-responsive planning and budgeting to broader attempts at shifting social norms.

Guarantees for gender equality under national Constitutions

The Constitutions of most States guarantee equal treatment based on gender, with or without exceptions. Constitutional protections for women are on the rise. Prior to 1960, just half of Constitutions adopted provided guarantees to gender equality. That percentage has steadily increased. Between 2000 and 2017, a full 100 per cent of Constitutions were adopted with such a guarantee. The number of constitutional guarantees of women's specific rights to political association, voting, and holding office are also on the rise since the adoption of the Beijing Platform for Action.

Gender-responsive institutions at the national level

National mechanisms for the promotion of gender equality and the empowerment of women and girls, if resourced adequately and given authority, can overcome fragmentation and siloed approaches as they coordinate cross-sectoral policy development and implementation and support greater policy coherence for gender equality and women's empowerment. They engage a wide spectrum of institutional stakeholders at national and subnational levels and collaborate with a range of partners. Through mainstreaming gender in sectoral ministries and public agencies, they serve to transform public policy values and the culture, implementation actions, and responsiveness of public institutions. They have spearheaded the development of national action plans on gender equality, ending violence against women, peace and security as well as coordinated gender mainstreaming in national development plans. Through gender analysis and assessment, capacity development and training, they have demanded action for more effective institutionalization of gender mainstreaming.

Gender equality laws and policies are an essential tool to address gender discrimination. Despite the significant body of laws that promote gender equality in most countries, more than 2.5 billion women and girls globally are affected by discriminatory laws and lack of legal protections leaving them without the legal basis to claim their rights. Enforcement remains an issue in many contexts. Women's participation in legal reform processes has contributed to the inclusion of specific provisions in constitutions and laws enhancing responsiveness to the needs of women and preventing discrimination, harassment and violence.

Transparency and access to information are essential in order to assess the impact of government policy decisions on gender and to scrutinize the quality and responsiveness of public services to women's needs. Fiscal and budget transparency have been critical to track public expenditures for gender equality, and have also spurred positive changes in broader transparency policies and accountability. Information and communication technologies (ICTs) have helped to boost transparency and access to information. In particular, ICT-based information management systems facilitate the retrieval and analysis of information, including sex-disaggregated data. Access to information has benefited from advances in the generation and dissemination of data disaggregated by sex and gender statistics in the past two decades.

Gender-responsive accountability includes gender equality as a standard against which public sector performance is assessed and measured. Gender-responsive budgeting, an example of fiscal accountability, allows the finance institutions to structure

tax and spending policies to promote gender equality. As of 2016, more than 90 countries across all regions had adopted some form of gender-responsive budgeting. National mechanisms for the promotion of gender equality and the empowerment of women and girls can facilitate the engagement of sector ministries, Parliaments and civil society on gender responsive budgeting. Multi-stakeholder approaches have been particularly effective in moving the policy agenda forward and opening space for greater civil society influence. Parliamentary oversight and audit bodies also play a major role. Gender assessments conducted by independent oversight agencies and civil society improve resource tracking and delivery of gender responsive services.

Poor women are disproportionately impacted by corruption, which covers a wide range of exploitative practices. Yet definitions and indices of corruption often do not include the multidimensional nature and impacts of corruption. Tackling corruption requires the integration of gender into measurement tools to identify gender differentiated patterns of corruption. Other important channels for addressing corruption in the context of SDG 5 include anti-corruption legislation, the adoption of gender-responsive anti-corruption programs and policies, access to recourse measures and mechanisms, and safe spaces to report corruption.

Women remain under-represented at all levels of public decision-making. Gender norms and stereotypes are often a deterrent to the selection of women candidates and pose obstacles to women throughout the electoral process. Several countries have adopted temporary special measures such as gender quotas, which can significantly improve women's chances of being elected. Parliaments with greater presence of women have been found to prioritize issues related to gender equality. However, a higher proportion of women legislators is not, per se, a guarantee that gender-sensitive legislation will be enacted. Efforts are needed to ensure gender parity across all public institutions, including the justice system.

Gender-responsive institutions at the SDG target level

Many SDG targets explicitly refer to women, girls and gender equality. Other targets which do not explicitly reference gender have strong gender dimensions. The chapter examines seven SDG target areas across the SDGs: agricultural productivity and access to land (as part of target 2.3); equal access to education and vocational training (target 4.5); adequate and equitable sanitation and hygiene (target 6.2); access to energy (target 7.1); equal pay for equal work (as part of target 8.5); mobility and migration policies (target 10.7); and safe, affordable, accessible and sustainable transport systems (target 11.2).

Institutional approaches to promoting gender equality show commonalities across these areas, as well as some differences. In many areas, mainstreaming of gender aspects in national strategies and plans has become common. For example, transport sector strategies and transport plans at the local level usually incorporate gender aspects. The gender dimension of sanitation is also broadly recognized. Gender mainstreaming appears to be less advanced in the energy sector, compared to other sectors.

In most areas, reforms of the legal and regulatory framework have been used to combat discrimination, eliminate structural barriers to gender equality and foster economic and social opportunities. Governments have set specific targets toward achieving parity between girls and boys in primary and secondary education, and many countries have adopted laws that prohibit discrimination in education. Recent land reforms have often included provisions to ensure that women are not discriminated in this regard. However, equal access to land and other productive resources for women still faces multiple constraints, some linked with the prevalence of social norms. Equal pay laws or regulations have multiplied, and are often used in combination with incentives and sanctions, as well as enhanced disclosure requirements for employers, all seeking to promote accountability of employers (including public administration) for gender equality objectives.

Strengthening accountability for equal pay: recent developments

In order to promote accountability on equal pay for work of equal value, some countries have introduced mandatory reporting on men's and women's wages in companies. According to a survey of 23 countries published in 2016, Australia, Belgium, some states of Canada, Denmark, Finland, France Italy, and Sweden had legal or regulatory instruments mandating companies employing more than a certain number of employees to publish data on wages disaggregated by sex. In 2017 the United Kingdom adopted a similar instrument, as did Germany in 2018. In Iceland, regulation from 2017 aims at holding the pay management systems of companies and institutions up to official standards via certification, to be conducted by accredited certification bodies through audits.

The scope of these measures varies across countries. The size threshold for reporting varies from 25 to 250 employees. The measure usually applies to employees only. In some countries, the measure covers both the public and private sectors, while in others the obligation to report only applies to private sector firms. The periodicity of the reports can be annual or longer. Sanctions in case of failure to report also vary across countries, as do transparency requirements. Depending on the country, results have to be made available to union representatives in the firm; to all employees; to a government agency; or posted on the firm's website when it exists. In the United Kingdom, the government created a website (<https://gender-pay-gap.service.gov.uk/>) where the pay gap data reports of individual firms are made accessible to the public.

At the operational level, many of these areas have witnessed the development of toolkits, compendiums of good practices, and other knowledge and capacity building tools that can support gender mainstreaming in programmes and projects, often produced by international organizations, including international development institutions and United Nations organizations.

In all the sectors examined, participation plays a key role in supporting women equality and fostering accountability in this regard. Women's groups have often succeeded in bringing issues to the fore of the political debate and in inducing greater accountability from governments on gender outcomes. However, in many sectors, women's participation still faces barriers. Similarly, transparency initiatives, both through legal action aiming to force disclosure or through voluntary approaches, play a key role in supporting women's engagement, promoting accountability, and exposing corruption faced by women.

Acronyms

ACA	Affordable Care Act
ACAs	Anti-Corruption Agencies
ACTUE Colombia	Anti-Corrupción y Transparencia de la Unión Europea para Colombia
ACWG	Anti-Corruption Working Group of G20
ADB	Asian Development Bank
AFROSAI	African Organization of Supreme Audit Institutions
AIDS	Acquired immune deficiency syndrome
ARC	African Risk Capacity
ASJAR	Accountability sector joint annual review
ATI	Access to information
BPfA	Beijing Declaration and Platform for Action
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CEPA	United Nations Committee of Experts on Public Administration
CEPEI	Centro de Pensamiento Estratégico Internacional
CISLAC	Civil Society Legislative Advocacy Centre
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CONPES	Consejo Nacional de Política Económica y Social
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CoST	Construction Sector Transparency Initiative
CPI	Corruption Perception Index
CPIA	Country Policy and Institutional Assessment
CSO	Civil Society Organization
DAC	Development Assistance Committee
DESA	Department of Economic and Social Affairs
DFID	Department for International Development (UK)
ECA	European Court of Audit
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ECOSOC	United Nations Economic and Social Council
ECOWAS	Economic Community Of West African States
EEB	European Environmental Bureau
EFP	European Foresight Platform
EGM	Expert Group Meeting
EIA	Environmental Impact Assessment
EITI	Extractive Industry Transparency Initiative
EMB	Electoral management body
ERM	Enterprise Risk Management
EU	European Union
FAO	Food and Agricultural Organization
FATF	Financial Action Taskforce
FMDV	Global Fund for Cities Development
FMIS	Financial Management Information System
FOI	Freedom of Information
FTE	Fiscal Transparency Evaluation

GAO	Government Accountability Office (USA)
GDP	Gross Domestic Product
GIFT	Global Initiative for Fiscal Transparency
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GPRA	Government Performance and Results Act
GPRAMA	Government Performance and Results Modernization Act
GRB	Gender-responsive budgeting
GRC	Governance, risk and compliance
GRECO	the Group of States against Corruption
HIV	human immunodeficiency virus
HLPF	High Level Political Forum
IACC	International Anti-Corruption Conference
IASC	Inter-Agency Standing Committee
IAEG-GS	Inter-Agency and Expert Group on Gender Statistics
IAEG-SDGs	Inter-agency and Expert Group on SDG Indicators
IBP	International Budget Partnership
ICAC	Independent Commission Against Corruption (Hong Kong)
ICT	Information and Communication Technology
IDDRI	Institut du développement durable et des relations internationales
IDEA	International Institute for Democracy and Electoral Assistance
IDI	INTOSAI Development Initiative
IFAC	International Federation of Accountants
IFAD	International Fund for Agricultural Development
IFI	Independent fiscal institution
IFMIS	Integrated financial management information systems
IIAS	International Institute of Administrative Sciences
IIED	International Institute for Environment and Development
IISD	International Institute for Sustainable Development
ILO	International Labour Organization
IMF	International Monetary Fund
INTOSAI	International Organization of Supreme Audit Institutions
Into-SAINT	Self-Assessment INTEgrity
IOM	International Organization for Migration
IPU	Inter-Parliamentary Union
IRM	Implementation Review Mechanism (Chapter 2)
IRM	Integrated Risk Management (Chapter 4)
ISBN	International Standard Book Number
ISO	International Organization for Standardization
ISSAIS	International standards for SAIs
KPK	Corruption Eradication Commission (Indonesia)
LEAP	Livelihood, Early Assessment and Protection
LGs	Local Governments
MEC	Ministry of Education
MESICIC	Follow-Up Mechanism for the Implementation of the Inter-American Convention against Corruption
MDGs	Millennium Development Goals

MENA	Middle East and North Africa
MeTA	Medicines Transparency Alliance
NAC	National anti-corruption strategy
NCDHR	National Coalition for Dalit Human Rights
NCSD	National sustainable development council
NDI	National Democratic Institute for International Affairs
NGO	Non-Governmental Organization
NRA	National risk assessment
OBI	Open Budget Index
OCDS	Open Contracting Data Standard
ODI	Overseas Development Institute
OECD	Organization for Economic Cooperation and Development
OGD	Open Government Data
OGP	Open Government Partnership
OLACEFS	Organization of Latin American and Caribbean Supreme Audit Institutions
PCGB	Paris Collaborative on Green Budgeting
PEFA	Public Expenditure and Financial Accountability
PFM	Public financial management
PPP	Public-private partnership
RTI	Right to Information
SAIs	Supreme Audit Institutions
SDGs	Sustainable Development Goals
SIDS	Small Island Developing State
SJC	Social Justice Coalition (South Africa)
STEAM	science, technology, engineering, and mathematics
SWID	Slum Women's Initiative for Development
TCU	Tribunal de Contas da União
UCLG	United Cities and Local Governments
UNCAC	United Nation Convention Against Corruption
UNCITRAL	United Nations Commission on International Trade Law
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNESCO	United nations Educational, Scientific and Cultural Organization
UNGEI	United Nations Girls' Education Initiative
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNICRI	United Nations Interregional Crime and Justice Research Institute
UNIFEM	United Nations Development Fund for Women
UNISDR	United Nations International Strategy for Disaster Reduction
UNODC	United Nations Office on Drugs and Crime
UNPSA	United Nations Public Service Awards
USAID	United States Agency for International Development
VNRs	Voluntary National Reviews
WHO	World Health Organization

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INTRODUCTION: INSTITUTIONS AND THE SUSTAINABLE DEVELOPMENT GOALS

A. The importance of institutions for sustainable development

Institutions are paramount to the achievement of the 2030 Agenda for Sustainable Development and all the Sustainable Development Goals (SDGs). The strengthening of national institutions to deliver the SDGs is seen as a priority in many Member States, as shown by their voluntary presentations at the UN high-level political forum on sustainable development during the first three years of SDG follow-up and review.¹

The Agenda and the SDGs prominently feature institutions, both as a cross-cutting issue in many of the goals and as a standalone goal (SDG 16), “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”. The targets under SDG 16 highlight several concepts that may be viewed as institutional principles: effectiveness, transparency, accountability, anti-corruption, inclusiveness of decision-making processes, access to information, non-discrimination of laws and policies. Those principles apply to all the Goals.²

The inclusion of SDG 16 in the SDGs, as a self-standing goal on a par with sectoral goals such as education, health, poverty eradication, and others, is a game-changer. While everybody agrees on the importance of peace, inclusiveness and institutions for development, in previous global development frameworks, these aspects tended to be relegated to the background, with the exception of so-called “means of implementation”. As argued in the World Public Sector Report 2018, the existence of SDG 16 sends a strong signal that institutions are not neutral conduits for implementing strategies and policies; rather, the institutional setup is a primary enabler and determinant of sustainable development outcomes. It may foster a greater focus of all development actors on the “how”, and help refocus attention on the importance for development outcomes of dimensions such as accountability, anti-corruption, transparency and participation.

The very first review of SDG 16 at the high-level political forum on sustainable development (HLPF) in July 2019, as part of the forum’s annual review of progress on a subset of the

SDGs, will provide a platform to reflect on the adequacy and effectiveness of existing societal and institutional arrangements for supporting the implementation of all the SDGs.

This report aims to contribute to this effort, focusing on the institutional dimensions of SDG 16. It aims to provide an overview of trends in relation to the application of broad institutional principles highlighted in SDG 16 (effectiveness, access to information, transparency, accountability, anti-corruption, inclusiveness of decision-making processes, non-discriminatory laws and policies), highlighting experiences from past decades both at the sectoral and cross-sectoral levels, as well as an initial view of what is known about the effectiveness of initiatives in these areas, in different national contexts.

By reviewing key challenges and opportunities for enhancing the performance of public institutions in the context of the SDGs, the report aims to inform efforts by all countries to foster progress on critical dimensions of institutions for the SDGs, by drawing lessons on how current trends and innovative experiments might lead to long-term success in achieving the SDGs, in different developmental and governance contexts. The report is intended as an initial stocktaking; additional work in coming years will be needed to fully address the vast scope of institutions for sustainable development.

B. Scope of the report

SDG 16 is an amalgam of targets covering three dimensions: human rights, peace and security, and institutions for development. The focus of the report is on the institutional dimensions of the SDGs, as fleshed out in SDG 16 and outlined in the 2030 Agenda. Specifically, within SDG 16, the report limits its scope to the following targets: 16.5, 16.6, 16.7, 16.10 and 16.b (see Box 1.1). These targets are arguably the most directly relevant to public institutions, even though the case could be made that other targets could be considered as well.³

As with other SDG areas, work on the institutional dimensions highlighted by SDG 16 has a long history that pre-dates the SDGs themselves. Transparency, accountability, corruption, non-

Box A. Institutional principles encapsulated in SDG 16 targets on which the report focuses

- 16.5 Substantially reduce corruption and bribery in all their forms
- 16.6 Develop effective, accountable and transparent institutions at all levels
- 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels
- 16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements
- 16.b Promote and enforce non-discriminatory laws and policies for sustainable development

discrimination, and other fields each have their own academic disciplines, communities of practice, and international rules. Within each of these broad fields, work is often fragmented, and no comprehensive stock-taking of global trends is readily available. SDG 16 provides a convenient frame for looking at global trends in these areas.

Some targets of SDG 16 combine multiple features that institutions should have. For example, target 16.6 refers to three critical institutional principles: accountability, transparency, and effectiveness. Yet, for conceptual clarity, each of these principles deserves analysis in its own right. For this reason, the report is organized around the institutional principles of SDG 16, rather than around the targets themselves. Specifically, the report focuses on the following principles: access to information, transparency, accountability, anti-corruption, inclusiveness of decision-making processes, non-discrimination and effectiveness.⁴ These institutional principles have guided the work of the United Nations Programme on Public Administration and Finance, and are a subset of the principles of effective governance put forward by the Committee of Experts on Public Administration (CEPA) and adopted by the Economic and Social Council of the United Nations in 2018.⁵

Due to the vast scope of institutional issues relevant to the 2030 Agenda, choices had to be made in terms of coverage. First, the report focuses on the national level, and international institutions are mentioned only as they contribute to shape the development of national institutional landscapes. Second, in

keeping with the traditional remit of the World Public Sector Report, the scope is limited to public institutions and public administration. This means that issues of high relevance to the realization of the 2030 Agenda in relation to the private sector (for example, private sector accountability) are not addressed here. Third, within its general scope, the report presents in-depth analysis of only a small sample of issues (see below).

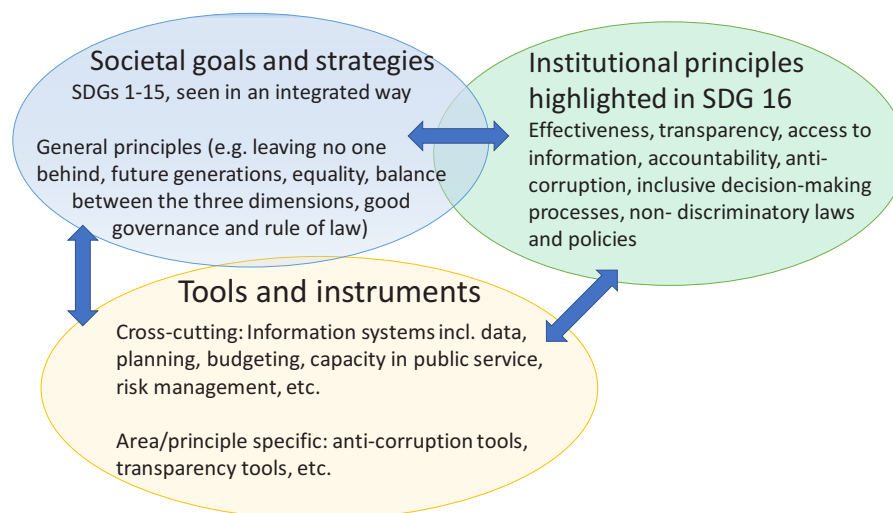
C. Conceptual framework for the report

The focus of the report is on public institutions to deliver the SDGs. In line with previous editions of the report, institutions are understood in a broad sense (including social norms, laws, standards, etc.). The conceptual framework for the report is based on the interplay among three broad sets of concepts: (1) societal goals and strategies to achieve them, as articulated in the 2030 Agenda and SDGs; (2) the institutional principles highlighted in SDG 16; and (3) tools and instruments that support institution building and functioning. In practice, it is this interplay that determines how well institutions work for the achievement of societal goals.

The institutional principles highlighted in SDG 16 are a combination of traditional Weberian principles (e.g. accountability, effectiveness) and more recent principles (e.g. access to information) which, taken together, do not suffice to

Figure A.

Conceptual framework for the World Public Sector Report 2019



Source: Author's elaboration.

define institutions that “work well” for society. For example, inclusive decision-making processes do not necessarily result in inclusive outcomes. While it is arguable that the more recent principles (e.g. non-discrimination, inclusive decision-making processes, etc.) are closer to societal aspirations and provide some outside “direction” to public institutions, they do so only in a partial way.

In order to design institutions that work well for society, broader goals, aspirations, visions, and strategies are required. In the 2030 Agenda, these are provided by many of the targets in Goals 1 to 15, as well as by general principles recalled in the Agenda itself (e.g. leaving no one behind, concern for future generations, empowerment, and balance between the economic, social and environmental dimensions). These should inform (and determine) how institutions that follow the principles of SDG 16 should function.

In turn, a whole set of tools and instruments can support the operationalization of the principles highlighted in SDG 16. Those include both cross-cutting tools such as budgeting, planning, data and information systems, risk management, e-government, procurement, awareness raising and capacity building, and principle- or area-specific tools, such as anti-corruption tools. When looking at institutions for the SDGs in a practical context, those tools are of critical importance, as it is at that level that changes in public institutions and public administration can be concretely achieved.

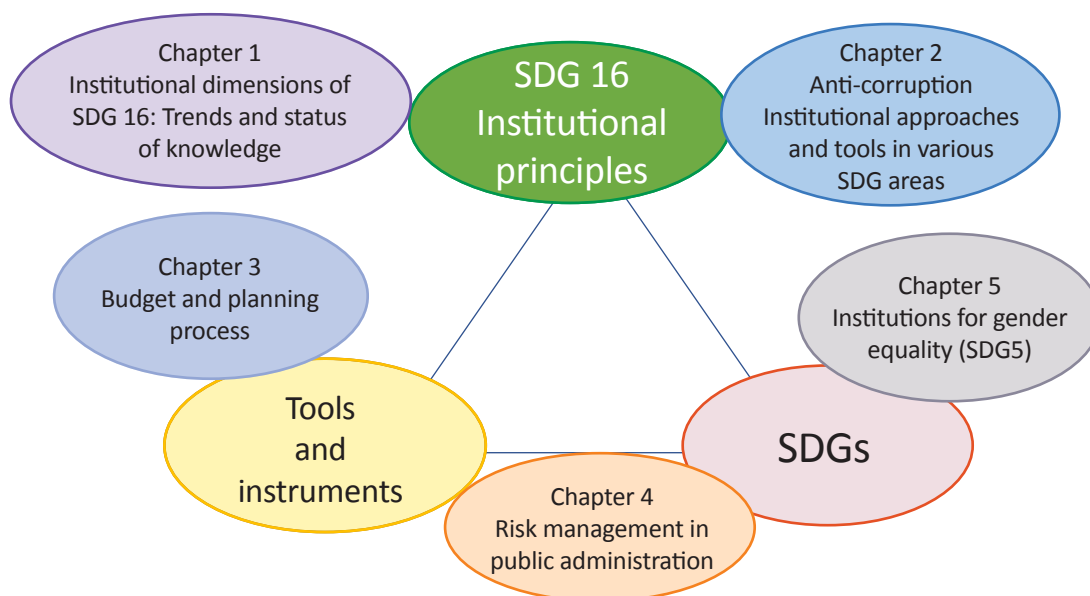
The distinction among these three categories is not always clear. For example, inclusive decision-making is as much an instrumental principle as a broader, general aspiration. The same goes for access to information, which is both an aspiration and a tool to achieve other ends. Yet, for the purpose of this report, these categories offer a clear organizational framework, which emphasizes the relationships among them.

D. Content of the report

The report uses the interplay among goals, institutional principles and tools as a unifying thread, and illustrates it through different entry points. A first type of chapter looks in detail at one of the institutional principles, anti-corruption (chapter 2), and examines how it applies to various SDG areas and what tools and instruments can be mobilized in this respect. A second type of chapter focuses on one cross-cutting tool and examines how it is relevant to the implementation of specific SDGs, also highlighting its connections with the SDG 16 principles. Budgeting (chapter 3) and risk management in public administration (chapter 4) were chosen as examples. A third type of chapter looks at a specific SDG area and examines how public institutions in this area address the various principles of SDG 16 in different contexts. For this year's report, the choice was made to focus on Goal 5, “achieve gender equality and empower

Figure B.

Chapters of the World Public Sector Report 2019



Source: Author's elaboration.

all women and girls” (chapter 5). In future years, other SDG areas, institutional principles and tools could be analyzed using the same framework.

Chapter 1 provides the background of the report. It is a preliminary stocktaking of developments in relation to the institutional principles of SDG 16. The chapter illustrates the conceptual complexity of the institutional principles, and the difficulties associated with defining and measuring progress on institutional dimensions of the SDGs more broadly; and briefly reviews current efforts in this respect. This is followed by short syntheses of global trends and lessons learned from institutional developments under transparency, access to information, accountability, inclusiveness of decision-making processes, and non-discrimination. The chapter highlights important gaps in knowledge regarding the effectiveness of various institutional arrangements, and suggests possible areas for consideration in order to better inform future reviews of progress on institutional aspects of SDG 16.

Chapter 2 provides an overview of the challenges and opportunities for combating corruption in the context of the Sustainable Development Goals, focusing on public administration and the public sector. The chapter shows how anti-corruption relate to other institutional principles highlighted by SDG 16. It presents concrete ways in which countries have identified corruption risks and addressed corrupt practices at the systemic level and in different sectors. It analyzes the effectiveness of international instruments that have been put in place to address corruption, and their relationships with national efforts to fight corruption. The chapter also considers how countries are monitoring and measuring progress on anti-corruption and the effectiveness of anti-corruption strategies. Finally, it shows how the SDGs, including target 16.5, can provide an opportunity to countries to enhance the coherence and synergies among multiple anti-corruption instruments.

Chapter 3 examines how budget processes can be harnessed to better support the implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals. Budget processes are a critical link in the chain that connects sustainable development objectives, strategies and plans to achieve those, public spending and outcomes. National efforts to link the budget process with the SDGs started very soon after the adoption of the 2030 Agenda, supported by the international community. At the same time, efforts to better link the budget process with the SDGs are inscribed in long-term reform processes in public administration, and especially those that aim to strengthen public financial management systems. The first part of the chapter takes stock of ongoing efforts at the national level to link budget processes to the SDGs. The second part of the chapter examines how the budget process, as an institutional construct, applies and responds to the institutional

principles examined in this report: transparency and access to information, accountability, anti-corruption, participation, and non-discrimination.

Chapter 4 is a preliminary exploration of risk management in public administration in the context of the Sustainable Development Goals. Risk and related concepts permeate the 2030 Agenda for Sustainable Development and the SDGs. Public administration plays a central role in managing risk across all SDG areas, as risk manager, regulator, or in other roles. Strategies put in place by public administration to address risk in various areas also have impacts on the most vulnerable groups in society. The chapter examines how risks of various natures across the SDGs are addressed by public administration at the national level. It investigates the extent to which the incorporation of a risk perspective in public administration has changed over time, and how this has affected strategies, plans and policies in different areas. It presents some of the recent trends in terms of institutionalization of risk management in government, including institutional setups that countries have put in place to identify, assess and manage risk in a more holistic way. It illustrates mechanisms and tools that exist today in public administration to manage risk in different SDG areas, how countries are using them, and challenges they face in this regard. The chapter also examines the connections between risk management in public administration and the institutional principles of SDG 16.

Chapter 5 analyses how public institutions have been promoting gender equality and the empowerment of women and girls, called for in Sustainable Development Goal 5 of the 2030 Agenda. Gender equality is integral to achieving all the other goals. Conversely, progress on the other SDGs impacts gender equality outcomes. Institutions and their influence on gender equality have been studied from multiple angles and disciplines. Using the lens of the SDG 16 institutional principles, the chapter presents institutional approaches, tools and instruments used by countries to promote gender equality, reviewing what is known about their effectiveness in different contexts. It also assesses how the SDG 16 principles have informed the design and operation of institutions geared to promoting gender equality in specific sectors.

E. Preparation of the report

The preparation of the report was led and coordinated by the Division for Public Institutions and Digital Government (DPIDG) of the Department of Economic and Social Affairs. The report was produced using mixed methods that combined literature review (both peer-reviewed and UN documents), contributions sent by individual experts and organizations in response to an open call published in July 2018, and

interviews with experts. Chapter leaders were responsible for reaching out to relevant experts within and outside the UN system, mobilizing networks of experts working on the topics considered in the report. In all, over 50 experts provided contributions for the report.

All chapters were informed by in-depth analysis of the development and public administration literatures, as well as analysis of national policy developments in relation to public administration. An expert group meeting was organised in support of the preparation of chapter 3 of the report, allowing for the incorporation of a broad range of inputs and perspectives in the chapter. Lastly, the report relied on peer review by UN and non-UN experts, in addition to internal review in the Department of Economic and Social Affairs.

Endnotes

- ¹ See United Nations, 2016, 2017, 2018, *synthesis of voluntary national reviews*, Division for Sustainable Development Goals.
- ² See United Nations, 2015, Transforming our World: the 2030 Agenda for Sustainable Development, A/RES/70/1. Available at: <https://sustainabledevelopment.un.org/post2015/transformingourworld>.
- ³ For example, target 16.9 on civil registration is seen as a fundamental building block for other dimensions such as participation, inclusion and non-discrimination. See Chapter 1 in this report.
- ⁴ Finding an appropriate terminology that encompasses all the institutional features (or institutional dimensions) highlighted by SDG 16 is not straightforward. The word “principle” is used in most of the literature to refer to concepts such as accountability, transparency and effectiveness. Corruption (or anti-corruption) is not a principle. Other dimensions such as non-discrimination may be called principles. For want of a better word, throughout the report we use “institutional principles” or “institutional dimensions” interchangeably.
- ⁵ United Nations, 2018, *Principles of effective governance for sustainable development*, Economic and Social Council Official Records 2018, Supplement No. 24, E/2018/44-E/C.16/2018/8, para. 31.

CHAPTER 1: PROGRESS ON INSTITUTIONAL DIMENSIONS OF SDG 16

1.1. Introduction

Institutions are paramount to the achievement of the 2030 Agenda for Sustainable Development and all the Sustainable Development Goals (SDGs). The Agenda and the SDGs prominently feature institutions, both as a cross-cutting issue in many of the goals and as a standalone goal (SDG 16), “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”. The principles that SDG 16 highlights in relation to institutions (effectiveness, transparency, accountability, anti-corruption, inclusiveness of decision-making processes, access to information, non-discrimination) apply to all SDGs.¹

This chapter provides the background of the report. It presents a preliminary stock-taking of trends in relation to the application of institutional principles highlighted in SDG 16, as well as an initial view of what is known about the effectiveness of initiatives in these areas, in different national contexts. The chapter illustrates the conceptual complexity of the institutional principles put forward by SDG 16; the difficulties associated with defining and measuring progress on institutional dimensions of the SDGs more broadly; and briefly reviews current efforts in this respect. This is followed by short syntheses of global trends and lessons learned from institutional developments under access to information, transparency, accountability, inclusiveness of decision-making processes, and non-discrimination, knowing that anti-corruption is covered in depth in chapter 2. The chapter highlights gaps in our knowledge regarding the effectiveness of various institutional arrangements, and suggests possible areas for consideration in order to better inform future reviews of progress on institutional aspects of SDG 16. More detailed insights on some dimensions explored in this initial chapter are provided in subsequent chapters.

1.2. Defining and measuring progress on institutional dimensions of Goal 16

In theory, the presence of institution-related targets in SDG 16 should provide clear criteria for measuring progress on institutional dimensions of the Agenda and the Goals. Yet, in

practice, measuring institutional dimensions of SDG 16 poses challenges of various orders, in turn making it difficult to define “progress” along any of them. This section considers issues linked with concept definition; with the definition of progress; and with measurement. The section then briefly reviews ongoing efforts at the international and national levels in this area.

1.2.1. Difficulties linked with concept definition

As is the case in other SDG areas, work on the themes addressed by SDG 16 has a long history that pre-dates the SDGs themselves. Transparency, accountability, participation, and other institutional principles are broad concepts, and are approached differently by scholars and practitioners from different disciplines. The various expert communities, including international institutions that promote work on governance, all adopt different semantic maps of these concepts.

For example, transparency and accountability are often mentioned in tandem. Some authors subsume transparency into accountability. Others highlight their distinctness and a whole branch of the literature examines the relationships that exist between the two. Access to information, although it emerged earlier than other modern forms of transparency, is now often considered as one of the forms of transparency, but access to information and transparency are addressed in two distinct targets of Goal 16 (16.10 and 16.6 respectively). Other examples of this “conceptual fuzziness” abound in the literature, and are flagged by experts as an impediment to rigorous research on the effectiveness of various institutional approaches.

All the institutional principles examined in this report are considered parts of the broad concept of governance. There is no universally accepted definition of governance, even though it has been the object of decades or more of inquiry from different fields of study. The concept has been described by various authors as “overstretched”;² not based on solid theoretical ground, and leading to empirical applications that are not always helpful.³ The term has been politically contested as well. For instance, there have been critiques that the concept of “good governance” and its declinations reflect western values,⁴ and has been used to promote specific types of reforms in developing countries without enough attention being paid to the applicability of foreign models in different contexts.⁵

Box 1.1. Fuzziness of concepts in the governance field: the example of social accountability

The concept of social accountability has incorporated ideas from different communities of practices. One was the idea of direct accountability of service providers to citizens as users or consumers. Another was the idea that direct participation of citizens in governance could help enforce basic citizens’ rights. This multiple filiation has resulted in different people associating somewhat different meanings to the name “social accountability”. In addition, the literature on social accountability is muddy on the issue of whether participation in policy-making is part of social accountability. Some limit the term social accountability to citizen groups monitoring the use of public authority, while others include participation in policy-making, policy advocacy and deliberation as part of the concept.

Source: Joshi, A., 2010⁶.

1.2.2. Difficulties linked with defining progress

Generally speaking, defining progress on any of the institutional dimensions of SDG 16 is difficult. A first reason is that on each dimension, the desirability of change in one or the other direction is not a priori straightforward, as tensions may arise with other institutional or human rights principles. For example, defining the “appropriate” degree of transparency in a given environment has to balance considerations of privacy and security, among other factors. Critically, different groups of society may have very different perspectives on where the appropriate balance lies.⁷ As the mix of world views differs across societies, so the institutional choices that best reflect societal consensus will also vary. Also, in any country, the preferred balance between principles may change over time, due to social, political or technological developments.

A second reason is the lack of conceptual clarity on causal models linking the development of institutions and processes in a certain area (e.g., access to information) and their impacts on societal outcomes (for example, better access to public services or reductions in corruption).⁸ Within each dimension, there remain conceptual debates on what matters for development outcomes. Context is a key variable for understanding what outcomes specific initiatives may produce. For example, an institutional change that results in increased transparency in one context may produce a different effect in another context. A recent systematic review of the literature on transparency illustrates this difficulty (Table 1.1). In addition, multiple and dynamic causal interactions exist among the institutional principles discussed here, and those vary depending on the broader political, institutional and social context. For example, while conventional wisdom holds that transparency and access to information will elicit people’s response and engagement,

which in turn will lead to increased accountability of public officials, research has emphasized that this relationship is not straightforward. Other examples are given in this and other chapters of the report.

This translates into difficulty in unambiguously defining “progress” at the level of broad principles such as accountability or transparency, in a way that would be valid in all contexts and at all times. Therefore, progress can only be meaningfully defined in reference to local political and institutional contexts and dynamics. This heterogeneity and dependence on national context are critical issues to consider when looking at national-level monitoring of SDG 16.

1.2.3. Difficulties linked with measuring institutional dimensions

As mentioned above, the fields covered by the institutional principles of SDG 16 are not conceptually unified. Unlike other SDG areas where there has been time to develop a consensus on what key indicators of progress should be, SDG 16 faces a diverse set of fields where measurement work has developed independently from one another, even within sub-fields. Within each field, there are conceptual debates on what should be measured and how it should be measured.

Reflecting this, under each of the institutional principles examined in this report, a great number of indicators and indices have been developed to measure different dimensions and sub-dimensions. Spearheading these initiatives have been heterogeneous collections of actors, including multilateral development banks, international NGOs working on transparency and accountability, think tanks, intergovernmental processes, government agencies, and others. The indicators

Table 1.1.

Reported outcomes of transparency initiatives in 77 empirical studies published in peer-reviewed journals

Effects on...	Positive Effect	Negative effect	Mixed effect	No effect
...citizens				
Legitimacy	2	0	2	0
Citizen participation	9	1	2	3
Trust in government	7	3	4	1
Satisfaction	4	0	1	0
...government				
Accountability	6	0	6	4
Less corruption	7	0	0	0
Performance	5	0	3	1
Decision-making process	0	1	1	0
Financial management	4	0	0	0

Source: Cucciniello et al., 2017.⁹

produced by different initiatives have different scope, reflect different underlying theories or assumptions about governance, and support different agendas in terms of “progress”.¹⁰ Most indicators are complex, being composites based on underlying indicators as opposed to raw indicators. They can be hard to interpret out of context and not easily comparable across countries. The methodologies of indices tend to change over time, making long time series hard to find. One of the consequences of this multiplicity of approaches is that different surveys on the “same” issue sometimes uncover conflicting trends.

In addition, governance indicators have been criticized as not being based on a firm theory of good governance, for not being internally consistent, and for not matching the reality of governance arrangements in many countries at different levels of development, making them unhelpful in guiding institutional reforms in less advanced countries.¹¹

1.2.4. Challenges to measuring effectiveness and impact

A core institutional principle of SDG 16, effectiveness of public institutions denotes the extent to which public institutions are able to deliver the goals for which they were set up. Effectiveness is always defined with respect to an outside objective or goal. In the context of SDG implementation, the SDG and targets thereof provide natural references for assessing effectiveness. Therefore, effectiveness of institutions should be measured in terms of how well they support the realization of specific goals and targets. As pointed out in the literature, one has to distinguish two degrees or types of effectiveness. The first one refers to immediate outcomes: are institutions able to meet their intended purposes? The second one refers to broader impacts: are institutions conducive to enhanced outcomes for citizens, in terms of quality of life, public services, civic engagement, and other dimensions of well-being?¹⁴

Available scholarly studies and existing indicators in the governance field tend to focus more on inputs and processes, less on outcomes and even less on impacts. Qualitative evaluations exist for a large number of initiatives related to transparency, accountability and participation, but meta-reviews of these are few and far between – those known to the authors are highlighted in later sections of this chapter.

Table 1.2 presents examples of generic questions and dimensions of interest in relation to the measurement of inputs, processes, outcomes and impacts for the six institutional principles covered in this chapter, with the understanding that effectiveness is a cross-cutting principle that applies to all institutional initiatives.

1.2.5. Global efforts to produce indicators for SDG 16

Official global SDG indicators

Efforts to measure progress on the targets of SDG 16 started very early; in fact, during the discussions of the SDGs in the Open Working Group in 2014. They were often associated with the search for possible targets that could figure under goal 16.¹⁵ They aimed to build on the existing ecosystem of governance indicators. When the 2030 Agenda was adopted, it was decided that global indicators for the SDGs would be intergovernmentally agreed. A specific intergovernmental process was set up to devise such indicators. The working level process for this is the Inter-agency and Expert Group on SDG Indicators (IAEG-SDGs). The process has produced a set of 232 global indicators, including 23 for SDG 16.¹⁶ The process of indicator definition is ongoing. Efforts of the international community to produce clear methodologies for the indicators and mobilize the corresponding data have been accompanied by efforts to support enhanced statistical capacity and data collection efforts in developing countries.

Box 1.2. The political sensitivity of governance indicators

The measurement of SDG 16 is highly politically sensitive. The fact that the choice of indicators in any domain has a political dimension is largely accepted. In particular, the choice of indicators reflects explicit or implicit standards, and creates implicit or explicit norms.¹² These considerations are even more sensitive in the case of governance indicators, as any indicators in this area can be used to construct narratives about how “well” individual countries are conducting their internal affairs.

Governance indicators produced by various international institutions (for example, the CPIA index produced by the World Bank) often have material impacts on countries, for example in terms of allocation of aid resources or for treaty accession, and can be perceived as an arm’s length “governance technology” allowing international interests to influence sovereign domestic matters. Over past decades, the fact that many of the initiatives working on governance, and many existing governance indicators, are produced by international NGOs and sponsored by donors or developed country governments has often created suspicion as to the motives driving these efforts, and sometimes given rise to accusations of meddling by foreign interests in domestic matters.¹³

Source: see footnotes in this box.

Table 1.2.

Examples of questions associated with different stages of initiatives in relation to institutional principles of SDG 16

Institutional dimension	Inputs and processes	Outputs	Outcomes	Impacts
Access to information	Adoption of access to information laws and creation of related institutions	Number of requests made to public institutions	Volume of information disclosed Use of information made by requesters	Do citizens feel empowered to request information from the government? Has information contributed to improved public debate?
	Adaptation of organizations to meet the requirement of access to information laws, including resources and capacity building	Outcomes of the requests for information Measures of compliance with the law for different institutions	Changes in public officials' and public agencies' behaviors	Has information contributed to enhanced public sector accountability? Has information contributed to better public services, enhanced the effectiveness of public institutions?
Transparency	National OGD initiatives	Information produced and published by government agencies	What type of information is more (less) available than in the past?	Is the information published through OGD initiatives and mandated disclosure relevant and useful to citizens, NGOs and and firms?
	Adoption of legal framework mandating or encouraging disclosure (targeted or not)	Measures of compliance with the law	Changes in perceptions of transparency	Has disclosure contributed to improved public services? Has information disclosure contributed to better government accountability?
Inclusive and participatory decision-making	Changes in legal framework w.r.t. participation	Number of participatory events and channels created	How has participation impacted decision-making and resource allocation?	How significant is the civic space for participatory processes?
	Creation of participatory channels and mechanisms	Number of people from different social groups who engage in participatory mechanisms	Has participation contributed to more responsive and higher quality public services?	How are participatory processes changing social dynamics, including civic engagement?
	Organizational change to accommodate and manage participatory mechanisms in public institutions		Have public officials' behavior changed in the way they interface with citizens?	How are power relations affected by participatory processes?
			Changes in citizen's perceptions of participation, empowerment	Have participatory processes contributed to enhance trust in government?
Accountability	Constitutional or legal provisions for government accountability	Compliance with formal processes for government reporting and oversight	Outcomes of formal oversight processes, including possible sanctions	Are institutional checks and balances more robust?
	Charters for civil service	Implementation of civil service accountability-related measures	Outcomes of internal accountability mechanisms in public agencies	How have work ethics and motivation changed in the public service?
	Organizational processes for accountability (e.g. performance processes)			Are civil servants more responsive to the public?
Anti-corruption	Adoption of anti-corruption laws and creation of related institutions	Number of corruption cases brought to justice, to public knowledge	Sanctions taken against corrupt officials Amounts of public funds recovered	How have channels and mechanisms of corruption morphed in reaction to legal and institutional changes?
	Training and capacity building in public institutions	Financial amount exposed or recovered	Changes in administrative processes Changes in perception of corruption	Have different actors (public officials, firms, citizens) changed their behaviors?
Non-discrimination	Adoption of anti-discrimination laws and regulations and related institutions	Number of cases brought to justice or public administration	How have outcomes changed for groups that are often discriminated against?	Are traditionally discriminated groups empowered?
	Universal civil registration	Outcomes of legal cases	How has the jurisprudence evolved overtime?	How are tolerance and sectional divides changing in society as a whole overtime?
	Training and capacity building in public institutions	Measures of compliance with the law		

Source: Authors' elaboration.

The process of defining the concepts and methodologies for global indicators for SDG 16 has stimulated vigorous intellectual debates, which mirror underlying conceptual debates in academic and practitioner circles about how institutional dimensions and progress among those can be measured, as documented in the website of the United Nations Statistics Division.¹⁷

Whereas for most SDGs many global indicators are conceptually clear and the corresponding data are available in the majority of countries, this is not the case for most of the indicators of the SDG 16 targets considered in this report.¹⁸ In fact, apart from indicator 16.6.1, an indicator of “budget credibility”, which is available for many countries, all the other indicators that directly relate to the institutional principles examined in this report are classified as tier II or tier III, meaning that no internationally established methodology and standards are yet available for the indicator or that data are not regularly produced by countries (see Table 1.3). In practice, this means that the indicators are currently not available for global analysis.

Global indicators for SDG 16, by design, can only cover a limited number of relevant dimensions. From the examination of the global indicator framework, it is clear that some institutional dimensions such as transparency, accountability, effectiveness, and corruption are covered in a minimal way. For those dimensions, the global indicators, even if the data were fully available, would be insufficient to produce policy-relevant analysis.¹⁹ The situation is somewhat better with respect to non-discrimination, as outcomes in this regard can be at least indirectly inferred by looking at disaggregated indicators that refer to targets in many different goal areas, for example those that refer to universal access to resources, services, education, health and social protection (see section 1.3.5).

Within the set of global SDG indicators, indicators that are relevant to institutions can be found beyond SDG 16. In fact, many of the SDG targets refer to institutions in specific sectors (e.g., social protection systems) or across the board (especially the targets of SDG 17). Work done in the context of the Committee of Experts on Public Administration highlights

Table 1.3.

Global indicators for SDG 16 targets that are relevant to institutional principles discussed in the report

Principles and corresponding SDG 16 targets	SDG 16 Global Indicator	Tier
Corruption (16.5)	16.5.1 Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months	II
	16.5.2 Proportion of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those public officials during the previous 12 months	II
Accountability (16.6)	16.6.2 Proportion of the population satisfied with their last experience of public services	III
Transparency (16.6) and access to information (16.10)	16.10.2 Number of countries that adopt and implement constitutional, statutory and/or policy guarantees for public access to information.	II
Effectiveness (16.6)	16.6.1 Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar)	I
Responsive, inclusive, participatory and representative decision-making processes (16.7)	16.7.1 Proportions of positions in national and local public institutions, including (a) the legislatures; (b) the public service; and (c) the judiciary, compared to national distributions, by sex, age, persons with disabilities and population groups	II/III
	16.7.2 Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group)	III
Non-discrimination (16.b)	16.b.1 Proportion of population reporting having personally felt discriminated against or harassed in the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law	III

Source: United Nations Statistics Division.

that among the 232 indicators on which agreement has been reached, interlinkages with the principles of effective governance for sustainable development, and the institutional aspects of SDG 16 in general, are widespread.²⁰

Work of the Praia Group

Within the framework of the United Nations Statistical Commission, the Praia Group on Governance Statistics has been working since 2015 on issues of conceptualization, methodology and instruments in the domain of governance statistics. Among other objectives, the group aims to review, propose and promote the definition and harmonization of governance indicators, through the development of manuals and methodological guidelines.²¹ In particular, the Praia Group has been developing a handbook that can serve as a reference framework for the production of governance statistics covering the conceptualization, measurement methodology and dissemination of governance statistics for national statistical offices. The work of the group will be presented at the Statistical Commission in early 2020. As of October 2018, the group has identified nine dimensions of governance, which cover the institutional dimensions of SDG 16.²²

Work by international organizations

While the development of the set of global indicators for the SDGs continues, international organizations have taken up the issue of measuring performance and progress on SDG 16. The OECD has been active in this area, building on a long tradition of work on governance indicators. Given that few of the global indicators for SDG 16 are available at present, there have been efforts at both the international and national levels to mobilize existing information. The use of proxy indicators has been a frequently taken route to palliate the lack of data for official global SDG indicators. For example, the OECD has explored the connections between indicators it already produces and the measurement of SDG targets, including SDG 16; the result of this exercise is a measure of the distance of individual member countries to the SDG targets, including for eight of the SDG 16 targets.²³ Whereas this measure differs from the official global SDG indicators, it provides valuable insights on progress on SDG 16 for a subset of countries, in a way that allows for country comparisons.

In conclusion, the lack of relevant indicators (itself linked with other conceptual and practical issues) constitutes a serious constraint to getting a global picture of the status of SDG 16 targets related to institutions, and of the related trends. Perhaps more than for other SDGs, this calls for enriching the information that comes from indicators with more qualitative narratives based on other sources of information. Another challenge is to reconcile aggregate views based on global indicators with assessments of progress coming from the country level.

1.2.6. Monitoring of SDG 16 at the national level

In order to monitor SDG 16 at the national level, a rich and nuanced picture has to be provided, which goes beyond global indicators and involves a detailed examination of issues and trends, and matches the state of national society as well as national priorities. As argued in previous sections of this chapter, progress on institutional aspects of SDG 16 can only be defined meaningfully by focusing on the current status and dynamics of institutions. This translates into the need for each country to build their own, tailor-made monitoring systems around SDG 16. As mentioned earlier (see Box 1.2), the measurement of SDG 16 is highly politically sensitive, as related indicators are naturally perceived as reflecting the quality of government or governance in a country. Work done at the country level to develop measurements on various aspects of SDG 16 is critically important and challenging, given the novelty of the goal in this form.

Most countries do not start from scratch, however. In some areas, international and regional law provides a framework for national action and has introduced monitoring frameworks that are closely related to SDG 16 targets. This includes the reporting mechanisms under international treaties. Chapter 2 provides an example of this for the area of anti-corruption. Some countries already measure governance-related issues for other purposes, such as accession to regional groups (e.g. EU accession).²⁴ Yet other countries have put in place processes for national dialogues on SDG 16-related issues, for example, when conducting reforms of their justice system.²⁵

In theory, the multiplicity of existing measures, indicators, rankings, surveys, that are produced at the country level could be an opportunity. It could provide a platform for dialogue at the national level, and a basis for building shared and robust assessments of strengths, weaknesses and areas for progress. However, the extent to which this is happening is still unclear. In each country, the different areas within SDG 16 are receiving varying levels of attention in terms of priorities for reform, depending among other things on national political and social circumstances. In the short run, this translates into differences in both the feasibility of and capacity to design and implement improvements in monitoring systems across dimensions of SDG 16. Rapid improvements may be observed in areas where a country uses an ongoing reform process; in other areas that are not immediate priorities, efforts might be more difficult to mobilize.

As part of national efforts to monitor developments in relation to SDG 16, mapping SDG 16 targets with existing strategies, sectoral plans, and ongoing reform processes is one of the first critical steps. Some countries have ranked global indicators in terms of priority depending on whether they directly relate to national strategies and development plans and ongoing

reforms.²⁶ Conversely, it is also important to reflect SDG 16 in strategic national documents, including national sustainable development strategies and sector plans. National sustainable development strategies may play an important role to align development objectives with the SDGs in post-conflict situations, as illustrated by the World Public Sector Report 2018.²⁷

A number of countries have taken such approaches, and have started to develop their own monitoring frameworks, using existing indicators from multiple sources and developing new ones. Data produced under processes pre-existing the SDGs (including reporting mechanisms under international Conventions) can buttress efforts in this direction. Recognizing this is probably a critical aspect for the international community as it tries to support countries to develop monitoring systems for SDG 16. Illustrating this, in its pilot project on monitoring SDG 16 in six countries, UNDP adopted as a basic principle that each country should define their own priority areas and their own indicators, to complement the global indicators. During the course of the project, each of the six countries identified different priority areas within SDG 16, different ways to cluster them, and different indicators.²⁸

In this context, SDG 16 provides an opportunity. The existence of SDG 16 and its recognition and inscription in national contexts can provide a unifying framework and a space for aggregating disparate processes, conversations and communities of interest and practice around nationally determined priorities for action and targets for improvement. Allowing for dialogue on progress in areas that have traditionally evolved independently from each other may thus be a benefit from the adoption of the SDGs at the national level, including but not limited to the preparation of

voluntary national reviews (VNRs) presented by governments at the United Nations.

1.3. Trends in institutional developments and knowledge about their effectiveness

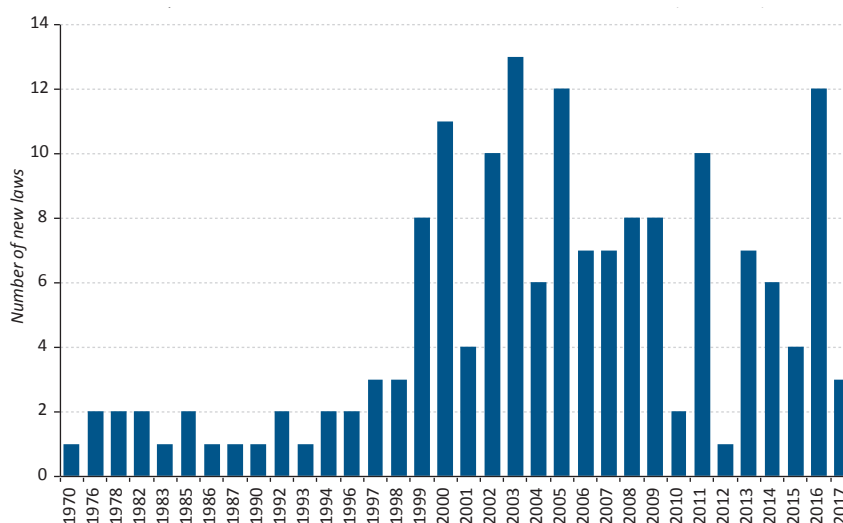
1.3.1. Access to information

Access to information has strong connections with, and is often considered part of, transparency. However, its origins are linked with human rights. The notion of right to information has been included in international legislation since the Universal Declaration of Human Rights in 1948, through its article 19 which addresses the right to freedom of opinion and expression. Since then, a number of international legal instruments have been developed, including at the regional level (for example, the Aarhus Convention on the right to environmental information was agreed in 1998; the Escazu Convention on access to information, participation and access to justice was agreed in 2018). The development of national access to information regimes started earlier than other modern transparency movements.

At the national level, the exercise of the right to information has been regulated through access to information laws²⁹. In addition, sectoral laws (e.g. on environment, consumer protection, anti-corruption or public procurement) often regulate access to specific types of information. In some instances, sectoral laws exist without the country having a general law on access to information.³⁰ In 2017, 118 countries had adopted a law or

Figure 1.1.

Development of national freedom of information laws or decrees, 1970–2017



Source: Open Society Justice initiative 2017, list of countries that guarantee a right of access to information in national/federal laws or decrees.

policy on the right to information, with 113 countries adopting right to information laws and 5 countries adopting national decrees or policies. In addition, 90 countries had the right to information explicitly mentioned in their national constitution. Over 40 countries were in the process of adopting a RTI law, either as a project of law or a pending bill.³¹

Several challenges are linked to the implementation of international and national instruments. Provisions for access to information in international instruments are often of a general nature and do not provide practical details on implementation and enforcement at the national level.³² Many international instruments remain vague or only establish minimum, often mainly procedural, standards regarding access to information, though they do not prevent countries from adopting further-reaching measures.³³ Terms contained in access to information-related international instruments are open to interpretation.³⁴ Even when provisions are clear in creating certain rights and obligations, they are not always effectively implemented by countries. Conversely, internal deficiencies of national legal systems can undermine the potential impact of international instruments.³⁵

International instruments, and the access to information regimes derived from them, in general do not oblige the private sector to disclose information, even when it performs public service missions and delivers public services. Arguments of commercial confidentiality can be used to prevent access to information (e.g. information on pollutants from industrial facilities)³⁶. The same often applies to arm's length agencies that are independent from line ministries. Some countries have however extended their access to information laws to include the private sector under specific conditions (e.g. private organizations receiving public funds) and for specific sectors.³⁷

While access to information laws exist in many countries, not all laws have been implemented or are being implemented effectively.³⁸ Major issues include non-compliance, lack of enforcement, and poor monitoring of implementation. In many countries, a large portion of requests for information are denied.³⁹ Among the main challenges mentioned in the literature to the effective implementation of information regimes are: unclear legal frameworks; lack of independence or lack of resources of oversight bodies; lack of political will to implement the law; lack of human and financial resources; lack of training and capacity building for public officials; ineffective management systems; and low awareness in the population about their rights.

As illustrated by longitudinal studies of national access to information regimes, governments and public institutions have adapted their practices to the advent of information disclosure requirements, in ways that are not always conducive to increased transparency. This can include: challenging the law; providing insufficient resources to public administrations or oversight bodies to respond to freedom of information

requests; introducing fees for processing information requests; changing working and recording practices in public administration; putting in place elaborate procedures for vetting information release; and preemptive “spinning” of information by public agencies.⁴⁰ Increases in nominal transparency can be accompanied by restrictions to the type of material that is made public, in multiple ways. In a broader context, advances in government transparency may be concomitant to threats to privacy and increased surveillance.⁴¹

To date, there is relatively little empirical research and evidence on the effectiveness of access to information instruments. Most of the studies undertaken cover the performance of access to information regimes in terms of process and compliance of public institutions.⁴² Several studies have covered the impact of access to information laws on institutional change. For example, a large study conducted by the Open Society Justice Initiative in 2006 found that, overall, the presence of freedom of information laws increased the responsiveness of public officials.⁴³ There has been no systematic assessment of the impact of access to information laws on social change, although many requests made under freedom of information laws are linked to socio-economic rights (e.g. food, healthcare).⁴⁴ Case studies have however shown that access to information laws can entail positive social change, especially when used in conjunction with participation and empowerment, for example in social accountability initiatives.⁴⁵

1.3.2. Transparency

For the purpose of this chapter, transparency can be defined as the principle of enabling the public to gain information about the operations and structures, decision-making processes and outcomes and performance of the public sector.⁴⁶ It encompasses multiple sub-dimensions and fields of expertise. Four categories of transparency are addressed here: access to information frameworks (addressed above in section 1.3.1), mandatory disclosure; proactive, voluntary disclosure, including open government data (OGD); and fiscal transparency, which has developed into a field of its own.

Mandatory disclosure

A large portion of the information disclosed by public agencies or private firms providing public services results from compliance with laws or regulations. This is true from accounts published by firms, to school performance data published by education ministries, to water quality indicators published by utilities to food labeling to disclosure of provisions included in financial products (for example, mortgages). In a great variety of sectors, such mandated transparency has increased over the years, often responding to the dual purpose of reducing risks faced by citizens and improving the public services they use. Due to the large range of areas covered by such “targeted transparency”, no global or even national maps of such provisions exist.

In terms of effectiveness, a large number of evaluations of strategies for disclosure and of their impacts on citizen awareness, consumer choices, health and education outcomes, quality of public services, and other outcomes have been produced in a piecemeal, often sectoral fashion. These initiatives exhibit a great diversity of outcomes, which are often linked with detailed characteristics of their design and implementation. For example, the choice of the information to disclose and the way in which it is presented often greatly influence impact.⁴⁷

As with other forms of transparency, it has been suggested that targeted transparency tools are appropriate in some cases,

less in others; they should be seen as a complement to other forms of policy intervention, for example standards or market-based instruments. In many cases, their success depends on the concomitant use of other policy instruments.⁴⁸

Proactive disclosure and Open Government Data

Proactive publication of government data on government websites has made massive strides during the past decade. Most governments now offer information and transactional services online.⁵⁰ For example, as of 2018 the majority of countries offer e-procurement tools, with a rapid progression in

Box 1.3. Ten principles for the design of targeted transparency policies

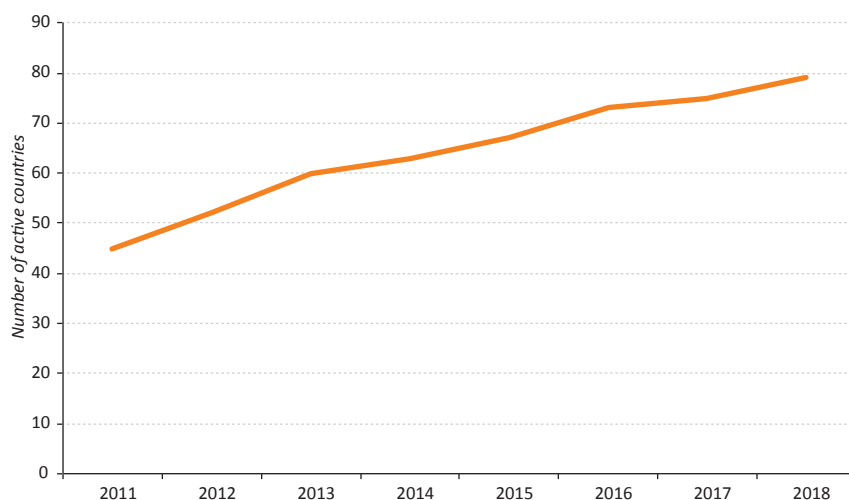
In their seminal contribution to the study of effectiveness of mandatory disclosure policies based on 133 policies adopted in the USA over the years, Fung, Graham and Weil (2007) suggest that the following principles should be considered when designing transparency policies:

- Provide information that is easy for ordinary citizens to use
- Strengthen user groups
- Help disclosers understand users' changed choices
- Design for discloser benefits
- Design metrics for accuracy and comparability
- Design for comprehension
- Incorporate analysis and feedback
- Impose sanctions
- Strengthen enforcement
- Leverage other regulatory systems

Source: Fung, Graham and Weil (2007).⁴⁹

Figure 1.2.

Evolution of the membership of the Open Government Partnership, 2011-2018



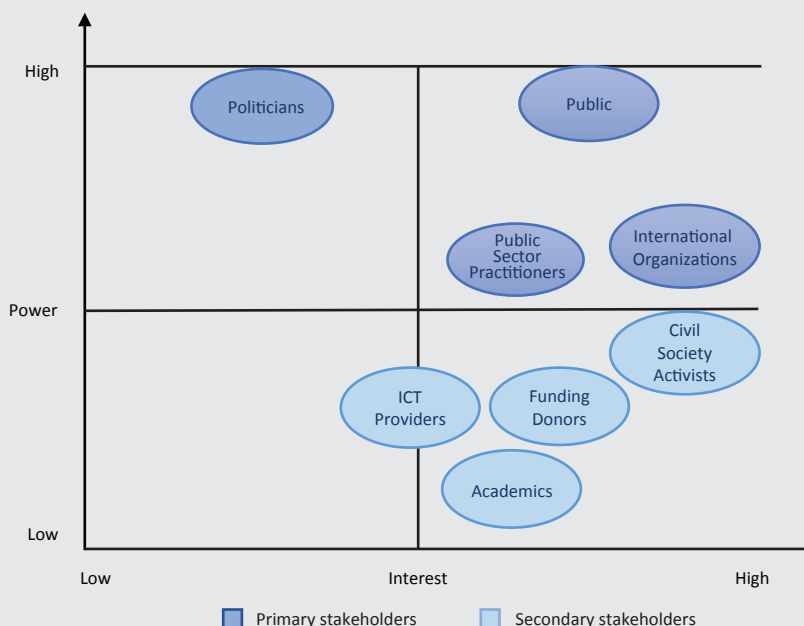
Source: Open Government Partnership, 2018.

the diffusion of such tools during the past few years. As of 2018, 139 countries had gone a step further and implemented open government data (OGD) initiatives that make data available to the public through central portals, as compared with only 46 in 2014.⁵¹ Most of these portals offer data in machine-readable format, as per commonly accepted Open Government Data standards.⁵² Several organizations are monitoring the type of data that is published by different governments through OGD initiatives.⁵³ The Open Government Partnership, launched in 2011, has been a highly visible initiative to promote open government, including (but not limited to) open government data. As of 2018, the partnership has 79 member countries.⁵⁴

No global reviews of the effectiveness of OGD initiatives seems to exist. Cases studies from various countries documenting impacts are being compiled by the Open Government Partnership. Assumed benefits of OGD initiatives include value added for non-government actors, especially the private sector, transparency, and improved accountability.⁵⁵ However, evidence from individual countries seems to indicate that these

objectives do not always materialize. Factors that seem to matter are whether OGD initiatives are promoted mostly from within government or by potential users of data, and whether they are shaped more by international than national forces. Lack of demand for open data by the local private sector and citizens can result from their insufficient involvement in the conception and design of OGD initiatives (Box 1.4).⁵⁶ International initiatives following OGD development highlight disconnects between the data that is published and the needs of different group of society.⁵⁷ Whereas OGD is often heralded as promoting government accountability, critics of the OGD movement have expressed concerns that governments put priority on releasing large amounts of raw, unstructured data, which are not readily usable by ordinary citizens.⁵⁸ Experts have pointed out the need for capacity to be built in the public to interpret the data that is published (for example, in the form of non-governmental organizations that can play the role of intermediaries, or the press). They also express concern that governments can use the concept of open government to give the appearance of being more open while still lacking transparency and accountability.⁵⁹

Box 1.4. A stakeholder analysis of open government data in Chile



In an article published in 2015, Gonzalez-Zapata and Heeks (2015) used a stakeholder analysis in the field of open government data (OGD) in Chile. They concluded that “First, OGD in Chile has been mostly determined from within government. Second, it has been shaped rather more by international than national forces”. The study also noted two “absent” stakeholder groups: the local private sector and citizen-users. The absence of the former was linked with a lack of channels for participation, and “lack of motivation” from local private firms. As for the latter, the study noted that “it seems that individual citizens are not often users of open government data in Chile, with users more often being organizations of civil society, media and academics. This might change in future as citizen awareness and connectivity grows”.

Source: See footnote.⁶⁰

Fiscal and budget transparency

Fiscal and budget transparency have a long history. The latter is encompassed in the former, which also includes transparency in tax matters and other domains (for a more detailed treatment of budget transparency, see chapter 3, section 3.3). Principles of fiscal transparency have been developed by the Global Initiative for Fiscal Transparency (GIFT) initiative in 2012, and the UN General Assembly took note of them that same year.⁶¹

Budget transparency is monitored by several international institutions. The Open Budget Surveys of the International Budget Partnership, an international NGO, are perhaps the best known regular source of information on national practices in this area. The findings of the Surveys are synthesized in the Open Budget Index, which is widely cited.⁶² According to the International Budget Partnership, at the global level, public availability of budget information improved slowly but regularly from 2008 to 2015, but declined between 2015 and 2017. As a whole, more budget information seems to be available to the public now than was the case a decade ago. There is a wide range of variations in disclosure practices across countries and regions.⁶³ A more comprehensive survey of budget transparency is provided in chapter 3 of this report.

Beyond the data produced by international surveys, issues regarding budget transparency encompass other dimensions. Typically, parts of government revenues and expenditures are managed outside the main budget (for example, special purpose funds created to receive and manage natural resource revenues or certain tax proceeds). Information on such funds may be less transparent than that of the main budget, and may not be covered by international monitoring initiatives.

Information on government revenues (and associated expenditures) from natural resources, because of their importance to the public resources of many countries, has been the object of much attention in the area of transparency. Specific transparency initiatives have been put in place in extractive industries. They include the Extractive Industry Transparency Initiative (EITI), which was established in 2003, and its complement in the private sector, the Publish What You Pay campaign, the Kimberley Process for diamonds, and many others. Among these, EITI is the most well known. As of November 2015, 31 countries were “EITI Compliant” and another 49 were “EITI Candidates.” In total, 49 countries had disclosed payments and revenues worth some \$1.67 trillion in more than 200 “EITI Reports”, and over 90 major companies involved in oil, gas, and mining were committed to supporting the EITI.⁶⁴ The EITI has been abundantly studied. Research seems to be divided on its impacts on governance and outcomes for citizens.⁶⁵

Lack of transparency of governments around public-private partnerships (PPPs) has also been a concern. More and more countries are publishing PPP information proactively.⁶⁶ Several countries have launched disclosure portals to make non-

confidential information relating to PPP contracts available to the public (e.g. Nigeria and Kenya). Proactive concessions data releases, including the release of contractual agreements, licenses, and accompanying spatial data, have been on the rise globally and are specifically encouraged by partnerships such as EITI. There is however no universally agreed-upon standard for the disclosure of information related to logging, mining and agricultural concessions, oftentimes resulting in data quality issues (e.g. data out of date, incomplete or inaccurate).⁶⁷

General conclusions on transparency

The empirical research provides a multifaceted picture about the successes and impacts that can be achieved through transparency initiatives. Results show that transparency may be an important deterrent of corruption, but the relationship between the two is not straightforward.⁶⁸ Greater fiscal transparency appears to be linked with higher quality of financial management and public procurement.⁶⁹ The efficacy of transparency in encouraging greater accountability and performance in government is highly variable.⁷⁰ Likewise, there are no universal patterns in terms of the impacts of transparency on citizen participation, trust in government and citizen satisfaction.⁷¹

Until recently, the right to information and OGD movements have existed quite independently from each other. A trend that has worried defenders of the right to information in recent years has been the tendency of some governments to give priority to open government data initiatives, and sometimes minimize the importance or suggest the redundancy of access to information frameworks. Yet, the two types of mechanisms have very different objectives. Data that is critically important in order for stakeholders to keep governments accountable may not be disclosed spontaneously by governments. In addition, access to information laws often constitute the basis on which OGD initiatives can be built.⁷² The two movements can complement each other, with open data for example potentially reducing the number of information requests and delays in the receipt of information.⁷³

The development of targeted transparency as a policy tool has led to it being dubbed “second generation transparency policy”, as opposed to first-generation right to information policies. The fast development of information and communication technologies over the last 10 years is thought to have brought about a third generation of transparency policies, which are based on the pooling of dispersed information contributed by individuals as users, customers or citizens.⁷⁴ This approach has been increasingly harnessed by governments as they strive to improve public services through e-government. Aspects of this linked to transparency most closely can be found in, for example, the mobilization of citizen-generated information on progress made in public works – a mechanisms used to curb opportunities for corruption – and other tools linked with social accountability (see below).

Ultimately, first-, second- and third-generation transparency policies are complements. A challenge for countries in the future is to establish appropriate transparency infrastructures and put in place the enabling conditions that can enhance the impacts of all types of transparency initiatives.

1.3.3. Inclusive and participatory decision-making

The notions conveyed by the terms used in target 16.7 encompass or intersect with commonly used terms such as engagement, participation, collaborative governance, and others. Here as for other principles, lack of clarity in the definition of the concepts that are used by different scholar and practitioner communities has been described as an impediment by experts. One among several definitional issues is linked with the fact that commonly used scales of participation (such as the one produced by the International Association for Public Participation, which is often used by practitioners) include “information” as one extreme category, thus creating overlap with the concepts of access to information and transparency.⁷⁵ Another one is the overlap between participatory mechanisms and social accountability mechanisms. In fact, for many experts, social accountability includes participation and engagement as a core component.⁷⁶ In this chapter, the word “participation” is used in a broad sense. This section considers only direct participation, as opposed to indirect participation through representative systems.⁷⁷ It does not consider mechanisms limited to the provision of information by governments to citizens, albeit those are a critical prerequisite to participation.⁷⁸

The past few decades have witnessed the development of a myriad of participatory mechanisms, in many countries, fields,

and forms, and at different geographical levels. Table 2 provide examples of different types of mechanisms, categorized around three variables: consultation versus decision-making powers; sectoral versus cross-sectoral; and geographical level. This chapter considers only a subset of those categories, and specifically: (i) participation in decision-making at the central (as opposed to sectoral) level; (ii) cross-sectoral (systemic) consultation mechanisms; (iii) participation at the sectoral level, including consultation mechanisms, co-management, and participatory management of natural resources; (iv) environmental and social impact assessments; and (v) co-production of public services. Participatory budgeting is reviewed in chapter 3 (see section 3.6). Participation is also a central component of social accountability initiatives, including social audits; this category is covered below in the section on accountability.

Institutional developments under these categories occur within what practitioners refer to as “civic space”, i.e., the broader environment for engagement of citizens and civil society in governance. Civic space has been measured in a number of different ways. It usually includes dimensions such as freedom of information and expression, rights of assembly and association, citizen and civil society participation, non discrimination and inclusion, human rights and rule of law. This concept thus englobes (at least partly) several of the institutional principles considered in this report. However, experts have underlined the lack of effective measures of this concept, and the associated difficulties in assessing related trends.⁷⁹ Recent publications have flagged a trend of reduction of civic space.⁸⁰

Table 1.4.

Examples of participatory mechanisms

	Consultation activities		Participation in decision-making	
	National	Local	National	Local
Cross-sectoral	National Economic and Social Councils	Local Agenda 21	Formal consultations in policy processes	Participatory planning and budgeting
	National Sustainable Development Councils			
Sectoral	Sectoral councils and advisory committees	Social impact assessments	Multi-stakeholder partnerships	Participatory management or co-management of natural resources
		Environmental impact assessments	Co-production of public services	

Source: Authors' elaboration.

Note: Some mechanisms are relevant both at the national and local levels.

Box 1.5. Youth participation

Despite youth representing a high proportion of the world population, with 1.2 billion young people aged 15 to 24 years accounting for 16 per cent of the global population,⁸¹ youth participation and representation in institutional political processes and policymaking is low compared to other age groups.⁸²

Low rates of parliamentary involvement, political participation and electoral activity are observed among youth worldwide.⁸³ In 2016, the proportion of members of parliaments under 30 (respectively 40) years of age was 2 (respectively 14) percent. In addition, almost one-third of all single and lower houses and more than 80 per cent of upper houses had no members aged under 30. Reasons for an underrepresentation of young people in parliament include, among others, the fact that the minimum age required to run for office is often higher than the minimum voting age; and the fact that parties tend to look for parliamentary candidates with prior political experience.⁸⁴ In addition, the participation of young people in the drafting of legislation and the formulation, monitoring and implementation of policies affecting their lives is often limited.⁸⁵

Governments are increasingly trying to acknowledge the critical role of young people through, among others, the creation of youth parliaments; the designation of youth delegates; the engagement of youth-led structures in policy design, implementation and follow-up; online and offline consultations with youth; and youth engagement in processes pertaining to the implementation of the 2030 Agenda.⁸⁶ The effectiveness of these mechanisms does not seem to have been systematically studied. The Youth Policy Toolbox (<https://yptoolbox.unescapdd.org/>) developed by UNESCAP provides a repository of knowledge, experiences and practices in relation to youth engagement, covering the Asia-Pacific, Africa and Middle-East regions.

Source: Authors' elaboration.

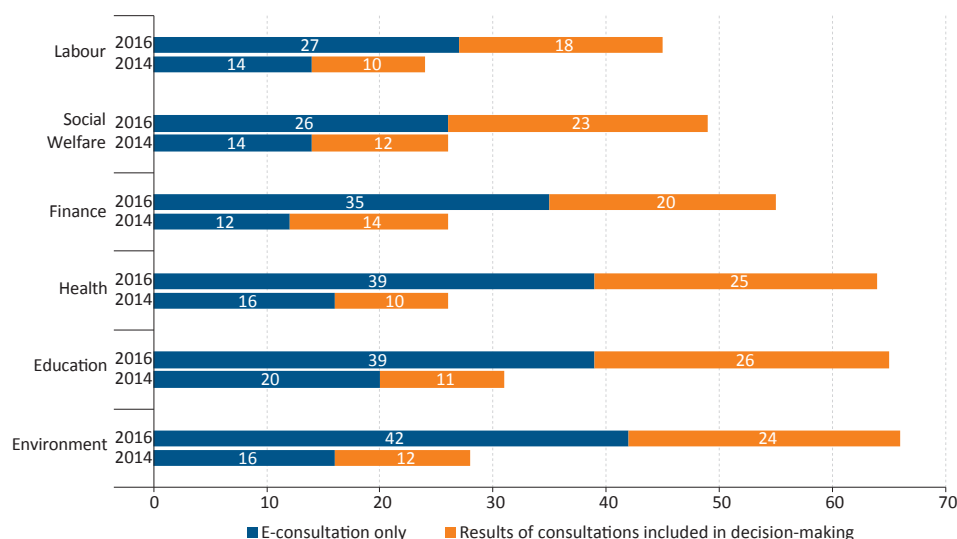
Participation in decision-making at the central level

Some countries have adopted national standards for stakeholder consultation, such as Austria's 'Standards of Public Participation', and the UK's Code of Practice on Consultation. According to the OECD, an overarching document on citizen participation in policy making, such as manuals, guidelines or strategies, provides an important step towards a more integrated approach to citizen participation. Less than half of OECD countries (46%) have developed such documents.⁸⁷

In many countries, Governments have put in place processes for consulting stakeholders at different stages of the elaboration of new policies. Participation in policy-making at a high (central) level is monitored in different ways. The World Governance Indicators of the World Bank include a component of public participation in decision-making. The OECD includes indicators on participation in policy making in its Government at a glance publication.⁸⁸ The indicators used in both publications are not obvious to interpret in a comparative way. Since 2012, the United Nations eGovernment survey has monitored

Figure 1.3.

Number of countries conducting e-consultations in different policy areas, 2014 and 2016



Source: United Nations E-Government Surveys 2014 and 2016.

e-participation in 193 countries, distinguishing among the provision of information, consultation and consideration of the results of consultations in decision-making. The trends show an increase in the number of countries that use e-consultation over time, and also indicate that governments often acknowledge how e-consultations have informed decision-making.⁸⁹

Consultation mechanisms at the systemic level

Consultation mechanisms at the systemic (cross-sectoral) level include traditional “corporatist” advisory councils such as Economic and Social Councils, and structures linked with the sustainable development tradition such as national sustainable development councils (NSDCs).⁹⁰ The former type of institution is widespread around the world. The role of these institutions is consultative. Their impacts have been varied.⁹¹ The latter type emerged after the Rio Conference on Environment and Development in 1992, and has received renewed attention after the adoption of the 2030 Agenda. These institutions are now widespread, with many councils being active parts of the institutional arrangements for SDG implementation at the national level.⁹² Compared with Economic and Social Councils, the effectiveness and impacts of NSDCs have not been extensively documented.⁹³

Participation at the sector level

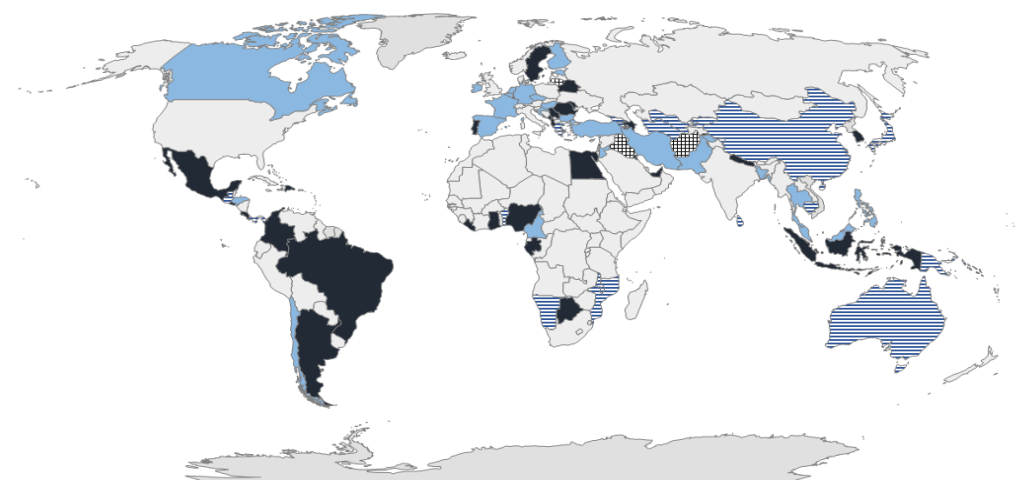
Over the years, many countries have put in place consultative participatory mechanisms at the sector level. As presented

in chapter 4 of the World Public Sector Report 2018, this has encompassed a great variety of institutional mechanisms and channels for engagement.⁹⁴ No global mapping of the different kinds of engagement mechanisms seems to exist for any sector. The types of structures for stakeholder engagement used in various sectors include multi stakeholder networks and platforms, multi-sectoral committees or councils, and advisory and expert committees. Consultation approaches also include public hearings, workshops, consultations through open meetings, and incorporating stakeholders in teams responsible for preparing strategic documents (e.g. policies, plans or programmes). The level of stakeholder engagement as well as the structures and approaches to foster stakeholder engagement vary across sectors and within the same sector from country to country.⁹⁵

No comprehensive global mapping of the different types of consultative mechanisms seems to exist for any sector. Similarly, a systematic analysis of these consultative mechanisms has not been undertaken. Taking the water sector, one of the most studied, as example, research seems to indicate that these approaches and tools have been effective in promoting information-sharing and consultation for policy planning, and to a certain extent, for policy implementation, but less so for advancing more active forms of engagement such as collaboration and empowerment. Engagement in water policy monitoring and evaluation seems to be weaker than in policy planning and implementation.⁹⁶

Figure 1.4.

World map of National Sustainable Development Councils as of 2017



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A wide range of participatory mechanisms go beyond consultation and focus on public participation in implementation, mostly at the local level. Public participation in infrastructure projects, school-based management projects and community engagement in the delivery of primary health care services are among those that have been extensively studied in the context of developing countries, in particular because they were promoted by donors. Evidence of their effectiveness is inconsistent, both in terms of changes in outcomes, and in terms of empowerment of citizens and civil society. For example, one study of participation in infrastructure projects in Pakistan found that community engagement substantially improved project maintenance, but that community involvement in technical decisions was detrimental.⁹⁷ Scholars have recently emphasized the importance of enhancing vertical coordination in participatory mechanisms geared at social accountability.⁹⁸

Participatory management of common-pool resources such as water, forests and fisheries, has been an area that has witnessed rapid development over the past three decades. Such arrangements can emerge spontaneously or be initiated by governments. For example, in developing countries the handing over of rights to existing natural forests to rural communities emerged in the 1980s. No global mapping seems to exist for these types of arrangements.

Much of the literature on community-based natural resource management has focused on the conditions under which community participation leads to greater resource sustainability.⁹⁹ Many case studies suggest the viability of community management of natural resources, with or without state assistance. Yet outcomes observed are extremely heterogeneous, and do not easily lend themselves to extrapolation outside of their local contexts. Existing reviews suggest that the objectives of resource sustainability and increased equity in the distribution of benefits from resource use are not automatically consistent. They also suggest that projects sponsored by donors in this field have often been based on unrealistic expectations and timelines, and have often failed to take into account the complexity of local social and political contexts, leading to project failure.¹⁰⁰ They further highlight the importance of establishing clear and credible systems of accountability as a precondition for the success of participatory management projects,¹⁰¹ as well as establishing robust monitoring and evaluation systems.¹⁰²

The literature underlines the gaps that exist between understanding factors that may be conducive to the success of individual participatory initiatives in specific places, and the broader understanding of how similar initiatives or institutions may perform in other contexts. For example, progress has been made in identifying critical variables that impact the success of collaborative governance processes. Within the public administration field, a landmark article published in 2007 identified such variables related to actors, process design and broader context that can positively influence the

working of collaborative governance processes, although without considering their performance in terms of substantive outcomes.¹⁰³ Decades of research on the co-management of common pool resources have elicited a broader set of dimensions that matter for the success of these arrangements, as measured by the sustainability of outcomes for the underlying socio-ecological systems.¹⁰⁴ This research highlights the high level of complexity of the management of socio-ecological systems, with no fewer than 51 broad variables of interest, spanning seven dimensions.¹⁰⁵ This in turn highlights the difficulty of capturing the determinants of the performance of institutional arrangements and foreseeing how they might perform when transposed to other contexts.

Environmental and social impact assessments

Environmental impact assessments (EIAs) and social impact assessments (SIAs) aim to identify and manage the (social or environmental) impacts of policies, projects, plans and programmes prior to their implementation. They have been used since the 1970s. The adoption of EIAs and SIAs by the multilateral development banks was a key step towards their global diffusion. Both types of instruments have a fundamental dimension of participation at their core; both include the production of new information through the consultation of local stakeholders. Yet, there is no general agreement in the literature on what constitutes good practice in relation to public participation in environmental impact assessments.¹⁰⁶

Both the practices of EIA and SIA have evolved over the years and have been adopted widely. EIAs have become a legal requirement in many countries, sometimes incorporating elements of SIA. In some countries, SIAs are also a legal requirement. Often, SIA and EIA are carried out as an integrated environmental and social impact assessment (ESIA) or other variants. Over time, the scope of social and economic variables analyzed through SIAs has greatly expanded. A recent review of legal frameworks for EIAs concluded that while a number of countries had recently strengthened their regulatory frameworks, in other countries there had been a trend toward weakening the EIA process.¹⁰⁷ It has been noted that the spread of accountability mechanisms in multilateral development banks (for instance, the World Bank's Inspection Panel) has contributed to increase the political salience of those instruments.¹⁰⁸ An evaluation of these instruments in the context of World Bank projects was done in 2010.¹⁰⁹

Co-production of public services

Co-production involves citizens and businesses directly in the design and implementation of public policies from which they benefit. It has been promoted by governments as a way to recognize the role that citizens, businesses, civil society organizations and other interested parties can play in designing strategies for public services, to deliver services closer to citizens' needs, and to increase trust in government. Techniques

Box 1.6. Participation in environmental impact assessments: lessons from a global review

A recent global review by the United Nations Environment Programme (UNEP) highlighted the following aspects in relation to participation in environmental impact assessments.

1. Public participation requirements for EIAs are being expanded in some countries, although mostly limited to the scoping and review stage. The required level of participation varies considerably, as well as interpretations of who “the public” is. Only a limited number of countries’ national EIA legislation includes specific provisions related to the participation of indigenous peoples.
2. Despite growing recognition of SEAs as a tool to strengthen democratic control, little guidance is provided in many countries’ SEA legislation regarding public participation, including access to information.
3. Many national EIA laws leave high levels of discretion to implementing agencies. While in some cases this can provide important flexibility to apply the regulations to different circumstances, it can also lead to uncertainty about the process, and inconsistent application.

Source: UNEP, 2018.¹¹⁰

commonly used in this regard include crowd storming, crowdsourcing, hackathons, civic hacking, living labs, and prototyping.¹¹¹ Co-production is potentially relevant to many policy areas, for example the provision of care services to older people. While a scholarly literature on “co-production” and “co-creation” has developed over the last decade, there does not seem to exist large-scale reviews of the effectiveness or impacts of the corresponding initiatives.

1.3.4. Accountability

In general, accountability denotes the obligation of an individual or organization to account for its activities and accept responsibility for them. As a relational concept, it covers many varieties. This chapter considers only accountability of the public sector, and only four varieties thereof: accountability of governments through formal oversight mechanisms; accountability in the public service; social accountability; and accountability of partnerships.

Government accountability through formal oversight mechanisms

Modern forms of governments include formal oversight mechanisms. Two mechanisms that are almost universal are parliaments and supreme audit institutions (SAIs).¹¹² Both mechanisms, through different processes, exert an oversight function over the executive branch of government, including with respect to core government functions such as budgeting. Among the commonly assumed benefits of effective oversight are increased transparency of government processes, resulting in increased accountability; and enhanced policies.

Among other sources, information about various aspects of the delivery of their oversight functions is provided by ad hoc surveys of the Inter-Parliamentary Union (IPU) for parliaments and by the International Organisation of Supreme Audit

Institutions (INTOSAI) for SAIs. The Open Budget Survey of the International Budget Partnership also includes questions on budgetary oversight by parliaments and supreme audit institutions. None of these surveys currently covers all countries.

The constitutional mandates conferred to parliaments in terms of oversight vary, as does the political space in which parliaments conduct their debates and the processes they use for doing so. For example, out of a sample of 115 countries, the Open Budget Survey 2017 found only 29 in which the legislature (in full or by committee) debates and approves key policy recommendations prior to the tabling of the budget.¹¹³ Legislatures are able to provide limited oversight in the budget process, with slightly more influence over the budget formulation and approval stages than during the budget implementation and audit stages. Legislatures amend the budget in over half of the countries surveyed, but in a majority of countries, the executive is able to change the budget during implementation without legislative approval.¹¹⁴ A survey undertaken by IPU in 2017 found that half of the parliaments in the sample had systems in place to monitor compliance with international human rights treaties.¹¹⁵

Among key challenges to effective parliamentary oversight are lack of resources and staff to conduct independent analysis of the questions under consideration; information gaps between governments and parliaments; insufficient time to review the budget and other issues; lack of willingness of governments to engage with parliamentary oversight; and conflicting incentives for majority members of parliaments to challenge the government.¹¹⁶

The scope and depth of the oversight exerted by SAIs is variable across the world. Many SAIs undertake performance audits, but others are limited to conducting compliance and financial audits. On the one hand, over the past decade there has been a

clear trend of professionalisation of SAIs.¹¹⁷ Yet, this has not been uniform across countries. Limited resources are a constraint for SAIs in many countries, as are capacity issues. Regional and international organisations linked with INTOSAI have provided support in this area, including on the topic of auditing the preparedness of governments for SDG implementation and auditing SDG implementation.¹¹⁸ The Open Budget Survey 2017 shows that SAIs globally enjoy a fairly high degree of independence.¹¹⁹ Notwithstanding this, in many countries, lack of independence of SAIs remains a concern.¹²⁰

There are limited global studies of the effectiveness of the oversight functions of parliaments and supreme audit institutions.¹²¹ SAIs have been found to be effective in curbing corruption in a small number of observational studies. A small body of consistent evidence indicates that the use of specialised audits, such as forensic or performance audits, is effective in detecting and reducing corruption when combined with punitive sanctions.¹²² One of the indicators of such effectiveness is the degree to which governments take up and follow up on recommendations included in audits and coming out of parliamentary debates. This has been an issue in developed and developing countries alike. In a recent survey, IPU found that only about half of parliaments had established systems for tracking recommendations made to governments.¹²³ An essential limitation to effectiveness is the lack of publicity of the work of oversight bodies. Many SAIs do not have the mandate to publish their audit reports. Existing data also point to the potential for more effective collaboration between Parliaments and SAIs. For example, one third of parliaments appear to lack clearly established procedures for reviewing the reports transmitted by supreme audit institutions.¹²⁴ In the aforementioned survey, IPU found that fewer than one third of parliaments surveyed had undertaken a review of the performance of their oversight role in the last five years.¹²⁵

Oversight mechanisms can use engagement with civil society and individual citizens to make their work more effective. Social audits have combined participation with audits to allow auditors to collect information directly from citizens as service users. Civil society can also serve as a powerful means to publicize and echo recommendations made in audits. Such forms of engagement of SAIs have increased over the years, although not in all countries. No recent global mapping of these initiatives seems to exist.¹²⁶ The results have been variable across countries, with many case studies showing how social audits have exposed corrupt practices of public officials and have helped improve the delivery of public services.¹²⁷ A recurring question in the context of this movement has been how SAIs can engage with outside groups in the conduct of their work without compromising their independence both in fact and in the eyes of the public.¹²⁸

Accountability in the public service

Accountability in the public service has traditionally been understood mostly in terms of upwards accountability to rulers. Public service reforms undertaken under the banner of new public management in past decades emphasized the use of mechanisms inspired from the private sector, such as performance frameworks, performance-based pay, and the use of various processes of reporting in order to enhance performance and accountability. They also introduced forms of downward accountability to citizens (seen as users), for example in the form of citizen charters for public services, systems for allowing citizens to track the status of specific interaction processes with the administration, and mechanisms for lodging complaints. E-government has played a role in this trend through, inter alia, the provision of information linked with administrative processes and electronic interface mechanisms between citizens and public administration.

There does not seem to exist global monitoring initiatives covering all the sides of accountability in the public service. A vast literature exists on the impacts of public administration reforms undertaken in the past three decades under the new public management and other banners.¹²⁹ There seems to be a consensus that accountability through internal control and reporting mechanisms has increased, as have the mechanisms of control outside organizations (including audit, ombudsmen, verification of compliance with international and national law, and others). At the same time, in many countries the multiplication of regulatory and other agencies that are independent from ministries has complexified accountability lines, as has the trend to manage public service officials through performance contracts.¹³⁰

Social accountability

Social accountability – defined as citizen-led action geared to demanding direct (outside of formal electoral systems) accountability from public officials for the delivery of public services – emerged more than two decades ago. Social accountability initiatives usually involve citizen participation in one form (for example, public hearings), combined with access to information on the use of public funds, to directly seek accounts from public officials and service providers. The rationale for the approach was based on the realization that failure of public institutions to deliver for people living in poverty could be addressed through direct participation of citizens in governance¹³¹. In parallel, social movements were arguing that governments had an obligation to protect and provide basic services as statutory rights defined in constitutions or in the law, rather than ‘needs’ which were at the discretion of officials to interpret and fulfil.¹³² The approach gained popularity after the publication of the World Bank’s 2004 World Development Report, which argued in favor of the “short road” to accountability – meaning channels for direct accountability

between users and providers of services, as opposed to the “long route” of accountability of providers via elected politicians and public officials.¹³³

Social accountability initiatives have made use of a variety of tools that involve some type of citizen feedback on services received as well as on the use of public funds that should reach them. Those range from consultation tools to tools that promote two-way interactions between the State and citizens. They include: citizen report cards, which measure people’s satisfaction with public services; community score cards, which combine the use of report cards by service users to self-assessments by providers and follow-up actions based on the results; public expenditure tracking surveys; community monitoring, by which communities monitor activities of public agencies; social audits and public hearings; and complaint and grievance redress mechanisms (which may include public service charters, complaint hotlines and complaint management systems, sometimes associated with incentives and sanctions for public service providers). Citizen-based accountability strategies are increasingly being used in efforts to improve public services. There is however no global map of social accountability initiatives.

Among often assumed benefits of social accountability initiatives are: increased satisfaction with public services and increased accountability of public service providers; reduction in corruption; and increased citizen engagement in public matters. However, research over the past two decades has shown that such benefits cannot be taken for granted. To some extent, there is evidence that social accountability initiatives have been effective in terms of immediate goals – raising citizens’ awareness of their rights and exposing corruption. For example, public expenditure tracking surveys and community monitoring have been found useful to expose leakage of resources in the countries in which they have been used. On the other hand, the evidence in terms of impacts on accessibility and quality of services and improved outcomes for citizens is mixed and varies across locations.¹³⁴ Linking citizen voice and accountability can work only when citizens are powerful enough to make demands and those in positions of power are willing and have the capacity to respond.¹³⁵ The extent to which social accountability mechanisms are able to address corruption in a structural way is also limited; while corrupt actions may be exposed in the process, it does not necessarily follow that corruption itself decreases structurally;¹³⁶ for this to happen, the findings of social accountability initiatives have to be followed up through other formal accountability mechanisms such as investigations of corruption and sanctions.¹³⁷

The latest thinking suggests that broader, multi-pronged, multi-level, strategic approaches that cover various aspects of transparency, accountability and participation may overcome the limitations of narrow, localized successes in this area.¹³⁸ In particular, experts underline the importance of combining social accountability initiatives with citizen empowerment (including

legal empowerment); the existence of organized civil society to help citizens mobilise and make them aware of their rights; the importance of having champions of accountability reforms in government; and the importance of a dynamic press that can publicize the findings of social accountability projects.¹³⁹ As a whole, experts point out that there is often a lack of clarity on the causal models underlying the assumed benefits and impacts of social accountability initiatives. With regard to analyzing the broader impacts of these initiatives, they also highlight the difficulties in separating out the contributions of specific projects from those of broader contextual factors,^{140,141} as well as the importance of taking into account the history and trajectory of citizen-state interaction and informal relationships between societal groups and state actors for understanding outcomes.¹⁴²

Accountability of multi-stakeholder partnerships and public-private partnerships

As documented in the World Public Sector Report 2018, multi-stakeholder partnerships (MSPs) at the sectoral level have been increasingly prominent over past decades. Past decades have also witnessed an increased focus on the role that philanthropy and philanthropy-based partnerships could play for sustainable development through both financial and non-financial means. Partnerships are motivated by diverse factors and objectives, with varying governance structures and distinct operational challenges. High hopes have been placed on MSPs in the context of the implementation of the 2030 Agenda. Several countries have put forward frameworks for multi-stakeholder partnerships in relation with the SDGs.¹⁴³

Evidence on the effectiveness and impacts of multi-stakeholder partnerships has accumulated over recent years.¹⁴⁴ However, there have been concerns that partnerships can sometimes be at odds with integration and policy coherence at the national level, similar to what can happen with development aid.¹⁴⁵ More generally, given the prominence of MSPs in the context of the 2030 agenda, calls have been made for the definition of clear principles under which partnerships should operate. This reflects the widely held view that there is a need for further defining governance arrangements for MSPs, including in terms of transparency and accountability.¹⁴⁶

Accountability of public-private partnerships (PPPs) has been a subject of attention for several decades. Major areas of concern have included the quality and affordability of services that they provide to citizens; their costs to taxpayers and the nature of the risk-sharing that is embedded in them; and their social and environmental impacts. This is the case for traditional PPPs in water provision, electricity provision, or infrastructure, and even more for partnerships linked with the exploitation of natural resources such as logging and mining concessions. The United Nations Economic Commission for Europe (UNECE) has developed a set of Principles for PPPs for the SDGs.¹⁴⁷

1.3.5. Non-discrimination

Non-discrimination is a cross-cutting principle of international norms and standards. Formal discrimination refers to discrimination in law or policy. Informal – or interpersonal – discrimination occurs through social interaction.¹⁴⁸ Discrimination can be direct, or overt, or indirect. Indirect discrimination occurs when a policy, law or interaction appears to be neutral but nonetheless has the effect of disadvantaging certain groups of people.¹⁴⁹

Non-discrimination is often addressed in a categorical fashion – e.g. by group. Groups that are most often covered by specific legislation include women, racial, ethnic or religious minorities, children, persons with physical, mental, intellectual and sensory disabilities, migrants, and people who experience discrimination on the basis of sexual orientation. The rights of older persons are also gaining attention due to the megatrend of population ageing. Another group facing discrimination on the basis of age are youth, for example with regard to accessing education and employment.¹⁵⁰

Non-discrimination may be sought in general terms as well as in specific areas. Areas of protection from discrimination may include, inter alia, education, health care, employment, financial services, social protection, public institutions, personal security, justice, civic and political participation, and private and family life.

The principle of non-discrimination is mainstreamed in the 2030 Agenda for Sustainable Development,¹⁵¹ and is the object of two of the SDG targets: 16.b, “Promote and enforce non-discriminatory laws and policies for sustainable development”, as well as 10.3, “Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.” In addition, many targets of the Goals that seek universal access to public services or resources are directly relevant to non-discrimination.

Non-discrimination has strong linkages with other institutional principles of SDG 16. In particular, participation and inclusive decision-making, as well as access to information, play a key role in addressing discrimination.¹⁵² At the most basic level, civil registration, which is the object of target 16.9: “by 2030, provide legal identity for all, including birth registration”, is a fundamental requirement for participation, inclusion and non-discrimination (Box 1.7).

Progress in terms of non-discrimination can be monitored in various ways. First, by the ratification of international instruments by countries. Second, by perception and incidence surveys in the population. Third, by publicly-registered incidents of discrimination, for instance legal cases that are brought against public authorities or employers, reported hate crime incidents, or complaints registered with non-governmental

Box 1.7. Civil registration and non-discrimination

It is estimated that 1.5 billion people worldwide are without legal identity, or an official identification document such as a birth certificate or national ID card.¹⁵³ Some countries have yet to establish effective registration systems, leaving many without such identification and increasing the risk of statelessness, which affects at least 10 million people.¹⁵⁴ Cost, distance, and bureaucratic barriers are also factors that hinder registration.¹⁵⁵ Lack of legal identity and statelessness are most common among disadvantaged groups and are sometimes a result of overtly discriminatory laws and policies, for example nationality laws that prevent women from legally passing on their nationality to their children.¹⁵⁶ The absence of legal identity also exacerbates and fuels discrimination by denying persons the ability to claim their rights and to participate in society. Legal identity is often required for attending school, obtaining a job in the formal sector, accessing medical care, utilizing financial services, owning property, or accessing justice.¹⁵⁷ At the same time, Governments without effective civil registration and vital statistics systems cannot know their citizens and work towards meeting their needs.

The international community has increased recognition of legal identity for sustainable development, as shown by the inclusion of a dedicated target under Goal 16. Since the adoption of the SDGs, significant efforts have been made by Governments and development partners to develop and strengthen comprehensive national identity or population registers, which often include the gathering of citizen biometric data.¹⁵⁸ These initiatives can both facilitate access to Government benefits and private services for those living in poverty and members of excluded groups, as well as reduce fraud and waste. However, particularly where biometric data is used, concerns about the protection of personal data, discrimination in the use of such data, as well as the risks of technical glitches have been raised and debated.¹⁵⁹

Source: See footnotes.

organizations.¹⁶⁰ Fourth, discrimination can be measured in an indirect way, by looking at outcomes in different groups of the population in areas where discrimination is known to occur, or to the changes in those outcomes after anti-discrimination measures are adopted. However, discrimination is generally difficult to measure directly, although there are exceptions.¹⁶¹ Additionally, the way discrimination is measured affects how prevalent and severe it is considered to be and, accordingly, how it is addressed.¹⁶² Data in some areas are lacking and are often not comparable, particularly across countries.¹⁶³

Development and effectiveness of international instruments

International law promoting non-discrimination is extensive. Many global and regional instruments focus on the rights of groups (e.g. women or persons with disabilities), as prohibited grounds of discrimination have expanded, as well as non-discrimination in sectors, such as employment and education. The 1990s in particular saw a significant number of instruments developed with implications for non-discrimination. In addition to international and regional instruments, there are many special procedures and bodies in the UN focused on the rights of social groups.¹⁶⁴

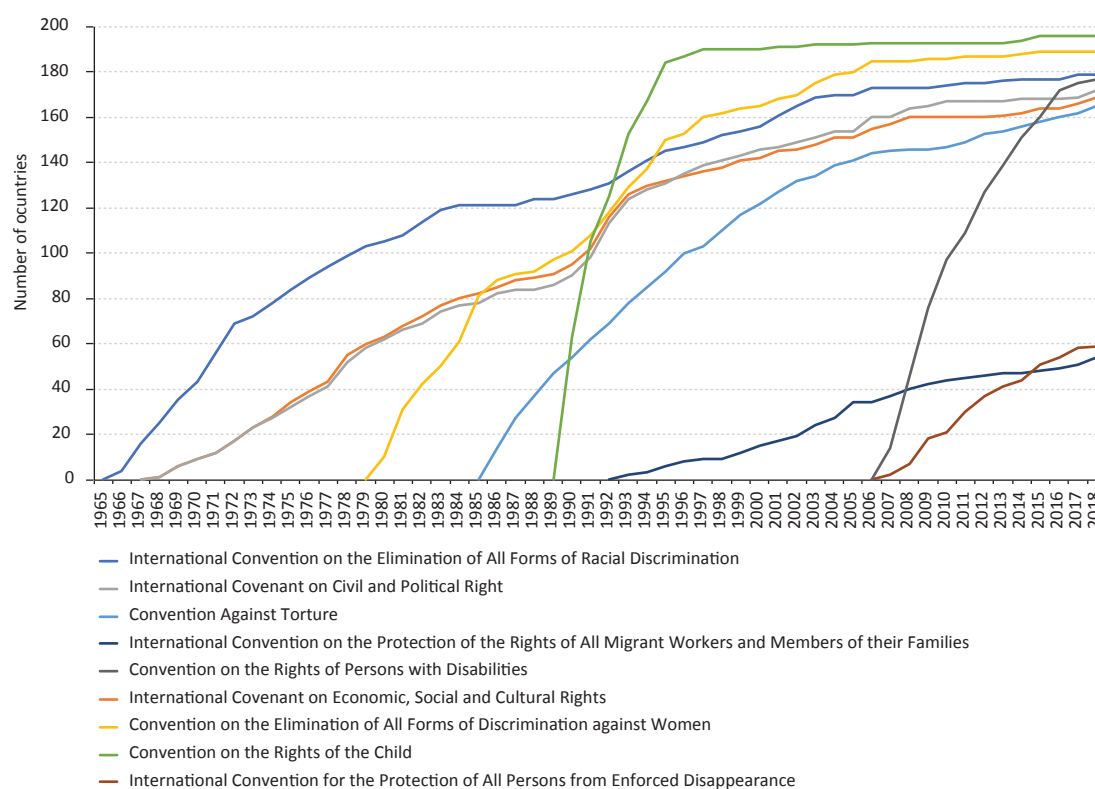
Key instruments have been widely, though not universally, adopted by Member States. For instance, the Convention on the Rights of Persons with Disabilities has 177 States Parties. However, in the case of the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families, there are just 54 States Parties.

Despite wide acceptance of the principle of non-discrimination, there are multiple challenges to the implementation of relevant international instruments. Many are reflected in Member States' reservations to provisions of international conventions, which are intended to alter or exclude their legal effect, or declarations, intended to clarify a State's understanding or interpretation of a provision.¹⁶⁵ Harmonization of national laws and policies to reflect treaties is often a significant challenge, as is the adequate enforcement of national laws. Another challenge is low awareness among the public of some instruments and the principle of non-discrimination.

The evidence on the effectiveness of international instruments in fostering non-discrimination has been mixed. In the case of women, the number of legal guarantees of gender equality has increased over the past two decades. The Convention on the Elimination of All Forms of Discrimination Against Women

Figure 1.5.

Countries having ratified core human right instruments, by year of ratification, 1966–2018



Source: UN Treaty section.

(CEDAW) (1979) and the Beijing Platform for Action (1995) are considered to have led to positive changes in national law and been effective in furthering women's rights (see chapter 5).¹⁶⁶ Other instruments may be considered less effective, for example, the Madrid International Plan of Action on Ageing.¹⁶⁷ One study observed that ratification of international human rights treaties seldom has unconditional effects.¹⁶⁸

National instruments, tools, and strategies

Governments across the world are making progress in developing new instruments to promote and enshrine the principle of non-discrimination, and in revising and eliminating instruments that have direct and indirect discriminatory effects.

The Constitutions of most countries guarantee equality for all citizens, with many additionally specifying the rights of specific groups. Most guarantee equal treatment based on gender, with or without exceptions. The Constitutions of 43 UN Member States guarantee equality and non-discrimination to persons with disabilities without exceptions, and those of four countries do so with exceptions. The constitutions of 10 countries protect the right to equity based on sexual orientation using specific language.¹⁶⁹

Constitutional protections for women and persons with disabilities are on the rise. Prior to 1960, just half of Constitutions adopted provided guarantees to gender equality.¹⁷⁰ That percentage has steadily increased. Between 2000 and 2017, a full 100 per cent of Constitutions were adopted with such a guarantee. Prior to 1990, just 11 per cent of Constitutions adopted provided guarantees to equality based on disability, against 68 per cent of those adopted between 2010 and 2014.¹⁷¹ The number of constitutional guarantees of women's specific rights to political association, voting, and holding office are also on the rise since the adoption of the Beijing Platform for Action.¹⁷² Similarly, constitutions adopted since 2006, the year of adoption of the Convention on the Rights of Persons with Disabilities, are more likely to explicitly guarantee the rights of persons with disabilities and not to include discriminatory clauses.¹⁷³

Overtly discriminatory laws and policies are declining in number, and laws providing protection against discrimination are on the rise.¹⁷⁴ Adherence to the principle and respect for protective laws, however, vary.

As of August 2016, 71 countries guaranteed equal pay, 87 guarantee equal pay for work of equal value. With regard to promotions and demotions, the majority of countries provide legal protection to women from discrimination. However, 41 countries – across income groups – provide no such protection, with most in East Asia and the Pacific and sub-Saharan Africa.¹⁷⁵ Many laws prevent women from working or running a business. In 18 economies, husbands can legally prevent their wives from working.¹⁷⁶

Many countries have also made progress in advancing legal protections for persons with disabilities, particularly in the area of labour.¹⁷⁷ However, many countries still have laws discriminating against persons with disabilities, particularly in the right to marry, in the right to legal capacity, in the right to vote and to be elected for office. Progress has also been observed in improving access to education and health care by persons with disabilities, including through laws protecting the right of persons with disabilities to education and to health.¹⁷⁸

In many countries, legal advances have been made to protect the right to non-discrimination based on sexual orientation. Since the early 1990s, at least 45 countries have decriminalized homosexuality.¹⁷⁹ According to a recent report, 73 economies currently have laws to protect against discrimination on the basis of sexual orientation in the workplace; and 39 have laws punishing acts of incitement to discrimination, violence or hatred on the basis of sexual orientation.¹⁸⁰

The SDGs outline a number of policies that can address discrimination directly and indirectly. This includes social protection systems and the universal provision of services, including health care and education. As noted above, basic civil registration, particularly of births, is important in order to combat discrimination. Many countries have adopted specific policies on the rights or well-being of specific social groups, as well as national plans of action, some of which may address specific challenges experienced by groups, such as women or older persons. For example, according to a World Bank report, between 2016 and 2018, 65 economies implemented 87 reforms to expand women's economic opportunities, particularly in the areas of improving access to jobs and credit.¹⁸¹ In addition, the importance of complementary measures, which recognize that some social groups are more disadvantaged than others, is widely recognized. Special or targeted measures may include, for instance, affirmative action policies in education, housing, and access to finance, targeted cash transfers or vouchers for services, and policies that recognize and protect specific languages.

Special or targeted measures can be effective in redressing discrimination experienced by social groups (for women, see chapter 5 in this report). These measures are most effective when accompanied by relevant universal policies. Progress has been achieved for women in government through the reservation of seats in national and local government bodies, and for young people from low-income households and minority backgrounds in higher education through preferences in university admission, for example.¹⁸² Quota systems are also used to promote employment of persons with disabilities, which oblige employers to hire a certain number or percentage of persons with disabilities. Such systems have been adopted by at least 100 countries.¹⁸³ A study of 145 countries using data from 1990 to 2010 found that national gender quotas are increasingly effective, largely due both to lessons learned regarding their design as well as to changing norms.¹⁸⁴ However, such

measures must take account of context. They are also subject to problems generally associated with targeting, such as elite capture and high transaction costs.¹⁸⁵

A range of methodological tools has been used to integrate equality considerations into policy development and implementation. The equality impact assessment is an in-depth analysis which is carried out to assess the impact (negative or positive) that new legislation, policies or other initiatives might have from a non-discrimination and equal opportunities perspective. In particular, they consider the potential impact on disadvantaged social groups at risk of discrimination. Equality impact assessments are a statutory requirement in some EU countries. In the case of Finland, for instance, equality impact assessments have been mandatory for gender since the mid-1990s and for race since 2004.¹⁸⁶

Challenges in implementation

Multiple challenges to the implementation and enforcement of national legal and policy instruments that promote non-discrimination have been identified. Reporting by victims of discrimination is generally low.¹⁸⁷ Awareness of available instruments and channels for seeking redress is also low in the population.¹⁸⁸ In the European Union, the adoption in 2000 of directives against discrimination on the grounds of race and ethnic origin and against discrimination at work on grounds of religion or belief, disability, age or sexual orientation has led to enhanced legal protections of rights and to some improvements in access to justice. Yet, while the number of complaints to courts and equality bodies has slowly risen,

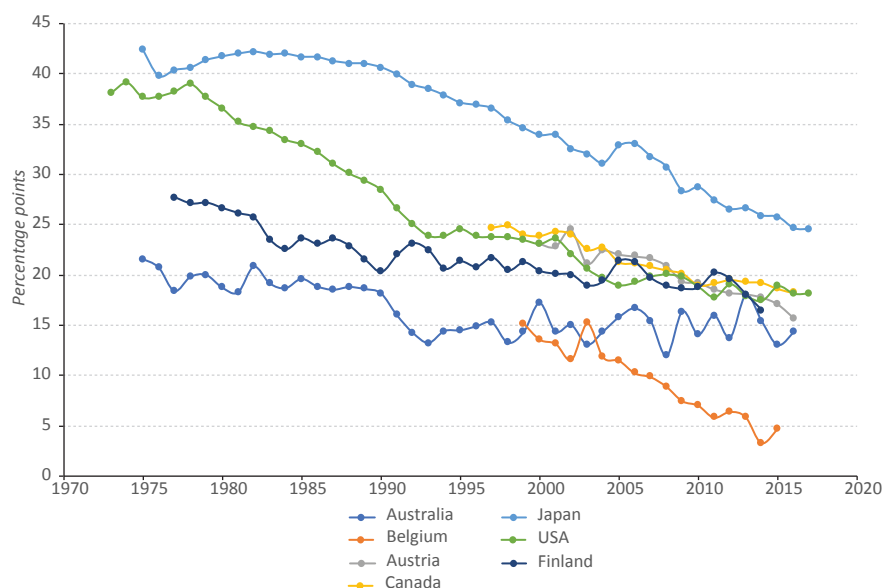
relevant case law in most countries continues to be limited. A 2017 review of non-discrimination law in Europe identified several obstacles to litigation, including the complexity of discrimination law, inadequate financial resources with which to pursue cases, short time limits for bringing cases, as well as the duration and complexity of procedures. The fact that litigation occurs rarely was identified as an additional deterrent to those seeking justice.¹⁸⁹

Similar barriers to justice are also present in developing countries – court fees and inadequate legal aid, slow and complex processes.¹⁹⁰ Traditional justice systems can also limit members of some groups from pursuing cases of discrimination. Moreover, where there are criminal offences, the State may not be willing to prosecute cases. The absence of an equality body (or insufficient resources or authority of such bodies) has also been identified as a challenge to the implementation of non-discrimination instruments and the protection and promotion of rights generally.¹⁹¹ A recent assessment of the enforcement and effectiveness of anti-discrimination law from 23 countries and 3 regional or international bodies found that resistance to such law is prevalent and varies by context.¹⁹²

Social norms are still considered to be a major barrier to ending discrimination in practice. However, norms are not static. There is strong evidence that legal instruments related to non-discrimination can promote positive change in attitudes among society-at-large as well as members of excluded groups with regard to acceptance and belonging, respectively.¹⁹³ Nonetheless, even where progress is made in shifting norms, gains can remain slow and vulnerable, and even be reversed in the short term.

Figure 1.6.

Evolution of the wage gap in selected developed countries, 1973–2017



Source: Authors' elaboration based on OECD data.

Gaps as evidenced by perceptions

Available surveys show that discrimination remains entrenched. Europe is a region for which data are relatively abundant. For example, the European Union Agency for Fundamental Rights conducted its Second European Union Minorities and Discrimination Survey in 2015 and 2016 and published results in 2017. The results showed little progress compared to 2008.¹⁹⁴

Gaps as evidenced by inequalities and differences in outcomes

One way to assess the scope and degree of persisting discrimination is to look at dimensions of inequality, such as in income, employment and access to goods and services. Inequalities between different groups can be caused by discrimination, among other causes. For example, from 1995 to 2012, enrollment in primary school significantly evolved towards gender parity. Latin America, which lagged behind in 1995, now has a ratio of around one.¹⁹⁵ In terms of employment, the gender gap in labour force participation has declined;¹⁹⁶ the global pay gap is around 20 percent (see chapter 5 for a discussion of accountability in relation to the gender pay gap).¹⁹⁷ The evolution of the wage gap in selected developed countries is illustrated in Figure 1.6.

In terms of well-being, gaps between indigenous peoples and the rest of the population remain wide. In Latin America, for example, indigenous peoples remain among the most disadvantaged groups, as measured by infant and maternal mortality rates, access to health care and social services, poverty rates and school enrolment.¹⁹⁸ Outcomes for older persons and persons with disabilities also suggest that progress remains to be made in terms of combatting discrimination against these groups.¹⁹⁹

1.4. Conclusion

Monitoring developments of institutional aspects of the SDGs over the next 12 years until 2030 will be a challenge. Based on the limited review undertaken for this report, more work is needed to provide a comprehensive, global review of developments in this area.

The limited review presented here shows the following. First, in spite of the multitude of national level indicators and indices that have developed over time around all dimensions of governance, no comprehensive information system exists that would provide trends in simple, readily understandable forms for all institutional dimensions and all countries. Institutional developments in relation to some dimensions are well covered for some groups of countries, but this is not the rule. As a result, one is unable to answer basic questions such as what the global state of participation and citizen engagement is; whether governments on the whole are more or less accountable than a

decade ago; and what global trends are in terms of corruption prevalence. Second, in all the dimensions covered here, more evidence is available on the process side of the performance of initiatives than on their outcomes and broader impacts.

In spite of these limitations, some robust conclusions can be drawn. First, in a long-term perspective, there has been a steady wave of international and national legal instruments and other initiatives, which have framed institutional developments in relation to all the institutional principles considered in this chapter. The wave of access to information laws, the adoption of new norms and standards for financial transparency, the development of open government data, the development of new channels for direct citizen participation the multiplication of anti-corruption instruments, and the rapid development of anti-discrimination norms are undeniable and, at a first level, this can be seen as a sign of progress.

Second, rapid changes in information technologies are modifying the parameters that define the space in which policies and institutions related to the institutional principles under examination here develop. Drastically reduced costs of producing and disseminating information have made possible the development of the open government data movement. The Internet has enabled almost universal adoption of e-government practices, including channels for e-participation. The existence of Internet, by making existing information easier to record, store and find, has altered the balance of power between governments that hold the information and citizens or organizations that request it.²⁰⁰

In spite of this, when focusing on outcomes and impacts of the observed changes, it remains difficult to construct a clear global picture in terms of “progress”. The literature shows that the impacts of transparency, accountability and participation initiatives vary widely. Enforcement of laws can be an issue, as illustrated above, and this can be linked to multiple factors, including limited resources and capacity in government. Resistance to change in public institutions or in political leadership can also be a constraining factor. These challenges all lead to gaps between the assumed objectives of these initiatives and their actual impacts.

For all the principles reviewed here, experts point to a lack of clarity on causal links and the lack of clear models of institutional change. This is to say, the assumptions that link specific actions or processes to expected outcomes are often not made explicit and are not tested. This often results in high expectations that do not materialize. Moreover, the broader political and institutional environments and prevailing social norms in which such causal links operate vary widely across jurisdictions. Experts all underline the importance of context, and the lack of replicability of institutional instruments. In all, the question of the effectiveness of institutional arrangements that seek to promote accountability, transparency and inclusive decision-making remains a vexed one.

Third, recent literature has pointed to the importance of using broad strategies that combine multiple instruments, as opposed to individual institutional mechanisms. For example, when working on social accountability for the delivery of public services, combining the use of social participation tools with actions that promote legal empowerment may result in higher likelihood of enhanced accountability. In general, the effectiveness of specific institutional arrangements crucially depends on the broader accountability system that prevails in a given country.

In coming years, the following steps may facilitate our understanding of institutional developments in relation with the implementation of the SDGs.

First, defining and measuring progress in terms of national institutions for the SDGs can only be done meaningfully in reference to the national context. Understanding developments of institutions in relation to implementation of the SDGs at the national level (and sub-national level when relevant) requires taking into account the history and institutional setting of each country. SDG 16 and the SDGs more generally provide a convenient frame or umbrella for looking at institutions in a holistic manner. In particular, the SDGs and their targets provide a map that can enable the identification of sources of information across all sectors that are relevant to assessing progress on institutional dimensions. Yet, developing indicators that are both relevant and reflect the multiple dimensions of institutions, and measurable, remains a formidable challenge.

In any given country, various established institutional processes are at work in areas of relevance to SDG 16 (for example, reforms of the justice system, reporting under various international treaties, internal monitoring done by government agencies, and audit reports). Many of those have developed monitoring systems that track changes, outcomes and sometimes impacts. Finding appropriate ways to assemble information coming from those processes would enable reviews that are relevant to national circumstances and can inform SDG implementation and monitoring. Many countries have started in this direction, using information produced through existing institutional processes. Ongoing efforts could be reviewed and, as relevant, encouraged and supported by the UN system.

Second, assessing how such national-level accounts of change along particular institutional dimensions (e.g. transparency) can be used to elicit views on progress made on those dimensions at regional and global levels and more generally enable monitoring of SDG 16 beyond the set of internationally agreed indicators, will remain a challenge.

Third, in order to get a better picture of which institutional arrangements can work in different contexts, an effort should be made to map the landscape of meta-reviews of initiatives related to transparency, accountability, participation, anti-corruption and non-discrimination, through systematic combing of the

existing academic and practitioner's literature. Such mappings could usefully inform governments on institutional options that they might contemplate to support the implementation of the SDGs. It would also be important to encourage further reviews and assessments of available evidence in areas that have been less explored, as well as regular updates, since these fields are developing rapidly. In doing this, it would be important to compare lessons that emerge from countries at different levels of development. Presently, this is often not straightforward, as many fields included in the scope of this chapter have witnessed the development of separate scholarly and practitioner's strands of literatures for developed and developing countries, for example for co-management of natural resources, for social accountability, and to a lesser extent for participation.

Fourth, efforts should be made by international organizations and academia to assess developments in other areas of relevance to institutions for sustainable development that are not covered in this report. Examples of areas that would benefit from such investigations include: reviewing developments in the field of private sector accountability, including hybrid governance arrangements that have become commonplace, for example in supply chains; exploring how institutional principles are put into practice in public institutions in different SDG areas; and looking in a holistic way at international rules, norms and institutions that are relevant to the 2030 Agenda.

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- 18 For the classification of global indicators in tiers, see <https://unstats.un.org/sdgs/iaeg-sdgs/tier-classification/>
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CHAPTER 2:

CORRUPTION AND THE SUSTAINABLE DEVELOPMENT GOALS

Combating corruption underpins all efforts to achieve the Sustainable Development Goals (SDGs). SDG 16 acknowledges the importance of anti-corruption as an institutional principle through target 16.5, which aims to substantially reduce corruption and bribery in all their forms.¹

During the last decades, multiple international and regional instruments against corruption have been adopted. At the national level, governments have also adopted a myriad of anti-corruption reforms, often triggered by international instruments and agendas. Tackling corruption often goes hand in hand with strengthening transparent, accountable and effective public institutions, which are principles included in other SDG 16 targets. However, how these principles may help reduce corruption in specific contexts is not yet well understood. Moreover, the actual enforcement and implementation of anti-corruption measures is challenging.

This chapter analyses ways in which countries have addressed corruption at the systemic level and in different sectors. Its focus is on corrupt practices that take place in the public sector and public administration, including the interface between public and private actors. The chapter opens with a discussion of corruption as a development challenge in the context of the 2030 Agenda, the framework for understanding and combatting it, as well as the importance of identifying and managing corruption risks. The next section presents a brief discussion of the available international instruments against corruption, including the United Nations Convention Against Corruption (UNCAC). The third section reviews tools and measures that countries are using to control and prevent corruption. The fourth section discusses anti-corruption at the sector level. Monitoring and evaluation is discussed in section 5. Section 6 focuses on how to promote coherent approaches to anti-corruption in the context of the SDGs. The conclusion highlights the main findings of the chapter.

2.1. Corruption and sustainable development

SDG 16 reflects the increasing awareness of the importance of addressing corruption for achieving sustainable development.

The inclusion of a corruption-related target in the SDGs represents a departure from previous internationally agreed development frameworks, which did not address governance issues directly.²

Corruption hinders progress towards the achievement of the SDGs. The World Economic Forum estimated that corruption costs at least USD2.6 trillion - or 5 percent of the global gross domestic product, and the World Bank found that USD1 trillion is paid in bribes each year.³ The African Union assessed that 25 percent of the GDP of African states, amounting to USD148 billion, is lost to corruption every year.⁴ World Bank estimates suggest that 20 to 40 percent of official development assistance (USD20 to USD40 billion) is lost to high level corruption every year.⁵

The negative impacts of corruption are large and wide-ranging. Corruption hampers economic growth, creates huge economic losses, reduces innovation, and increases poverty in terms of income, access to public services and distribution of resources. It diminishes economic growth directly by increasing the cost of production or service delivery, and indirectly by distorting the costs and incentives of economic actors.⁶

The costs of corruption are particularly visible at the sector level.⁷ Studies suggest that improving corruption controls in the water sector could avoid annual losses of approximately US\$75 billion.⁸ A recent study found that around 14,000 children deaths every year can be attributed indirectly to corruption.⁹ The results of the UN global consultation for the post-2015 development agenda indicated that corruption was the governance issue most directly affecting delivery in the water sector; corruption was also reported as highly prevalent in the health sector, and as the second most crucial problem in education, only behind limited resources.¹⁰

Corruption disproportionately affects women, the poor and vulnerable groups.¹¹ It does so in at least three ways, namely: pilfering state resources required for basic services and the promotion of human development, impairing their ability to achieve market gains, and constraining their capacity to participate in civil and political society.¹² Hence, combatting corruption is key to fulfilling the 2030 Agenda commitment to leave no one behind.

Box 2.1. Selected evidence on the costs of corruption in sectors

Health: The World Health Organization (WHO) estimated that of the USD \$5.7 trillion spent on health worldwide in 2008, 7.3% was lost to health-care fraud and abuse. In 2013, based on information from 33 organizations in 7 countries, one study estimated global average losses from health-care fraud and abuse to be 6% (USD \$455 billion of the USD \$7.35 trillion on global health care expenditure).

Water: The World Bank estimates that 20 to 40 per cent of water sector finances, in the range of USD \$155 to \$700 billion annually, are lost to dishonest and corrupt practices.

Source: World Health Organization and World Bank.

Corruption fuels conflict and erodes both interpersonal and institutional trust. It appears in every stage of the public service delivery chain, from policy design and budget allocation, to acquisitions and procurement. Corruption hinders the quantity and quality of public services, and restricts access to health, water, and quality education, among other public goods. It erodes democracy, producing exclusion by affecting democratic norms, processes and mechanisms that instill inclusion in decision making, policy choice and the adoption of legislation. Conversely, the lack of corruption has been identified as a critical component of good governance.¹³ A main current in the literature considers controlling corruption as the culmination of the democratization process.¹⁴

Corruption is a problem at all levels of development. While some forms of corruption are less entrenched in more developed countries, other forms remain an insidious problem at high levels of development.¹⁵ A report from the European Union Commission found corruption in the region to be widespread, and estimated its cost to be at least 120 billion euros a year.¹⁶ Also, companies and individuals from developed countries may contribute to or be part of corruption abroad even when they behave with integrity in their own countries, as the current concern in OECD countries with the issue of bribery of foreign officials indicates.¹⁷

2.1.1 .Defining corruption

Corruption is notoriously difficult to define, due in part to variations in laws, institutions and culture.¹⁸ Different practices are identified as corruption across the world; actions considered corrupt in some countries are accepted as normal in others (a classic example is gifts to public agents). However, while specifics differ, definitions share a distinct “family resemblance” which indicates a common conceptual core.¹⁹ Working definitions of

corruption are not neutral or universally applicable, and they bring with them implications about the responses and reforms needed to address it.

Traditional definitions and recent ones based on an integrity framework emphasize deviations from a norm. A widely embraced definition was adopted in UNDP’s Primer on Corruption and Development: “the misuse of entrusted power for private gain.”²⁰ The main global anti-corruption instrument, the United Nations Convention Against Corruption (UNCAC, see section 3.2.1 below), includes a series of corrupt practices without committing to a general definition.²¹ Common typologies distinguish between grand and petty corruption, bureaucratic and political corruption, and national and sectoral corruption, among other distinctions (Table 2.1). While classification efforts can be useful as guidance, in practice the characteristics and effects of corrupt practices do not always match these definitional categories and vary in terms of their dynamics and impact.

Recent literature also emphasizes the problem of institutional corruption. Corruption “is *institutional* insofar as the *gain* a member receives is political rather than personal, the *service* the member provides is procedurally improper, and the *connection* between the gain and the service has a tendency to damage the legislature or the democratic process.”²² The added difficulty of identifying this type of corruption is that, unlike most acts of individual corruption, which are defined by laws or norms, there is no set standard to pin point deviation from correct practice.

Finally, in cases where corruption is systemic and becomes part of the rules of the game and not an isolated deviation, it is closer to a social practice or institution, and less like a sum of individual corrupt acts.²³ Understanding and controlling this kind of corruption demands different approaches.

Table 2.1.

Some common classifications of corruption

By level

- *Grand corruption*: perpetrated at the highest levels of government, usually involves bribery or embezzlement of large sums of money or other goods, causing significant losses.
- *Petty corruption*: everyday corruption that takes place at the low-level contacts between citizens, businesses and officials, often when citizens try to access public services or goods.

By sphere

- *Political corruption*: misuse of political power for private gain, for preserving or strengthening power, for personal enrichment, or both.
- *Bureaucratic corruption*: in which something is given in exchange for the provision of a public good or service.

2.1.2. Understanding corruption

Corruption can be analysed from different perspectives, all of which are relevant to identifying possible ways to address it. Three common models for understanding corruption are a principal-agent model, corruption as a collective action problem, and corruption as a problem-solving practice.

Corruption as a principal-agent problem. Corruption can be explained as a principal-agent problem in which a principal (e.g., a country's population) charges the agent (e.g., their government or civil servants) to fulfil a task (e.g., provide public services); corruption emerges when the agent, to obtain some benefit, strays away from its task (e.g., by embezzling or diverting public funds or by demanding bribes). Anti-corruption aims to eliminate the opportunities for this to happen or increase the chance that the corrupt agent is discovered and punished.

Klitgaard's influential conceptualization of corruption helps clarify the basic dynamics of corruption. According to his elegant formula, corruption equals monopoly plus discretion minus accountability: "one will tend to find corruption when an organization or person has monopoly power over a good or service, has the discretion to decide who will receive it and how much that person will get, and is not accountable" (Figure 2.1).²⁴

The anti-corruption field has become increasingly sophisticated in recent decades and the concepts have been analysed into more specific and actionable contributing factors. Nonetheless, this model helps carry out corruption risk assessments and systematize types of anti-corruption interventions. Government reforms have aimed at, for example, minimizing monopolies and reducing discretion, while other interventions have concentrated on enhancing accountability in a variety of forms, including by increasing transparency.

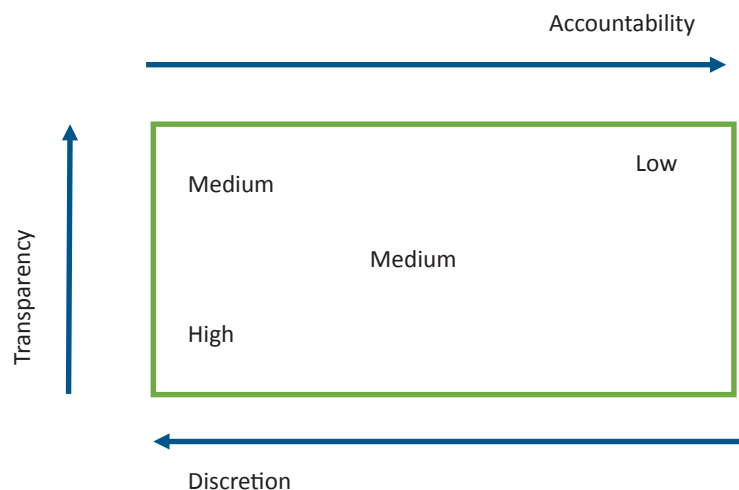
Corruption as a collective action problem. Recent research has highlighted political-structural approaches that analyse systemically corrupt countries, in which corruption does not decrease despite anti-corruption interventions.²⁵ The main insight of these models is that in contexts in which corruption is the rule and not the exception, the costs of acting against it are too high and the expectations of finding institutions or other actors to join in combatting corruption are too low, leaving no 'principal' capable or willing to act against corrupt agents.²⁶ From this perspective, the emphasis should not be on specific anti-corruption measures, but on promoting a corruption-free environment that minimizes free-riding and promotes the development of common goods.²⁷

Corruption as problem-solving. In some contexts (e.g., post-conflict situations), corruption may appear temporarily as a solution to coordination problems when no other alternatives are effectively working, as under failed or inexistent institutions or in the absence of trust. Even this notion of corruption can contribute to making sense of corrupt practices in specific cases – though the supposed role of corruption as characteristic of a development pattern has largely been abandoned by the literature.

Each of these explanations contributes to strengthening our understanding of corruption. The specific context and forms of corruption are important for selecting objectives, strategies and tools to combat it, as well as for setting reasonable expectations and risk management measures. The ever-expanding toolset for shaping incentives by manipulating opportunities and constraints for corruption, is however, broadly shared by proponents of the different perspectives (see below).

Figure 2.1.

A heuristic model of the likelihood of corruption



Source: Author's elaboration, based on Dobrowolski, Z., J. Koscielniak, 2012, The Role of SAI in Detection of Corruption, Fraud and Money Laundering, *mimeo*.

Table 2.2.

Perspectives on the study of corruption

Corruption as a principal-agent problem	Principal-agent theory highlights the role of individuals' calculations about whether or not to engage in or oppose corruption; the influence of transparency, monitoring, and sanctions on those calculations; and the technical challenges of monitoring and sanctioning corrupt behaviour.
Corruption as a collective action problem	Collective action theory highlights the relevance to individuals' decisions of group dynamics, including trust in others and the (actual or perceived) behaviour of others. When corruption is seen as 'normal', people may be less willing to abstain from corruption or to take the first step in implementing sanctions or reforms. This theory highlights the challenges of coordinated anti-corruption efforts.
Corruption as problem-solving	Corruption can sometimes provide a way of dealing with deeply-rooted social, structural, economic and political problems. Anti-corruption interventions need to better understand the functions that corruption may serve, particularly in weak institutional environments, and find alternative ways to solve the real problems that people face if anti-corruption work is to be successful.

Source: Marquette, H., and C. Pfeiffer, 2015, *Corruption and collective action*, Birmingham UK, Developmental Leadership Program-U4 Anti-Corruption Centre.

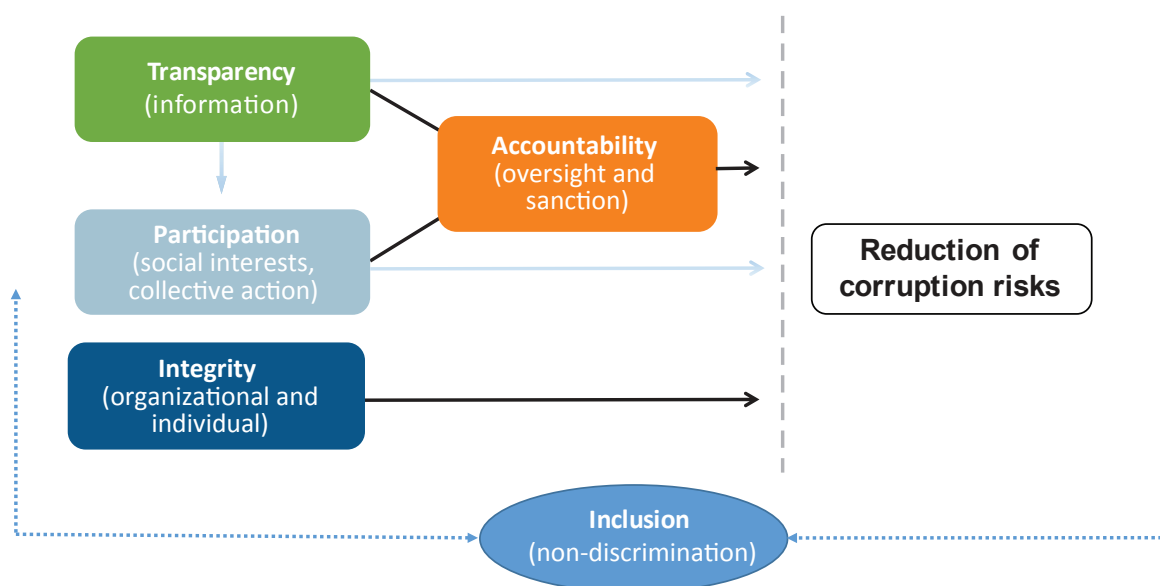
2.1.3. Corruption and other institutional principles of the 2030 Agenda

The 2030 Agenda embraces a set of institutional principles that together can provide the backbone to good governance and, thus, help reduce corruption risks. These principles—accountability, transparency, participation, and inclusion—play a crucial role in combatting corruption. In addition, integrity, which is not explicitly mentioned in the 2030 Agenda, is a cornerstone of many anti-corruption approaches.

Transparency, accountability and participation work, both individually and in conjunction, to reduce corruption risks and improve governance. Integrity creates an incentive framework for good behaviour, and inclusion can be considered both an input (reducing opportunities for rent-seeking behaviour and avoiding the capture of public resources or institutions by particular actors or groups) and an outcome (a non-corrupt, accountable, transparent and participatory process would avoid discrimination of minority groups) of good governance. Integrity and inclusion can also be promoted, according to the

Figure 2.2.

The principles of the Agenda 2030 and the reduction of corruption risks



Source: Author, adapted from Boehm & Caprio 2014.²⁸

context, through accountability mechanisms that can respond to transparency and participation.²⁹

Accountability is one of the crucial elements for understanding the conditions that promote and deter corrupt behaviour. Lack of oversight and sanctions dramatically reduce the expected costs of corruption for actors, fostering corrupt practices. Thus, beyond making it possible to detect and punish corruption, accountability further plays a fundamental role in corruption prevention. Strategies for corruption deterrence and control explicitly or implicitly resort to accountability mechanisms. Accountability is generally considered to encompass monitoring to expose corrupt behaviour and sanctions to punish it, as well as the strengthening of anti-corruption incentives.

As the interest in corruption and development increased, transparency (commonly defined as the availability of information about an organization or actor in a way that allows external actors to monitor its behaviour)³⁰ has emerged as a central element of accountability and anti-corruption strategies and policies.³¹ In some cases, as with budget and fiscal transparency, the anti-corruption incentive may be expected to work almost automatically,³² through markets and foreign investment mechanisms (or through international aid and commerce). By making information public, it is easier for economic and social actors to identify evidence of corruption and malfeasance and to act accordingly, punishing corrupt behaviour through market and investment choices. Also, publicity will increase the risks of discovery and the expected costs of corruption, if sanctions are credible.

Still, the literature has increasingly emphasized that transparency is not sufficient for reducing corruption, and that effective accountability channels are needed.³³ Disclosed information needs specific characteristics and quality to be useful for stimulating participation and activating accountability institutions,³⁴ and thus contribute to anti-corruption. Further, systemic characteristics required for transparency to be effective – e.g., free media, freedom of information, and technical capacity in accountability institutions, the media and civil society—have been highlighted.

Participation has long been expected to have anti-corruption effects, both through the democratic “long route” of accountability as well as social movement mobilization, and more recently through the “short route” to accountability, centred on user control over service providers, as those directly affected are expected to have the greatest incentives to monitor and act against abuse of common resources. Civil society participation is widely considered a central element of anti-corruption efforts.³⁵ A whole field of interventions (from services’ score cards to participatory audits and budgeting),³⁶ frequently grouped under the umbrella of social accountability, has emerged to exploit the potential of participation to improve public services and reduce corruption. Also, it has been emphasized that participation’s impact is interrelated with,

or dependent on, transparency and accountability. Research findings suggest that participation requires relevant information to be available for monitoring, and accountability channels to have claims enforced.³⁷

In the context of anti-corruption efforts, the focus on integrity attempts to move away from strategies directed at controlling and eradicating corrupt behaviour, and aims instead to positively promote socially constructive behaviour. Integrity is posed to have an intrinsic value to individuals. In cost-benefit analysis, an individual’s loss of integrity is accounted as one of the losses of engaging in corrupt behaviour. At the institutional level, the mechanisms for promoting political integrity have encompassed normative constraints, justice, openness and transparency, citizen engagement and impartial authorities.³⁸ Thus, integrity adds emphasis on promoting awareness of ethical norms and values, while preserving the commitment to reduce opportunities for corruption and strengthen accountability.

The principle of inclusion, as non-discrimination, has a more multi-faceted but direct relationship to corruption. Discrimination may be seen as a form of corruption, be it at the system level by undermining democratic processes (as a form of institutional corruption) or by corrupting the purpose of public services that should be available to everyone (e.g., corruption in the provision of water).³⁹ Further, corruption disproportionately affects the poor, i.e. it is an exclusionary force that creates and reinforces discrimination against specific groups. Conversely, the exclusion of affected groups in policy making and implementation favours the emergence and persistence of corruption (e.g., by enabling state or policy capture by special interests that prevail over the interests of all groups); while inclusion (e.g., through participation in policy making, design and monitoring) can in itself be considered a deterrent of corruption.⁴⁰

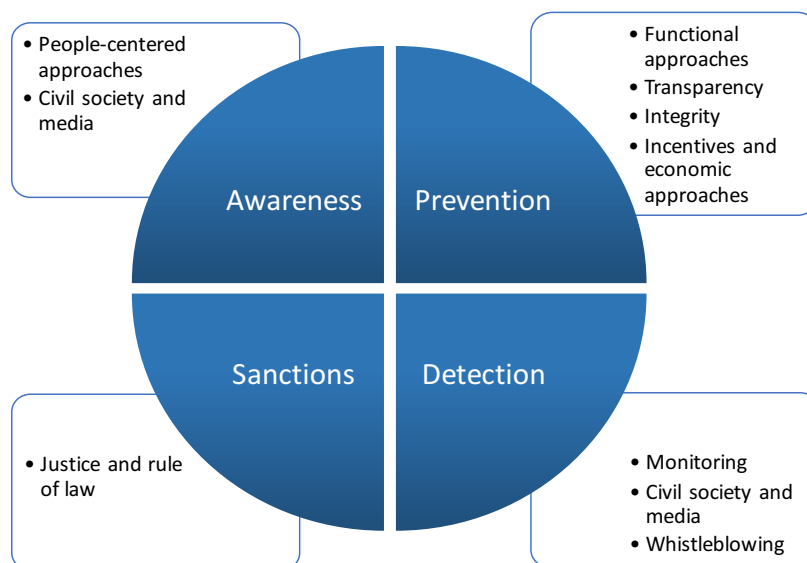
2.1.4. Anti-corruption approaches

Anti-corruption approaches can be categorized in multiple ways. Figure 2.3. presents the typology used in this chapter. Each type can include a multiplicity of initiatives, involve different actors, and work at different levels within and across public administrations. Examples of anti-corruption measures are presented in Annex 1.

Preventive measures aim to reduce discretion and monopoly, though they also include measures that contribute to accountability. They can involve multiple actors, both within and outside public agencies. Preventive measures can include public administration reforms (including public financial management), administrative rules and procedures, integrity tools such as norms against conflict of interest and ethical regimes, as well as measures to involve civil society in monitoring and oversight, such as transparency, open data, and participatory mechanisms.

Figure 2.3.

Anti-corruption approaches



Source: Author's elaboration.

Instruments for **detection** work directly by exposing corrupt practices, which in turn creates opportunities for triggering the action of accountability institutions and the possibility of sanctions, and by taking remedial action to close opportunities for wrongdoing. These instruments include internal and external controls as well as mechanisms to provide information related to illegal or corrupt actions to the authorities, including complaint mechanisms and witness and whistle-blower protection systems, among others.

Sanctions aim to establish credible punishment for corrupt acts. They range from disciplinary measures in response to the violation of administrative rules to criminal sanctions applied after police investigation and judicial processes. They can also include political sanctions through voting or other means (such as impeachment procedures, among others), and social sanctions through shaming and ostracism. Sanctions can work through a variety of channels: formal sanctions can be established by law or regulation; electoral systems and other forms of participatory politics allow for political sanctions; and the media and public mobilization can contribute to social sanctioning.

Awareness strategies are directed at making people realize the wrongness, the high social costs and the prevalence of corruption, increasing both its ethical costs and the salience of the risks of discovery and punishment. Initiatives include public education and media campaigns, capacity building, ethical norms, policies, and regulations, and public commitments through anti-corruption charters, among others. The goal is to build a culture of zero tolerance to corruption.

2.1.5. Identifying and mitigating corruption risks

Corruption adopts multiple forms in practice. Its specific characteristics, dynamics and interaction with the political and social context are also diverse. Reforms should be attuned to these variations. No universal measure would be able to address the complexity and variety of corrupt practices. A sound diagnostic of the problem of corruption in each case and context is critical for reform. The identification and mitigation of corruption risks is crucial for the development of effective anti-corruption measures in support of the SDGs.

Corruption is a cross-cutting issue and vulnerabilities and risks to corruption vary across SDG areas.⁴¹ Corruption risks and practices take different forms in different sectors due to the characteristics or governance of the sector (that is, the systems, processes and actors that define how an issue area works). The relative importance of those vulnerabilities also varies from one sector to another; for example, in some sectors, risks of policy capture or grand corruption may be relatively higher than those of bribery at front-line level (e.g., oil sector). Moreover, corruption risks also vary across public entities depending on several factors, both internal (e.g., volume of resources managed by the organisation) and related to the environment in which public entities operate (e.g., complexity of legal environment).

Anti-corruption strategies and measures should be designed on the basis of a sound risk assessment. Causes, trends and vulnerabilities to corruption should be identified, as well as types, pervasiveness and impact of corrupt practices.⁴² Several sources of information and data should be used, including audit reports on public bodies and statistical data.

Some common steps can be used to systematically identify, assess and manage vulnerabilities to corruption: first, *risk identification*, or identifying types of risk in a given process or system; second, *risk assessment*, or measuring the importance of each type of risk; and finally, *risk mitigation*, or putting measures in place to minimise risk, monitoring those measures to ensure that they have their desired effect, and re-designing them if needed.⁴³

There are different approaches to identifying corruption risks and vulnerabilities. Some approaches identify the processes and systems/sub-systems of the value chain of an issue area, the risks of corruption and the corruption practices that are more likely to occur, and the impact of those risks and practices on outcomes. Others identify the relevant actors in the sector, the risks of corruption in their relations and the impacts on the sector. In practice, both approaches can be combined. For example, in the health sector, risks can be identified based on the health system's building blocks identified by the World Health Organisation (including service delivery, human resources, financing, medicines and technologies, etc.) or considering the relations between relevant actors, such as government regulators, suppliers, payers (social security, public/private health insurance, etc.), providers (hospitals, doctors, etc.),

and patients.⁴⁴ In education, risks can be assessed considering the OECD's building blocks of an education system (including funding, teacher management, quality of learning environment, assessment, provision of education, governance and system management), and by considering some of the key actors of the sector.⁴⁵

Targets and indicators associated with SDG issue areas and SDG 16 do not address sectoral corruption risks directly.⁴⁶ However, SDG Targets provide a framework that could help identify corruption risks and practices as an input for devising mitigating measures tailored to local realities (Table 2.3). In general, SDG targets that aim to ensure universal coverage of services; access, quality and effective services; involve financial and human resources; or focus on capacities, are particularly vulnerable to corruption risks and can provide a useful reference framework for risk identification.

A corruption *risk assessment* is a preventive tool for identifying corruption and integrity risk factors and risks in public sectors.⁴⁷ Risk assessment should include a measure of probability (of the risk to happen) and a measure of impact or magnitude.⁴⁸ For example, the relative frequency of different practices can be an indicator of which ones are more likely to have an

Table 2.3.

Identifying corruption risks related to SDG targets for health

SDG Targets	SDG Indicators	Health sector corruption risks
3.8: Achieve universal health coverage, including...access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	3.8.1: Coverage of essential health-care services 3.8.2: Number of people covered by health insurance or public health system per 1000 population	<ul style="list-style-type: none"> • Theft and embezzlement of health-care funds • Fraud and abuse in health-care payments and services • Corruption in procurement of health commodities and services • Corruption in product approval and facility certification • Falsified and substandard medicines • Fraudulent or misleading research • Improper inducements • False or misleading marketing • Informal payments to health-care providers • Overcharging and unnecessary referrals and services
3.c: Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries and small island developing States	3.c.1: Health worker density and distribution	<ul style="list-style-type: none"> • Unjustified absenteeism • Improper professional accreditation • Embezzlement and misuse of national and donor funds • Inappropriate selection, promotion and training of staff • Private use of public time, equipment or facilities
3.d: Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks	3.d.1: International Health Regulations capacity and health emergency preparedness	<ul style="list-style-type: none"> • Collusion in contracting • Unfulfilled contract delivery • Theft and diversion • Embezzlement of emergency funds • Ghost workers during health emergencies

Source: Mackey, T. K., T. Vian, and J. Kohler, 2018, The sustainable development goals as a framework to combat health-sector corruption, *Bulletin of the World Health Organisation*, 96, 9, 634-43.

Box 2.2. Diagnostic tools for corruption vulnerabilities in the health sector

- WHO risk assessment tool;
- World Bank framework for rapid assessment in the pharmaceutical sector;
- Transparency International's Corruption Perceptions Index and household surveys;
- USAID methodology to test for corruption in the health sector;
- MeTA's tools to gather information: pharmaceutical sector scan; review of data availability about price, registration and policies on promotion;
- stakeholder mapping;
- WHO/HAI pricing methodology, which measures medicine price, availability, affordability and component costs.

Source: UNDP, 2011, *Fighting corruption in the health sector. Methods, tools and good practices*, New York, UNDP.

impact on outcomes. Different tools can be used to measure risks of corruption in specific issue areas and at the country level, including corruption indices, Public Expenditure and Financial Accountability (PEFA) indicators, perception surveys, victimization surveys, Public Expenditure Tracking Surveys, internal and external controls, or political economy analysis, among others.⁴⁹ Risk assessments require sufficient financial and staff resources as well as a reasonable time to be developed usefully.

Risk management – how to respond to the identified practices and reduce their potential frequency and/or effect-- is usually challenging.⁵⁰ A decision to mitigate a corruption risk is based on comparing the assessed risk with tolerable risk.⁵¹ This requires understanding the drivers of corruption (pressures, opportunities, rationalizations), and considering levers to restrict corruption vulnerabilities, reduce pressures, change incentives, and address rationalizations.⁵² Multiple mitigation tools and strategies (e.g., diversification of programmes) can be used. However, risk mitigation is not about selecting by default any

mitigation measure, but about using the risk assessment to inform the selection of the most effective tool (or a combination of them) to address the identified risks.⁵³

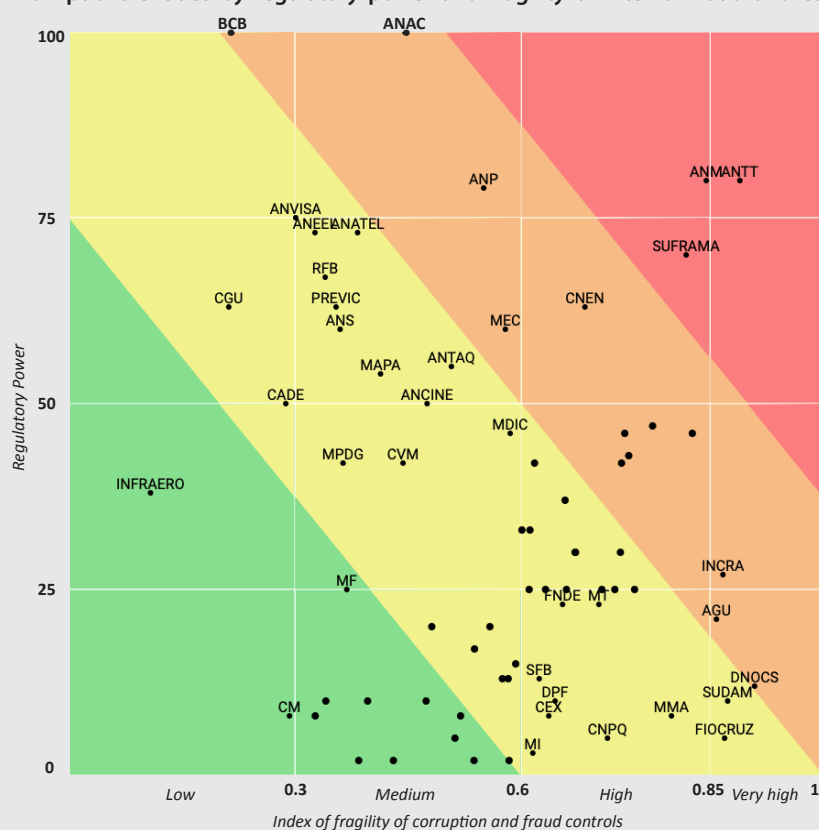
One challenge is how to decide which risk management tools are appropriate in specific contexts. Another is the lack of integrated frameworks for systematically assessing corruption risks at the national level, in specific sectors or processes, by reconciling and combining information on risks produced by several sources and tools (e.g., anti-corruption bodies, internal control, external audits, donors, etc.). Multiple issues, including insufficient expertise, limited evidence of effectiveness, and institutional incentives for discounting corruption risks, contribute to these challenges. In addition, risk mitigation is often seen as a goal in itself, rather than a way to improve development outcomes.⁵⁴ A strong corruption risk management system requires moving beyond the identification and assessment of risks to find the right mitigation measures and to design responses that integrate control with programming and implementation.

Box 2.3. Audits as sources of information for identifying and assessing corruption risks

In 2018, Brazil's supreme audit institution (Tribunal de Contas da União, TCU) conducted an audit to assess corruption risks in the federal public administration. The audit assessed whether mechanisms for corruption prevention and detection in federal institutions are compatible with their economic and regulatory powers, and proposed improvements to eliminate or mitigate systemic causes that favor the occurrence of corruption. It verified the implementation of controls in different areas, including: ethics management and integrity; transparency and accountability; governance and internal audit; risk management and internal controls; and appointment of senior staff. The data obtained were used to develop a risk map, which revealed important fragilities.

The results of the audit can be accessed in a visually friendly format through an interactive application on TCU's webpage (<https://meapffc.apps.tcu.gov.br>). Figures can be obtained by choosing the type of power (economic or regulatory), the type of fragility measured (fraud and corruption, transparency and accountability, internal audit, etc.), and the type of organism (ministries, independent state agencies, dependent state agencies, regulatory agencies, etc.).

Classification of Brazilian public entities by regulatory power and fragility of internal fraud and corruption controls



Note: In the Figure, the Ministry of Education (MEC) has a medium/high regulatory power and an intermediate index of fragility in its fraud and corruption controls; it has been placed in the relatively high range of relative risk.

The audit found high or very high fragilities in the systems of prevention and detection of fraud and corruption in 38 federal entities with high economic power. It found that ethics and integrity programs are incipient and there is no systematic adoption of corruption risk management or specific corruption controls in entities with the greatest economic and regulatory powers. Also, the audit identified a lack of specific requirements in terms of ethical and integrity standards in the criteria used for the selection of staff in selected positions (*Comisionados*).

The audit recommended several improvements in the control mechanisms of federal institutions, such as relying on objective criteria for access to commissioned positions, developing integrity programs, and monitoring and follow-up on ethics management in order to assess whether actions to promote core values in public organizations are meeting their expected goals.

Source: See footnote.⁵⁵

2.2. International instruments for anti-corruption

The growing attention to corruption as a development challenge is reflected in the exponential growth of international anti-corruption instruments.⁵⁶ Different ideas and values explain the emergence and development of the global anti-corruption agenda, and have influenced the anti-corruption solutions that are prioritised in each international instrument.⁵⁷ These instruments are already a fixture of the environment in which anti-corruption efforts take place and play a key role in enhancing both international and national commitment and support for anti-corruption reform. They can be classified based on their geographic scope; whether they are legally binding, or whether they are cross-cutting or focus on corruption in specific sectors, among other criteria. The overview provided below

distinguishes between binding instruments and voluntary commitments or standards.

2.2.1. Legally binding international instruments

Legally binding international instruments against corruption vary in scope, though they usually cover a wide range of measures. The most encompassing is the United Nations Convention Against Corruption (UNCAC), which is the only global legal instrument against corruption. Other instruments of regional or sub-regional scope preceded the Convention. These include the OECD Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions, the Inter-American Convention Against Corruption, the Council of Europe's Criminal and Civil Law Conventions on Corruption, and the African Union Convention on Preventing and Combatting Corruption (see Box 2.4).

Box 2.4. Main legally binding international instruments against corruption

With 186 Parties, the **United Nations Convention against Corruption (UNCAC)** (adopted in 2003; entered into force in 2005) is approaching universal adherence. As the only global, comprehensive, legally binding anti-corruption instrument, it provides a fundamental legal framework for States to adopt a common approach to addressing corruption while recognizing the specifics of national traditions and legal systems. The Implementation Review Mechanism (IRM), established in 2009, is a peer review process whereby the implementation of UNCAC by each State Party is reviewed by experts from two other States Parties. Through the IRM, States can report on the extent to which they have succeeded in implementing the Convention and its provisions, thus allowing them to establish a baseline against which progress can be measured. States also provide examples, including related court or other cases, and available statistics. The IRM as a tool for identifying implementation gaps, good practices and opportunities for technical assistance.

The **Inter-American Convention against Corruption (IACC)** was the first international convention to address corruption. Adopted in 1996 and entered into force in 1997, the IACC has been ratified by 33 out of 34 Members of the Organisation of American States. One innovation of the IACC at the time was its preventive article (Article III), which included provisions related to the way public administration and institutions operate. Another innovation was the institutionalisation of civil society participation in the follow-up mechanism. The peer review mechanism (MESICIC) was established in 2001. A group of experts review domestic laws and institutions to assess whether they are in accord with the provisions of the Convention and their effectiveness at preventing and combating corruption. Over 100 reports with recommendations to strengthen implementation have been issued.

The **African Union's Convention on Preventing and Combating Corruption** was adopted in 2003 and entered into force in 2006. As of 2018, it had been ratified by 38 states and signed by 17 additional states. It calls for the eradication of corruption not only in the public sector but also in the private sector. It criminalises some corrupt practices that are not included in UNCAC (e.g., passive bribery of foreign officials, trading in influence), and has a strong focus on dealing with the proceeds of corruption. The Advisory Board on Corruption (established in 2009) aims to receive annual implementation reports and advise governments in the implementation of the Convention, promote anti-corruption approaches and develop codes of conduct for public officials, among other functions. This review mechanism is still in its infancy.

The **OECD Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions** was adopted in 1997 and entered into force in 1999. It has 44 signatories as of 2018. It focuses on the 'supply side' of bribery (i.e. those that pay a bribe). It defines and criminalises the act of bribing foreign officials, but it does not cover private-to-private bribery. It does not include prevention provisions. The OECD Working Group on Bribery in International Business Transactions evaluates the adequacy of the signatory country's legislation to implement the Convention and assesses whether implementation is effective. The monitoring mechanism has also assessed enforcement of the Convention, the 2009 Anti-Bribery Recommendation, as well as cross-cutting issues.

The **Council of Europe's Criminal Law Convention on Corruption** (adopted in 1998; entered into force in 2002) aims to coordinate the criminalisation of corrupt practices, provide complementary criminal law measures and improve cooperation for the prosecution of offences. The Civil Law Convention (adopted on 1999; entered into force in 2003) aims to define common international rules of civil law and corruption. Parties are required to compensate persons who have suffered damage because of corruption. Both are monitored by the Group of States against Corruption (GRECO). Two other international instruments from the anti-corruption framework in Europe are the EU Convention against Corruption involving Officials and the EU Convention on Financial Interests.

Source: See footnote.⁵⁸

These instruments differ in the conceptualization or definition of corrupt practices and the emphasis on prevention or criminalization of corruption. Another difference is whether they incorporate a mandatory mechanism to review their implementation. This is important, as these mechanisms may help monitoring progress towards the implementation of target 16.5 (see section 2.5). These differences reflect the diverse international drivers behind the conventions, but also the various concerns and available knowledge regarding corruption that existed at different points in time.

While there are no legally binding instruments for addressing corruption in individual sectors, existing international instruments (such as Multilateral Environmental Agreements) provide a way to address corruption in the environmental and other sectors. For example, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) does not expressly mention corruption, but contributes to the prevention of and response to corruption by establishing a clear and concrete regulatory framework and providing guidance for compliance.⁵⁹ Moreover, binding anti-corruption instruments, either regional or global, also contain useful provisions when applied to specific sectors, both in terms of prevention and law enforcement.⁶⁰ Therefore, the effective implementation and monitoring of anti-corruption and sectoral laws and instruments helps countries to address corruption in sectors.

2.2.2. Non-binding international instruments

There has also been an increase in the number of non-binding anti-corruption commitments and standards adopted in the global arena.

Corruption has been part of the G20 agenda since 2010 and was identified as a priority at the 2013 St. Petersburg Summit. The G20 Anti-Corruption Working Group (ACWG) was formed in 2010 to make recommendations on how the G20 could contribute to international efforts against corruption.⁶¹ The ACWG has taken a strong stance to advance beneficial ownership transparency, and has increasingly focused on public sector integrity and transparency (e.g., procurement, asset declarations). It has also considered vulnerable sectors such as customs and wildlife resources, and sought to enhance national anti-corruption capacities and improve international cooperation on anti-corruption. As co-chair of the ACWG, the UK Government hosted an Anti-Corruption Summit in 2016. The Summit reiterated the pledge to fulfil the commitments of Agenda 2030 (Targets 16.4 and 16.5)⁶² and to address corruption through specific commitments related to beneficial ownership, transparency in public contracting and open data, auditing, and whistle-blower protection.⁶³

The OECD has identified core principles and recommendations for the design and implementation of policies aimed at managing conflicts of interest,⁶⁴ enhancing integrity⁶⁵ and whistleblowing regimes,⁶⁶ and strengthening procurement to

prevent corruption.⁶⁷ Some principles are identified for specific sectors, such as infrastructure or the environment.⁶⁸ These recommendations and principles are operationalized through different guidelines and toolkits, which provide practical frameworks of reference for countries to design or revise their policies according to good practices.

Partnerships and collective action initiatives against corruption have gained increasing attention at the international level.⁶⁹ A multiplicity of actors have an important role to play and when acting jointly can more effectively address corruption problems. Collective anti-corruption action can take different forms, including industry standards, multi-stakeholder initiatives, and public-private partnerships. The focus is generally on the supply side because companies engage with other stakeholders to tackle the payment of bribes.

Voluntary multi-stakeholder processes (involving representatives from government, civil society and the private sector) can have relevance for anti-corruption “even if they are not specifically targeted towards addressing corruption – or capable of addressing high-level corruption.”⁷⁰ Most of these initiatives have a sector focus (e.g., Extractive Industries Transparency Initiative, Medicines Transparency Alliance) and aim to increase transparency and disclosure of information in addition to promoting multi-stakeholder dialogue. Section 3.4 provides examples of these initiatives.

Collective action against corruption can be channelled through different modalities such as integrity pacts, standard-setting initiatives, anti-corruption declarations, certification of business coalitions, and education and training, among others.⁷¹ The UN Global compact provides guidance on building coalitions against corruption⁷² and works with other partners in initiatives such as the B20 collective action hub, which supports efforts to advance collective anti-corruption action and also provides a searchable catalogue of collection action initiatives.⁷³

The Open Government Partnership (OGP), launched in 2011, is a multi-stakeholder initiative that promotes the adoption of robust anti-corruption policies, mechanisms and practices. An OGP Working Group was established in 2016 to support governments to make relevant and ambitious commitments on anti-corruption.⁷⁴ The number of commitments reveals the relative importance that countries have given to anti-corruption, although there is variation in the level of ambition, actionability and specificity of these commitments. Data reviewed for this report shows that 56 countries (out of 79 OGP members) have made a total of 141 anti-corruption related commitments (on average 2.6 commitments per country). Additionally, 51 commitments relate to conflict of interest, 42 to asset disclosure, 63 to audit systems, audits and control, and 28 to whistle-blower protection. Only eight countries have made 13 commitments related to anti-corruption in sectors, namely extractive industries, health and education (see Table 2.4).

Table 2.4.

OGP commitments per type and completion level (2011–2016)

	All commitments	Sector	Anti-corruption	Conflicts of interest	Asset disclosure	Audit systems (internal and external), audits & control	Whistleblower protections
Complete	35	1	15	7	7	5	5
Substantial	38	2	19	10	3	9	5
Limited	63	0	27	14	8	19	7
Not started	23	0	9	3	8	6	2
Withdrawn	4	1	2	2	1	0	0
Not reported	88	9	69	15	15	24	9
Total	251	13	141	51	42	63	28

Source: Author's elaboration, based on OGP data and tags/categories. The categories/tags are those identified by the IRM mechanism.

Note: Not all OGP countries have anti-corruption commitments. Some countries have multiple commitments. Commitments can have more than one tag. Each tag was assigned the completion level of its reference commitment.

2.2.3. Critical issues regarding international instruments

This section explores three critical issues regarding international anti-corruption instruments in the context of SDG implementation. First, whether they are effective in advancing national anti-corruption reform. Second, whether they are adapted to national contexts. Third, consistency among them and with other global agendas, particularly the SDGs.

The effectiveness of international instruments and their impact on domestic reforms

Compliance with and implementation of international anti-corruption instruments and commitments reflect distinct aspects of effectiveness: an international convention may be effective in attaining its policy objectives (e.g., adoption of specific anti-corruption measures), but fail to change behavior (i.e., mitigate corruption). High levels of compliance can indicate high level of effectiveness, but can also reflect easily met but ineffective standards. On the other hand, failure to comply does not rule out the possibility that a state is effective in changing behaviors according to the values underlying an international norm.⁷⁵

International conventions and their review mechanisms can activate national anti-corruption policies and empower national level accountability and anti-corruption constituencies.⁷⁶ For example, data from UNCAC shows that 74% of 95 state parties surveyed identified the Implementation Review Mechanism (IRM) as having a positive impact on their national efforts to fight corruption. Moreover, 86% reported to have adopted new legislation or amended existing laws to bring them in line with the convention. The peer review mechanisms of international conventions have also prompted states to

enhance coordination of the authorities and entities involved in complying with international anti-corruption commitments. For UNCAC, 60% of 95 state parties identified the IRM as a source of improvement of their institutional structure and cooperation to tackle corruption at the national level.⁷⁷ In Latin America, both Mexico and Guatemala have created coordination mechanisms for strengthening the implementation of international instruments.⁷⁸

However, there are still significant gaps and challenges in the implementation, enforcement and monitoring of international anti-corruption instruments. Data on the enforcement and implementation of UNCAC show that countries still have significant loopholes in their legislative frameworks regarding the criminalisation of corruption practices as established in chapter III of the Convention and the implementation of preventive measures. For example, recent reports on the implementation of SDG 16.5 in several regions show gaps to ensure full compliance with UNCAC (e.g. regarding anti-corruption legislative framework, private sector corruption, lobbying, whistle-blowing protection), problems in the implementation, oversight and sanctioning of transparency and integrity policies in public administration, and deficiencies in the implementation of policies regarding procurement, among other challenges.⁷⁹

The implementation of anti-corruption commitments under OGP National Action Plans shows similar limitations to other international instruments. Information on implementation is not systematically reported. For those reporting progress, only 73 out of 163 commitments have been completed or show substantial level of completion, 63 show limited implementation and 23 have not started. However, some studies show that OGP commitments relating to anti-corruption are associated

with more open governments compared to countries not participating in the initiative.⁸⁰

The lessons learned from OGP shed some light on implementation challenges, which may be relevant for SDG 16.5.⁸¹ First, they show the importance of individual level incentives to gain compliance. With the right incentives, progress can be made even in a weak conducive legal environment. Second, they indicate the importance of having independent evaluation mechanisms in place, which can provide technical recommendations to address limitations and to develop workable plans to increase the likelihood of success.

Whether international instruments are adapted to national contexts

International legal agreements or supranational law have been identified as one of the causes of policy convergence, as they promote the harmonization of domestic practices.⁸² International anti-corruption instruments include a catalogue of measures to tackle and prevent corruption, and signatory countries are expected to incorporate them into their national legislation and policy frameworks.

However, the interplay between the international and national arenas is complex. While the international anti-corruption agenda relies on universalistic assumptions (e.g., the division between public and private), corruption is inherently a local phenomenon with different meanings in different contexts.⁸³ Anti-corruption efforts at the country level are embedded in a country's history and local dynamics, and show both some level of convergence and divergence with international agendas.⁸⁴

While international anti-corruption instruments do not necessarily prescribe the specific technical responses to be adopted at the country level, they have sometimes been interpreted in this way. For example, article 5 of UNCAC emphasizes the importance of taking a strategic, coordinated and effective anti-corruption approach. Countries may choose to pursue different anti-corruption policy options, including national anti-corruption strategies among others. Yet, this article has often been understood as calling for a single national anti-corruption strategy.⁸⁵

Empirical evidence indicates that one size fits all measures are not effective, and anti-corruption responses should be tailored and adapted to the local context.⁸⁶ Hence, a critical issue is whether international anti-corruption instruments are well adapted to the diversity of national contexts.

Consistency of international instruments

In principle, all the international anti-corruption instruments, with their battery of criminal and preventive dispositions, can contribute to progress on target 16.5, as the latter is formulated generically in terms of reducing all forms of corruption. However, some implementation challenges may arise from the

fragmentation and multiplicity of anti-corruption instruments. The overlap and cross-learning potential between the SDGs and international anti-corruption instruments raises the question of whether there will be symbiosis or competition among them.⁸⁷ The wording of the conventions and their recommendations are not always consistent. The development of non-binding instruments adds further complexity. Also, stakeholders involved in different international anti-corruption processes respond to different dynamics and incentives, which can make communication and coordination difficult.⁸⁸

For the multiple instruments to contribute together to target 16.5, it is important to ensure coordination of national reform efforts undertaken under different instruments and to strengthen and coordinate various mechanisms for monitoring progress at the national level.

Synergies could be exploited in national development strategies to foster policy coherence, improve the efficiency of budget allocations, and reduce the costs of developing implementation strategies, action plans and monitoring reports of different international agendas that seek to address corruption.⁸⁹ Greater coordination between the national institutions involved in the implementation of UNCAC and other international anti-corruption instruments and the 2030 Agenda, with special emphasis on the implementation of relevant action plans, could also facilitate synergies. It is critical to facilitate information sharing across reporting processes, for example, through inputs or participation in SDG monitoring reports of the technical teams monitoring international anti-corruption conventions.

Countries could also build on their experience with the implementation and monitoring of national anti-corruption reforms. For example, the OGP has encouraged members to align their national commitments with the SDGs and use them to advance SDG targets.⁹⁰ Many OGP commitments provide valuable lessons learned for countries to design, implement and monitor action plans for SDG 16.⁹¹

2.3. Anti-corruption measures and instruments at the national level

Most countries (particularly those with higher corruption levels) have now a well-developed anti-corruption institutional infrastructure. However, enforcement and implementation are weak in many contexts, and evidence of successful cases of controlling corruption is scarce. Frequently cited examples of success are Chile, Singapore and Hong Kong Special Administrative Region of China.

Direct anti-corruption interventions are aimed specifically and uniquely at controlling corruption. Indirect interventions have other aims as their main objective (e.g., efficiency in the use of public resources), but also contribute to reduce opportunities for

Box 2.5. No ‘silver bullet’ for anti-corruption

A 2016 roundtable on the effective implementation of UNCAC in support of the SDGs stressed that:

- ✓ long-term efforts are required to change the strong, firmly embedded interests of those who are taking advantage of the existing situation;
- ✓ empowerment of local actors and sustained social movement are crucial;
- ✓ creative ways to enforce the rule of law should be found;
- ✓ there are no ‘one size fits all’ solutions
- ✓ proper analysis, indicators and a monitoring and evaluation framework are crucial.

Source: “For an effective implementation of UNCAC in support of SDG Goal 16”, Panel discussion at IACC, Panama City, 2016.

corruption. They include financial management reforms, social accountability measures and external audit institutions, among others. Anti-corruption interventions are also implemented at the sub-national level, where corrupt practices often take place and are very visible to citizens. This section will consider these types of interventions in turn.

2.3.1. Direct anti-corruption strategies

Among the most common direct strategies are anti-corruption laws, specialized anti-corruption agencies or authorities, national anti-corruption strategies, and selective anti-corruption and public integrity measures.

Anti-corruption laws

While many countries have historically included corruption crimes (particularly bribery) in criminal law, in the last decades specialized integrity and anti-corruption laws have become a regular feature in many countries, particularly in those facing widespread or large-scale corruption or those that want to signal a serious commitment to act against it.⁹²

A review of anti-corruption measures carried out for this report indicates that at least 77 countries have adopted specific anti-corruption laws. Typically, these laws specify a regime that defines and establishes penalties for corrupt behaviour, as part of criminal law. Anti-corruption laws tend to combine preventive and sanctioning aspects. Some establish a general institutional framework, including the creation of specialized anti-corruption agencies (see below). In some cases, the law establishing an anti-corruption agency establishes a general legal and institutional framework for anti-corruption (e.g., Poland, Latvia).

Traditionally, enforcement was left in the hands of the general criminal investigation agencies, but later specialized bureaus for the persecution of corrupt crimes have been set up in many countries. Recently, there has been emphasis on the positive aspects of ethical behaviour, and recent laws frequently emphasize ethics, integrity and prevention instead of punitive aspects (e.g., Jordan, Kenya, Slovenia).

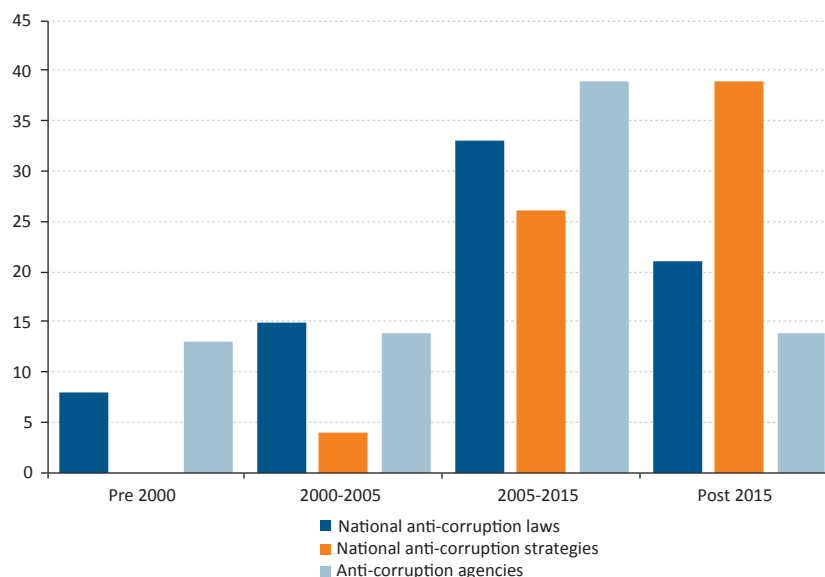
The evidence on the overall effectiveness of anti-corruption law is limited. The laws must be adapted to the national context

Table 2.5.

Prevalence of select anti-corruption instruments by region

	National anti-corruption laws	National anti-corruption strategies	Anti-corruption agencies
Africa	22 (40%)	20 (37%)	24 (44%)
Americas	8 (23%)	10 (28%)	12 (34%)
Asia	25 (52%)	17 (35%)	29 (60%)
Europe	18 (40%)	24 (53%)	20 (44%)
Oceania	4 (25%)	5 (31%)	4 (25%)

Source: Author’s elaboration, based on desk review. Regions are defined based on the United Nations geoscheme devised by the UN Statistics Division based on the M49 coding classification, <https://unstats.un.org/unsd/methodology/m49/>.

Figure 2.4.**Adoption of national anti-corruption tools by year**

Source: Author's elaboration, based on desk review conducted for this chapter. In cases of multiple incidences in a country, the most recent major reform is counted.

and require country ownership. While the laws lay the ground for anti-corruption, the literature stresses that success depends on effective implementation. Because the effects of the laws depend on actors' expectations of the probability that they will be actually enforced, laws should take into consideration enforcement capacity, and complementary measures to help bring corruption to light need to be adopted (e.g., transparency and access to information laws).⁹³ Capacity building in the judicial branch needs to accompany the introduction of new laws. The subnational level as well as other accountability actors may need to be strengthened. Further, reforms in this area need to adopt realistic timeframes, indicators and expectations, as the development of an effective rule of law may be complex and take time.⁹⁴

Anti-corruption agencies

Anti-corruption agencies (ACAs) or commissions emerged in the 1990s as an institutional response to systemic corruption. Although mandates, powers and jurisdictions vary, ACAs are designed to isolate anti-corruption activities (e.g., investigation, prosecution, sanctioning, as well as awareness and prevention) from a context in which corruption risks prevail. They are expected to contribute to effectively controlling corruption through their independence, using knowledge-based methods, and a combination of repressive, preventive and educational functions.⁹⁵

Article 6 of UNCAC calls for the establishment and independence of preventive anti-corruption bodies, and Article 36 commits State Parties to ensure the existence of bodies

or persons specialized in combatting corruption through law enforcement. In this context, a set of principles (Jakarta Principles for ACAs) adopted in 2012 aims to strengthen the independence and effectiveness of ACAs,⁹⁶ and guidance to operationalise these principles was developed in 2018. UNDP has also developed an assessment tool to evaluate and enhance ACAs' capacity.⁹⁷

At least 89 countries have established ACAs in their efforts to control corruption (see Figure 2.4).⁹⁸ Some countries have a single ACA in charge of anti-corruption (e.g., Indonesia, Singapore), while others (e.g., Afghanistan, China, India, Pakistan, Philippines, and Vietnam) have more than one specialized body in charge of specific functions.⁹⁹ Other institutional arrangements have been developed, including corruption-specialized judicial bodies (See Box 2.6).

The establishment of ACAs was encouraged by the early successes of Singapore's Corrupt Practices Investigation Bureau, the Hong Kong Independent Commission Against Corruption, Botswana's Directorate for Economic Crime and Corruption and New South Wales' Independent Commission Against Corruption. But these successful models have not been easily replicated in other contexts, and few ACAs have been effective.¹⁰⁰

Reasons for the limited effectiveness of ACAs include: insufficient financial support, limited independence from political influence, weak institutional mandates, and lack of political will. However, the evidence remains inconclusive. Studies suggest that to be successful, ACAs require strong internal controls and

Box 2.6. Transparency International's recommendations to strengthen Anti-Corruption Agencies

A 2017 report on Anti-Corruption Agencies (ACAs) in the Asia-Pacific (Bangladesh, Bhutan, Indonesia, Maldives, Pakistan and Sri Lanka) highlighted the need for government and political commitment and derived a series of lessons for improving the performance of anti-corruption agencies.

For governments and political parties:

- The independence of ACAs should be ensured, in terms of the selection and appointment of their leadership and staff.
- The law must grant ACAs extensive powers to investigate, arrest and prosecute.
- ACAs must be allowed full freedom to discharge their legal mandate impartially.
- There must be an independent oversight mechanism to monitor ACAs.
- ACAs must be adequately resourced.

For Anti-Corruption Agencies:

- ACAs must demonstrate their ability and willingness to investigate and prosecute those who are involved in grand corruption, and to impose appropriate sanctions.
- ACAs must lead by example, adopting transparency and integrity best practices.
- ACAs must engage with citizens, through community relations programmes, to educate them and to mobilise support for their activities.

Source: Transparency International, 2017, *Strengthening Anti-Corruption Agencies in Asia Pacific*.

accountability mechanisms, alliances with government and non-government actors, and a focus on preventive and educational efforts in hostile political environments.¹⁰¹ Their effectiveness seems to be dependent on what has been called a favourable “enabling environment” as well as widespread public support and sustained political will to support their activities in the long term.¹⁰²

National anti-corruption strategies

National anti-corruption strategies have been defined as “a country's comprehensive anti-corruption policy document to coordinate national anti-corruption action.”¹⁰³ They typically define a set of priority objectives, and should include action plans with implementation and monitoring mechanisms.

Box 2.7. Indonesia's Court for Corruption Crimes

Like anti-corruption agencies, specialized courts for trying corruption crimes have been established to isolate corruption cases from systemic corruption and to create expertise to deal with complex corruption cases. Following different models, this type of court has been adopted in the Philippines (1984), Pakistan (1999), Indonesia (2004), Uganda (2003), India (2010) and Malaysia (2010).

Indonesia's Special Court for Corruption Crimes, established in 2002 as a chamber of the Central Jakarta District Court, was given exclusive jurisdiction to hear the cases prosecuted by the Corruption Eradication Commission (KPK) in order to avoid the risk of potentially corrupt courts. It has special characteristics, including a majority of non-career justices (less likely to be entangled in institutional corruption), strict timelines, and audiovisual recording of its proceedings. This collaboration between the KPK and the Court had a 100% conviction rate in over 250 cases. As the Court faced controversy at the Indonesian Constitutional Court, the national legislature enacted a new statute on the Special Court for Corruption Crimes in 2009. The statute established that the Court would have jurisdiction over all corruption cases (not only those prosecuted by the KPK), and ordered the Supreme Court to establish corruption courts in all provincial capitals within 2 years.

With UNODC support, 120 judges underwent special awareness training and certification for corruption cases. However, after reversal of the Court's majority of non-career justices, the rate of convictions dropped and several judges in the corruption courts were caught soliciting bribes. Aside from issues about the appropriateness of the conviction rate as a measure of success, the Indonesian corruption courts highlight the importance of building integrity and strengthening multi-actor accountability frameworks in contexts of systemic corruption.

Source: Schutte, S, and Butt, S, 2015, *The Indonesian Court for Corruption Crimes: Circumventing judicial impropriety?*, U4 Brief 5, Bergen, U4 Anti-Corruption Centre.

Article 5 of UNCAC, which requires member states to adopt ‘effective, coordinated anti-corruption policies’ (see above), has led to the adoption of national anti-corruption strategies in many countries. Further, the Kuala Lumpur Statement on Anti-Corruption Strategies,¹⁰⁴ endorsed in 2013 by the Conferences of State Parties to UNCAC, provided a list of recommendations for the development, design and content, and monitoring and evaluation of national anti-corruption strategies. It called upon Anti-Corruption and National Planning Authorities to promote these recommendations in order to assist members of the executive and the legislature and the judiciary, and the public in general, to better understand and support anti-corruption strategies in their development, design, and implementation and monitoring.¹⁰⁵

According to the desk review conducted for this report, at least 76 countries currently have a single anti-corruption strategy (see Table 2.5). Others, like South Africa, are in the process of developing one. These are typically long-term strategies, ranging from three (e.g., Thailand) to twenty years (e.g., Papua New Guinea).

Despite their popularity, evidence of the success of national anti-corruption strategies is limited.¹⁰⁶ The literature argues that the more the causes of the adoption of anti-corruption measures are tied to temporary incentives, the more likely it is that political will will not be forthcoming or will not persist long enough to make anti-corruption strategies effective. Reforms that respond to scandals and specific political crises and are not anchored on long term goals and strategies tend to become ineffective as the pressures reduce over time and the commitment from the government wanes. Conversely, political commitment and integration into a long-term growth or development strategy (e.g., Colombia, Timor Leste, Malaysia) would increase the potential success of anti-corruption strategies, because it would facilitate the commitment and collaboration of government ministries and agencies beyond the anti-corruption institutions.¹⁰⁷ The literature also highlights that it is crucial for single national strategies to be realistic (avoiding being a ‘wish list’), have high-level political support, provide for strengthening capacity for implementation, and include a strong monitoring and evaluation framework.

Box 2.8. Cultivating cultures of integrity to prevent corruption

Effectively preventing corruption requires building public integrity. *Public integrity* is 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.¹⁰⁸ It is vital for governing in the public interest and for the well-being of society, and reinforces fundamental values such as the rule of law and respect of human rights.

Public integrity approaches have shifted from ad hoc integrity policies at the entity level to whole-of-society public integrity systems. This approach emphasises promoting cultural change and examining integrity policy-making through a behavioural lens. It considers crosscutting issues and promotes coherence with other key elements of public governance (e.g., effective coordination across levels of government). It analyses the specific integrity risks of sectors, organizations and individuals which result from the interaction between the public sector, the private sector and civil society.

The OECD Recommendation of the Council on Public Integrity provides guidance for developing a public integrity strategy based on three pillars. First, 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. Second, the system needs to rely on effective accountability, building on risk-based controls and real responsibility for integrity. The third pillar provides for cultivating a culture of integrity and intends to appeal to the intrinsic motivation of individuals to behave ethically. Countries can take action to engage their citizenry in understanding and upholding their roles and responsibilities for public integrity (e.g., awareness raising campaigns, education for integrity, incentives for responsible business conduct). High-level political and managerial commitment also contributes to set the scene for how integrity is perceived across the public sector and society.

Source: OECD, 2018, input to the WPSR 2019.

Box 2.9. Selective anti-corruption measures

The Organization of American States provides a set of model laws (defined as ‘cooperation tools whose provisions reflect the highest international standards in the subject matter that they address and are made available for States to utilize in drafting anticorruption laws’) to develop specific legislation that contribute to the fight against corruption in the following areas:

- Declaration of income, asset and liabilities
- Protection of whistle-blowers
- Conflict of interest
- Obligation to report corrupt acts
- Oversight bodies
- Consultation mechanisms
- Monitoring of public affairs
- Government hiring
- Public resources
- Disclosure of assets
- Access to information
- Participation in public affairs
- Assistance and cooperation

Source: OAS, Model Laws and Legislative Guidelines, <http://www.oas.org/en/sla/dlc/mesicic/leyes.html>.

Selective anti-corruption and public integrity measures

Another way of strengthening national anti-corruption frameworks is the adoption of selective anti-corruption measures and tools, instead or alongside broad national laws and strategies (see Box 2.9. for a sample of measures).

Among these measures, the literature tends to highlight income and asset declarations (over 150 countries),¹⁰⁹ whistle-blower protection (over 50 countries, including Argentina, Australia, Bolivia, France, Jamaica, Japan, Malta, Netherlands, United Kingdom),¹¹⁰ prevention of conflict of interest (multiple countries, including Afghanistan, Argentina, Australia, Austria, Barbados, Brazil, Cameroon, Canada, Costa Rica, Croatia,

Greece, Estonia, Ethiopia, Georgia, Italia, Korea, Macedonia, New Zealand, Poland, Spain, UK, USA),¹¹¹ oversight bodies (see below), consultation and participatory mechanisms (see below), regulation of lobbying (e.g., United States, Germany, Australia, Canada, Poland, Mexico, Chile, Netherlands, UK), and addressing transnational bribery (China’s Criminal Code; UK’s Bribery Act, USA’s International Anti-Bribery and Fair Competition Act of 1998, among others).

Countries are taking advantage of information and communication technologies to facilitate the implementation of selective anti-corruption and integrity measures, such as asset declarations in Georgia (Box 2.10) or lobbying registration in Chile (Box 2.11).

Box 2.10. Georgia’s online verification mechanism for asset declarations

Georgia’s online public officials’ asset declaration system has been in place since 2010, and won a UN Public Service Award in 2012. However, no official verification mechanism existed, and verifications were only made through voluntary reviews conducted occasionally by non-governmental organizations.

After a consultative process involving key stakeholders, a new verification mechanism of the system was established. According to the new legislative framework for monitoring the declarations submitted by high-level public officials, verification is now done by crosschecking existing information through different electronic databases. Selection is done in the following ways: (1) constant verification of declarations of top-level officials in positions involving high corruption risks; (2) random selection of declarations through a transparent process based on specific risk-criteria; (3) specific declarations flagged by well-grounded written complaints/information.

The Civil Service Bureau created a special unit to conduct a comprehensive verification process. As of August 2018, more than 60 violations have been identified. The mechanism aims at increasing accountability among civil servants and to foster the implementation of targets specified in SDG16.

Source: Input from UNDP Georgia to the WPSR 2019.

Box 2.11. Regulating lobbying

Lobby regulation is an area in which many countries with solid and effective anti-corruption frameworks still have gaps. The early examples of the USA and Germany, where lobbying regulations were established in the 1940s and 1950s, have not been widely replicated. Only 15 countries have lobbying regulations, and 11 were adopted between 2005 and 2012.

Chile is one of the countries where lobbying regulation has been recently introduced, as part of wider anti-corruption reforms. In response to corruption scandals exposed in 2014, which revealed a system in which meetings between corporate executives and politicians were frequent and allowed the exchange of influence and campaign resources outside of public view, the Lobbying Act was enacted in 2014. The law, included in Chile's first OGP Action Plan, was adopted after a public consultation process that incorporated civil society's concerns.

The act establishes legal definitions for lobbying and active (paid lobbyists and unpaid interest managers) and passive subjects (ministers, vice ministers, heads of departments, regional directors of public services, mayors and governors, regional ministerial secretaries and ambassadors, among others); creates a public register where authorities must disclose information on meetings; and specifies sanctions and fines. It also gives the Council for Transparency the mandate to consolidate data on lobbying activities and make them public via an online platform (InfoLobby), where the numbers of meetings, travels and donations to the authorities covered by the law are periodically published (both in aggregate and by agency). The platform also contains the registration of all lobbyists.

Source: Sahd, J., and C. Valenzuela, *Lobby Law in Chile: Democratizing Access to Public Authorities*, Open Government Partnership, www.oecd.org/gov/ethics/lobbying.htm.

Public integrity tools

Codes of conduct are becoming increasingly common. A code of conduct is a "statement of principles and values that establishes a set of expectations and standards for how an organisation, government body, company, affiliated group or individual will behave, including minimal levels of compliance and disciplinary actions for the organisation, its staff and volunteers."¹¹² While most are rule-based, often relying on "core values" of an institution, they are also moving into positively promoting ethical conduct.¹¹³

These integrity tools are preferred by some because of a concern that mechanisms based on controls and sanctions may "crowd out" authentic ethical behaviour, promoting an instrumental stance towards ethics in public office.¹¹⁴ The literature suggests that including both aspirational goals (values) and operational guidelines, especially when they are accompanied by enforcement mechanisms, can be more effective.¹¹⁵ A sample search identified 31 different general codes of ethics for the public/civil service from 29 countries plus the UN and the European Union, 6 of which were adopted before 2000, 11 between 2000 and 2009, and 14 after 2010.¹¹⁶

Another well-known tool for promoting ethical behaviour is the signing of integrity pacts (as in Sierra Leone and Mexico),¹¹⁷ in which public agencies and their service providers or contractors formally commit to comply with best practices and transparency in contracting, sometimes with civil society organizations providing monitoring.

2.3.2. Indirect anti-corruption strategies

Indirect anti-corruption strategies include measures aimed at making public institutions more effective while reducing opportunities and incentives for corrupt behaviour (e.g., limiting discretion, red tape and opaqueness). Reforms expected to have anti-corruption effects include public sector and civil service reforms, public financial management, and social accountability. In fulfilling their responsibilities, Supreme Audit Institutions (SAIs) can also contribute to the discovery and reduction of corruption.

Public financial management¹¹⁸

Public financial management (PFM) includes the laws, rules, systems and processes to mobilise and collect revenue (e.g., taxation and customs), formulate the budget and allocate public funds, implement the budget and undertake public spending (e.g., payroll and procurement), and account for funds and audit results.¹¹⁹

Corruption in PFM undermines public confidence in government, affects the delivery of services and the provision of public goods, hinders social and economic development, creates inequality, and weakens the rule of law. For example, higher transaction costs created by corruption in customs constrain competitiveness, and corruption in budget management undermines the legitimacy and effectiveness of resource allocation.¹²⁰

Weak PFM systems create opportunities for corruption.¹²¹ Corruption emerges in the relations among the actors in the PFM cycle, including members of government, parliament, other state entities (e.g. tax authorities, central banks and auditors), and officials in local and regional governments. Corruption in PFM has mostly been analysed from a principal-agent perspective, which focuses on how political decisions are made, how they can be captured by specific groups and interests, and how public administration implements them.¹²²

PFM reforms have typically addressed corruption as a technical and administrative issue. These reforms have focused on reducing discretion, improving transparency in administrative procedures, and standardising and automatising processes. They also include better monitoring and enforcement of tougher sanctions. However, PFM corruption is a political problem.¹²³ PFM reforms require political support and consideration of broader governance and political issues. A distinctive feature of PFM reform is that international standards exist for the entire cycle. See Box 2.12.

Anti-corruption PFM reforms can be classified into five main types.¹²⁴ First, reducing technical complexity, including information and communication systems. Second, simplifying financial regulations where feasible and coherent, but particularly in high risk and high value areas. Third, enhancing transparency: government information systems must disclose key policy decisions and financial performance data. Fourth, providing the public with access to channels to ensure value for money and improve probity in service delivery (e.g., complaint mechanisms). Finally, strengthening internal and external audits, ensuring access to government information and the full disclosure of the reports to the public. They have benefitted from the development of specific measurement tools and technological advances, which also contribute to generating evidence on the effectiveness of reforms.¹²⁵

Empirical evidence indicates that domestic economic and political factors are the most important for the quality of PFM systems,¹²⁶ and thus for addressing corruption. It shows that PFM reforms are effective in reducing corruption in public administration,¹²⁷ but the evidence for specific types of PFM reforms is less consistent.¹²⁸

Box 2.12. Selected PFM international standards

The **GIFT High-Level Principles on Fiscal Transparency** were acknowledged by the UN General Assembly in 2012 (UNGA Resolution 67/218). This resolution encouraged member states to “intensify efforts to enhance transparency, participation and accountability in fiscal policies, including through the consideration of the principles set out by GIFT.” In 2016, the new Principles of Public Participation in Fiscal Policy were launched.

The **Public Expenditure and Financial Accountability (PEFA)** assessment framework (developed by the IMF and the World Bank in conjunction with the EU, DFID and other bilateral donors) provides a set of 31 standardised high-level indicators to measure the performance of a PFM system. The framework was revised in 2016. It assesses seven pillars: 1. Budget reliability; 2 Transparency of public finances; 3 Management of assets and liabilities; 4 Policy-based fiscal strategy and budgeting; 5 Predictability and control in budget execution; 6 Accounting and reporting, and 7. External scrutiny and audit. Since 2005, some 300 PEFA assessments of national and sub-national PFM systems have been undertaken in over 100 countries. The PEFA framework has gained wide recognition and provides a good guide to the status of PFM systems.

The **United Nations Commission on International Trade Law (UNCITRAL) Model Law on Public Procurement** (revised in 2011) reflects best practice in the area of public procurement from around the world and can be adapted to local circumstances. This Model Law is supplemented by a Guide to Enactment, a comprehensive tool which provides background and explanatory information on policies in the UNCITRAL Model Law, to discuss objectives and to advise on options. These resources have been used extensively as a benchmark for assessing procurement laws.

The **Open Contracting Data Standard (OCDS)**, which ensures the transparency and data quality of e-procurement systems, is a globally recognised benchmark for the procurement cycle.

Source: see footnote.¹²⁹

In public procurement, corruption risks are related to lack of transparency, access to information, accountability, and control at each stage of the process.¹³⁰ Article 9 (1) of UNCAC aims to prevent corruption in procurement by promoting disclosure of information, establishing prior conditions for participation, and using objective and predetermined criteria for decisions.¹³¹ The use of IT systems for addressing corruption in procurement has gained wide attention. E-procurement platforms, public announcements about e-procurement processes and bidding results, as well as online mechanisms to monitor and evaluate e-procurement contracts, have been widely adopted. The 2018 e-Government Survey shows that 130 out of 193 United Nations Member States have e-procurement platforms in place compared to only 98 in 2016.¹³² In 2018, 59% of Member States (compared to 40% in 2016) provide online announcements and share results of the bidding processes, as well as provide information for monitoring and evaluating public procurement contracts.

There is consistent evidence of the effectiveness of procurement reforms for addressing corruption. Cross-country studies suggest that robust procurement systems are associated with lower corruption.¹³³ The evidence suggests a positive effect of reforms that aim to enhance monitoring, oversight and transparency, particularly when combined.¹³⁴ Increased monitoring and auditing of procurement officers, increased publicity in procurement, and open and non-discretionary processes also seem to have positive effects.¹³⁵ Governments are combining some of these measures in what is called “open contracting.”¹³⁶ Country-level case studies provide evidence of successful procurement reform in countries like Austria, Bulgaria, Chile, the Czech Republic, Georgia, India, Korea, Slovenia, and Portugal.¹³⁷ Some experiences include civil society engagement through procurement monitoring and oversight.¹³⁸

Conditions for the success of e-procurement reforms include strong government leadership, appropriate implementation framework (e.g. procurement policy, legislation, capacity building, standards), infrastructure development (connectivity), complaint mechanisms, and oversight over collusion and bid rigging.¹³⁹ However, there is no rigorous evidence on the effect on corruption. Given the cost of IT-based tools, the cost-benefit of e-procurement reforms is an important issue for which there is no evidence yet.

Social accountability

Social accountability initiatives have multiplied since 2000. They aim to enhance accountability and development outcomes through civic engagement and government responsiveness. They encompass multiple mechanisms, such as citizen monitoring and oversight, feedback on service delivery, and public information access and dissemination. Information and communication technologies, including mobile applications, have supported innovative ways of addressing corruption through citizen engagement, monitoring and oversight.

Although still contested, the evidence suggests that social accountability mechanisms can have an impact in reducing corruption. Context is key for their effectiveness. The conditions that support success include: focusing on issues that are relevant to the targeted population; targeting of relatively homogenous populations; supporting populations to be empowered and have the capacity to hold institutions accountable and withstand elite capture; synergies and coalitions between different actors; alignment between social accountability and other reforms and monitoring mechanisms; credible sanctions; and functional and responsive state institutions.¹⁴²

Box 2.13. Innovative social accountability tools using mobile technology



Phones Against Corruption in Papua New Guinea is a corruption reporting tool based on anonymous mobile messaging. It was recently awarded the Sheikh Tamim Hamad Al Thani International Anti-Corruption Excellence Award, under the Anti-Corruption Innovation category.¹⁴⁰

In the Philippines, DevelopmentLIVE is a mobile phone application for Android, which allows citizens to monitor and provide feedback on local development projects. It is currently being pilot tested across schools and municipalities, and will be rolled out to 500 schools and 1300 municipalities by 2019. DevLIVE has also been included as a government commitment in the forthcoming OGP national action plan.¹⁴¹

Source: Contribution by UNDP to WPSR 2019.

Table 2.6.**Examples of social accountability initiatives and effects on corruption**

Type of mechanism	Area	Countries	Effects
Information campaigns ¹⁴³	Education	Uganda & Madagascar	Constrain the capture of public funds
Access to information laws ¹⁴⁴	Public services	New Delhi (India)	Use of ATI law is almost as effective as bribery in helping slum dwellers access a basic public service (ration cards).
Freedom of the press ¹⁴⁵	Corruption	Americas (Argentina, Canada, Ecuador, Venezuela, Brazil, Colombia, Mexico, United States); Africa (Ghana, Kenya, Tanzania); Europe (United Kingdom, Italy, Russia); Asia (Vietnam)	Increased press freedom reduces corruption.
Citizen report cards ¹⁴⁶	Public services	Bangalore	Exposure of irregularities led to property tax reforms which reduced opportunities for corruption.
Citizen monitoring ¹⁴⁷	Education	Philippines	Reduce corruption.
CSO engagement ¹⁴⁸	Corruption	Statistical study	Positive relationship between the strength of civil society and the mitigation of corruption.
Social accountability training (providing monitoring skills and promoting reporting) ¹⁴⁹	Several types of projects (teachers' houses, livestock provision, fencing and enterprise development)	Uganda	Reduced mismanagement, improving performance, in corrupt areas.

Source: see footnotes in the table.

While the evidence on the direct impact of transparency and access to information on corruption remains inconclusive, they are important for the effectiveness of social accountability in general. Some evidence suggests that the media play an important role in supporting other social accountability mechanisms. There is also evidence of interactions, for example showing that the effect of freedom of the press on corruption is amplified with effective institutions of horizontal accountability (e.g., independent judiciary and strong parliaments), while electoral accountability seems to have little effect on corruption.

Civil society organizations (CSOs) can contribute to reducing corruption by strengthening accountability systems. Still, such positive impact requires capacity to influence service providers, the combination of broad-based community mobilisation with professionalised CSOs, and engagement between state and civil society actors.

The evidence on the effectiveness of community monitoring is mixed. Crucial contextual factors that have been linked to lack of success include elite capture and collective action problems related to socially and economically fragmented

societies. Community monitoring for anti-corruption is also less effective when the issues monitored do not affect citizens' interests directly. Thus, effective monitoring depends on citizen's incentives and not merely on information.

Supreme audit institutions

Supreme audit institutions (SAIs) are important guardians of accountability and key institutions of national integrity systems. The International Organisation of Supreme Audit Institutions (INTOSAI) has identified assessing and supporting the implementation of SDG 16 as one of the areas where SAIs can contribute to the follow-up and review of the SDGs.¹⁵⁰

SAIs can contribute to corruption prevention by improving transparency and accountability, strengthening good governance and limiting opportunities for corrupt practices.¹⁵¹ As identified in INTOSAI's guideline for auditing corruption prevention (ISSAI-5700), SAIs can contribute by incorporating corruption and wrongdoing issues in SAI's routine audit work; raising public awareness of corruption through timely disclosure of audit findings; improving methods and tools for

combatting corruption; providing means for whistleblowers to report instances of wrongdoing; and cooperating with other institutions.¹⁵² SAls can also focus their audit plans on areas and entities prone to corruption (e.g., in 2017, Costa Rica's SAI audited 80% of high corruption risk entities),¹⁵³ and evaluate the effectiveness of financial and internal control systems,¹⁵⁴ as well as anti-corruption systems, strategies and programmes.

Audit reports are a critical source of data for identifying instances of corruption in key SDG areas at different levels (e.g., service delivery, procurement, organizational resources) and for assessing whether corruption issues are being addressed by authorities.¹⁵⁵ Moreover, some SAls are expected to collect data on corruption when a country has an anti-corruption strategy or policy in place, or the country is signatory of a binding international anti-corruption instrument (e.g. UNCAC). In some countries, the SAI is the state entity responsible for receiving and managing public officials' assets declarations (e.g., Costa Rica, Paraguay).¹⁵⁶

Levels of SAI activism regarding corruption vary across contexts.¹⁵⁷ One factor that explains this variation is SAls' mandate to undertake corruption investigations. In 2017, most SAls (77%) had a mandate to share information with specialized anti-corruption institutions, 55% to investigate corruption and fraud, and 39% to exercise oversight of national institutions whose mandate is to investigate corruption.¹⁵⁸ Eighteen percent of all SAls have the power to sanction corruption-related cases, while SAls without jurisdictional powers will pass the suspicions of corruption onto law enforcement bodies. Similarly, 26% of SAls are mandated to carry out jurisdictional control and to judge accounts issued to public institutions and companies. Globally, 37% of SAls, mainly in developing countries, have the mandate to sanction officials responsible for mismanagement. Even without an investigation mandate, SAls may perceive that anti-corruption is part of their general obligation to oversee public resources. Major corruption scandals may also move the SAI to focus on corruption, or parliament may expect the SAI to play a role in detecting and preventing corruption (e.g., Norway).¹⁵⁹

However, there are some challenges to SAls' anti-corruption role. As audits focus on systems and entities (not individual practices), SAls may see investigating corruption as falling outside of their audit competence or feel more comfortable with corruption prevention. Also, SAls often perceive the task of detecting corruption as too resource intensive, and an area where it is difficult to show results. Moreover, coordination with other entities (the police or the judiciary) to investigate and enforce sanctions is challenging in certain contexts.¹⁶⁰

Despite the challenges, there are good examples of SAls' contributions to detecting and preventing corruption.¹⁶¹ In Korea, the SAI assesses the application of integrity policies at the ministry level as part of other mandated audits. SAls conducting similar audits include Brazil, Poland, Portugal and

Sweden, among others. In Brazil, the SAI (*Tribunal de Contas da União*, TCU) has developed a handbook on auditing fraud and corruption and set up a specialized internal unit (Seccor).¹⁶² Recent work includes a systematic assessment of corruption risks in federal government entities (see Box 2.3).

SAls also evaluate the design and quality of anti-corruption frameworks at a whole of government level (e.g., Poland, EU, the Netherlands, USA, Canada, Mexico). For example, in 2012 the European Court of Audit (ECA) analysed the conflict of interest regimes in four European agencies and recommended to develop a comprehensive regulatory framework.¹⁶³ Poland, Mexico and Colombia's SAls, among others, have conducted evaluations of national anti-corruption programmes across ministries and central institutions.

The Netherlands' Court of Audit conducted an audit of integrity management in central government in 2009.¹⁶⁴ The audit found that soft controls have more impact on integrity perception than hard or general controls. It also identified the need to improve communication on integrity policy, rules and procedures, and to pay more attention to integrity culture and behavior such as tone at the top and ethical guidance of management. Based on this work, a self-assessment integrity tool for SAls (IntoSAINT) was developed to support the implementation of SAls' code of ethics.¹⁶⁵

The INTOSAI Development Initiative (IDI) has a global capacity development programme to support SAls in conducting performance audits of national anti-corruption frameworks, combining both a systemic and a sector approach. The programme has issued a guidance to conduct performance audits on anti-corruption frameworks.¹⁶⁶

In the context of the SDGs, SAls are collaborating with UNODC on an assessment of information technology (IT) procurement linked to chapter 2 of UNCAC. Building on the corruption risk model developed by SAI Hungary, and information from audit reports from 15 countries, the study aims to assess the effectiveness of preventing corruption risks in IT procurement.¹⁶⁷ Further, the regional organization of African SAls (AFROSAI) has conducted a coordinated audit on corruption as a driver of illicit financial flows in 2018.¹⁶⁸ The audit assessed the extent to which African governments had implemented international anti-corruption instruments (the African Union Convention for the Preventing and Combatting of Corruption and UNCAC) regarding asset declaration systems and public procurement.

SAls are among the few anti-corruption institutions for which there exists some consistent (even if small) evidence of positive effect on tackling corruption.¹⁶⁹ A meta-evaluation found SAls to be more effective at reducing corruption than other anti-corruption institutions such as anti-corruption authorities.¹⁷⁰ SAls' effectiveness depends on their organizational capacity and resources and on the governance environment in which they operate.¹⁷¹ Receiving information from other entities and

effective legislative oversight following audit recommendations, as well as the ability to impose sanctions, are essential for audit reports to have an effect.

Specialised audits, such as forensic and performance audits, seem more effective in detecting and preventing corruption than other audits. However, audits must be combined with other instruments such as disclosure of information (e.g., through media) and credible sanctions of those responsible for corrupt transactions.¹⁷² For example, in Argentina, specialised audits of hospital accounts and monitoring of procurement officers reduced procurement prices by 10%.¹⁷³ In Brazil, increased risk of random audits of municipalities reduced the share of resources involved in corrupt procurement by 10% and the percentage of procurement processes with evidence of corruption by 15%.¹⁷⁴ These audits increased the probability of legal action by 20%.¹⁷⁵ Also, municipalities that had experienced a previous audit committed 8% fewer acts of corruption. It was estimated that audits reduced corruption by 355,000 Brazilian reais (approximately USD 94,300)¹⁷⁶ per year per municipality.¹⁷⁷

2.3.3. Anti-corruption at the local level

Anti-corruption reform at the subnational level can contribute to accelerate the implementation of SDG 16.5.¹⁷⁸ Local and regional governments across the world are increasingly

committed to reconnecting with citizens, preventing corruption and increasing accountability. Many local governments have adopted anti-corruption strategies and measures, and work actively on different initiatives to advance SDG 16.5.¹⁷⁹

Some countries have recognised the importance of developing sub-national anticorruption strategies, provide support to local governments, and are experimenting with different mechanisms for enhancing coordination of anti-corruption measures between levels of government. For example, in Colombia, the law to strengthen the mechanisms for preventing, investigating and sanctioning acts of corruption (Ley 1474 de 2011) requires every national, state and local government agency to develop a yearly anti-corruption and citizen service plan. Colombia's Ministry of Transparency provides methodological support and monitors these yearly plans.¹⁸⁰

Initiatives related to SDG 16 at the local level have focused on promoting a concept of open government that includes the main principles to prevent corruption. An open local government is: transparent, providing information about its actions, budget and performance; accountable before its citizens, responding to their needs; inclusive and participatory, counting on civil society and citizens to jointly create solutions, and innovative, developing actions that take advantage of citizen's knowledge and new technologies.¹⁸¹

Box 2.14. How are local governments addressing corruption in the framework of the SDGs?

Many mayors, governors and local governments across the world are committed to fighting corruption, but they need updated tools and mechanisms to implement open government policies and to change the way public administration works. To support local governments, the Spanish Federation of Municipalities and Provinces, together with UN-Habitat Local Government Unit developed a strategy to create awareness about the need to fight corruption in cities.

This process culminated in 2017 with the creation of the Community of Practice on Transparency and Open Government within United Cities and Local Government (UCLG), the largest local government network gathering more than 250,000 members, from small towns to metropolis to national and regional associations of cities. The Community of Practice is open not only to UCLG members, but to institutions and partners committed to applying the open government principles.

In recent years, actions included participation for the first time of the local government constituency in key events such as the Transparency International Anti-Corruption Conference (Putrajaya 2015 and Panama 2016), the Open Government Partnership Summit in Paris in 2015, the Conference of the Parties of UNCAC in Vienna in 2015 and the promotion of the issue in major local government gatherings, such as Africities (Johannesburg, December 2015), UCLG Congress (Bogota 2016) or Metropolis (Montreal 2017).

Local governments have also played an active role during the last two-year edition of the UN International Anti-Corruption Day, launching the twitter campaign #commit2transparency, disseminating a message of world Mayors (<https://www.youtube.com/watch?v=76EHVqZJKYc>), and approving the Hangzhou Statement endorsed by all UCLG members (https://www.uclg.org/sites/default/files/hangzhou_statement_anticorruption_hangzhou_2017.pdf). Important partnerships have emerged, specially between the UCLG Community of Practice and the UNODC, Transparency International, and OGP, which has developed a specific "Subnational Government Pilot Program" recognizing innovation at the local level.

Source: Contribution by UN-Habitat and the Spanish Federation of Municipalities and Provinces.

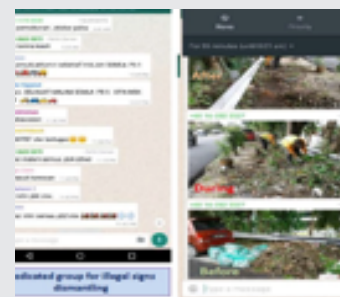
Box 2.15. How are cities and local governments addressing corruption? Some innovative solutions across the world

Cities and regional governments in all continents are making corruption prevention a priority in urban development and finance. The following are examples of how cities are addressing corruption through increased transparency, citizen participation and innovative use of technologies. Since corruption is difficult to detect, hard to police, and even harder to eradicate once a culture of bribery has taken hold on society, new technologies can be efficient tools to eradicate corruption, facilitating rapid collection of fees and local taxes, geolocating transactions, and allowing information to flow between local government and citizens. This new level of public scrutiny can help decision-makers to boost their capacities in fighting corruption.

MBacké, Senegal (300,000 inhabitants), implemented a new tax collection system to collect revenue related to roads, markets stalls, parking, and slaughterhouses. The YTAX system, developed by the NGO Enda ECOPOP is a SMART and collaborative system to improve the mobilization of local resources, reinforce transparency and fight fiscal evasion. The tool operates through a cellphone and a mini printer that issues receipts in real time. It is used by local collectors at municipal markets and bus stations. Taxes are parameterized in the device and the terminal allows locating by GPS the place where the collection was made. Every time a transaction is made, officials can visualize the place and the amount charged, tracking exactly how much money is collected and where. The municipality can follow in real time the operations of collecting tax resources on the municipal territory. More information: <http://www.uraia.org/en/library/inspiring-practices-catalogue/yelen-tax-ytaxenda-ecopop-senegal/>



Petaling Jaya, Malaysia (198,000 inhabitants), has been using WhatsApp as a platform to monitor in real time the performance of contractors dealing with waste management collection and cleaning of public spaces. WhatsApp helps to address faster the requests and complains from the citizens as well as possible damages and failures of the services. This app, used as a municipal management tool, has improved efficiency and transparency in public service delivery, as it detects in real time where the problem happens and brings the citizen in direct contact with the municipality, which is able to react and pressure the contractor, preventing bribes or direct payment of service between the citizen and the contractor in charge of public services. <http://my-pj.info/>



Montreal, Canada (1,700,000 inhabitants), publishes all the information related to public procurement through its portal "Overview on contracts" (<https://ville.montreal.qc.ca/vuesurlescontrats>), including full information about the 95,000 contracts between the municipality and its different providers since 2012. Full transparency allows increased citizen supervision but also a better overview from local leaders and public officers about how the different budget chapters interact with each other, providing information about possible double expenditures and comparing prices between the different services. The system complements the city open data policy, as well as the capacity of citizens to address the City Ombudsman in person in order to have direct information on how the municipality uses its taxes. It is also a recourse for those who believe that they are adversely affected by a decision of the City of Montreal (<https://ombudsmontreal.com/en/>).



Santa Fe, Argentina (900,000 inhabitants), has published an interactive map of the city showing all the ongoing public works, including road repairs, building construction, new lighting, etc. Citizens can check all the public works in their vicinity and access information regarding the cost, the date for implementation and the contracting process. The system allows citizens to report any issue or question directly to the municipality, where complains are registered, monitored and reported (<http://santafeciudad.gov.ar/blogs/obras/>).



Source: Contribution by the Uraia Platform, an initiative by UN-Habitat and the Global Fund for the development of cities - FMDV.

2.4. Integrating anti-corruption in sectors

Given the widespread threats of corruption to sustainable development, anti-corruption policies should be adopted broadly in SDG related work. Target 16.5 must be incorporated into other SDG areas to ensure that progress is made on all SDGs. This requires breaking down sectoral siloes and integrating the anti-corruption and sustainable development agendas.¹⁸² However, while its cross-cutting nature is recognized, target 16.5 has seldom been substantially and explicitly linked to other SDG targets.

The integration of anti-corruption policies and measures into sectors can contribute to addressing corruption in order to ensure progress in different SDGs. Some anti-corruption measures are aimed at addressing corruption at the systemic level or the whole of public administration. However, a large portion of public budgets is invested in specific sectors (e.g., extractive industries, infrastructure, health, education), which are highly vulnerable to embezzlement, leakages and other forms of corruption.¹⁸³ In consequence, there has been increasing attention to addressing corruption in specific sectors through measures that respond to the characteristics and risks of each sector. Corruption control at sector level is one of the most direct and tangible ways to improve the wellbeing of the population.¹⁸⁴

2.4.1. Approaches for integrating anti-corruption in sectors

Although it has both advantages and disadvantages (see Table 2.7), the integration of anti-corruption in sectors fits well with the integrated approach of the 2030 Agenda, since it aims to reduce corruption within sectors in order to achieve strategic objectives

in those sectors (e.g., better health, education, improved access to water). Many governments are integrating measures to reduce vulnerabilities to corruption in sector strategies, policies and programmes in different SDG areas.¹⁸⁵

There are two main ways to integrate anti-corruption in SDG areas: systematically mainstreaming anti-corruption measures in sectors, and implementing focalised anti-corruption approaches in specific processes or sub-systems in a given sector. A version of the second approach is to implement pilots at the sector level, which can be scaled up if successful.

Systematically mainstreaming anti-corruption in sectors involves a comprehensive and gradual effort, usually initiated from the top-down, which involves: raising awareness about corruption in the sector; conducting a sector specific diagnostic to identify corruption risks and vulnerabilities; set a strategy for addressing corruption, identifying priorities, mitigating measures and monitoring guidelines; implementing the strategy, and monitoring and evaluating to adjust the process. A good example is the development of sectoral anti-corruption strategies. Sector-wide anti-corruption strategies are not common yet. Selected examples for different sectors are presented below.

In some countries, rather than a sector strategy, a national anticorruption strategy includes a focus on, or prioritises, one or more sectors. In other countries, the national anti-corruption strategy provides a framework for the development of sectoral strategies. Most of the sectoral anti-corruption strategies are found in the health sector, followed by education. Both sectors are intensive in the use of public resources and have large and complex structures that can create opportunities for corruption and mismanagement. Some of the lessons learned from sectoral anti-corruption strategies are relevant in the context of the SDGs (see Box 2.16).

Table 2.7.

Pros and cons of sectoral anti-corruption mainstreaming

Advantages	Disadvantages
<ul style="list-style-type: none"> ✓ Considers the specific characteristics of the sector and how it works. ✓ Allows government to focus on high risk or priority sectors (e.g., based on the volume of public resources), making anti-corruption approaches more efficient and potentially cost-effective. ✓ Produces concrete results (e.g., improved service delivery) and may have spill-over effects in other sectors. ✓ Reforms at sector level may be more feasible, as political resistance may be lower or ad hoc windows of opportunity may emerge. 	<ul style="list-style-type: none"> ✓ Risk of losing sight of broader governance and corruption problems (e.g., political corruption). ✓ Sectoral successes may be less sustainable in high corruption contexts (e.g., removal of high-level officials may endanger sector reform). ✓ Sectoral approaches may displace corruption from one sector to another, or from visible to less visible practices within the same sector. ✓ Requires new skills, capacities and ways of operating from sectoral staff, who may resist sectoral approaches and avoid committing to anti-corruption objectives.

Sources: Guillan Montero, A.; F. Boehm, 2014, Mainstreaming anti-corruption into sectors. Practices in U4 partner agencies, *U4 Brief*, February, Bergen, U4 Anti-Corruption Centre.

Table 2.8.**Examples of sectoral anti-corruption strategies**

Health	Afghanistan (2017-2020); Colombia (2013, annual)*; Croatia (2015, Health section in the NACS); Germany (2016); Grenada (2013); Lithuania (2015-2020); Morocco (2008-2012)†; Mozambique (2014-2019)**; Poland (2017, Health section in the NACS); Romania (2012-2017, 2016-2020, Health priority in NACS)
Education	Mozambique (2011); Peru (2017); Serbia (2013-2018)‡
Water	Mozambique (2011)
Police	El Salvador (2017), Colombia (2013)

Source: Author's elaboration.

*Colombia's Public Service Regulations¹⁸⁶ require public agencies to develop a yearly anti-corruption and citizen service plan. These agencies also present follow up reports on the plan and have transparency obligations.

** Mozambique's 2007 Action Plan for the implementation of the National Anti-Corruption Strategy established action in five priority sectors: Justice, Finance, Interior, Education and Culture, and Health. Anti-corruption measures are included in the Health Sector Strategic Plan (2014-2019), under "Integrity, Transparency and Accountability."

† In Morocco, the Instance Centrale de Prévention de la Corruption opted for adopting a series of anti-corruption sector strategies. The sectors of health, transportation, real estate and education were selected as the highest priorities.

‡ Serbia's National Anti-Corruption Strategy (2013-2018) and the Action Plan include education among priority sectors.

Box 2.16. Anti-corruption water sector strategy in Mozambique

Following the results of a National Survey on Governance and Corruption (2004 and 2011), the Mozambican government developed a suite of anti-corruption laws, institutions, instruments, and strategies, including a framework anti-corruption law in 2004. As part of its overall public sector reform, the government published guidelines for the development of a national anti-corruption strategy in 2005. In 2008, Mozambique ratified UNCAC and set up a dedicated anti-corruption unit to investigate abuses (Central Office for Combating Corruption, or GCCC by its Portuguese acronym). The national anti-corruption strategy recognises that sectors are at the heart of achieving real progress in combating corruption. The development of a sector-specific anticorruption strategy for the water sector was initiated and funded by the National Water Directorate, and had the technical support of the Water Integrity Network.

Although the strategy development process was imperfect (due to sector fragmentation, limited resources, implementation delays, and capacity constraints), and civil society engagement and political leadership were limited, the strategy led to some good examples of improved accountability and information dissemination undertaken by different actors. Some lessons learned from this experience are particularly relevant in the context of SDG implementation.

First, leadership and clear mandates are needed for ensuring commitment and facilitating coordination. High-level political leadership is essential to support the commitment of officials and technical personnel within government departments. Involving sector leaders with clear formal mandates through a multi-stakeholder reference group under the umbrella leadership of the ministry of public works and housing in collaboration with the ministry of state administration was critical to implement the strategy and action plan. Second, the importance of inter-sectoral links. In the context of decentralised service delivery, the engagement of political and administrative structures of local government through the ministry of state administration (or an equivalent) and local government associations was crucial. Third, the need to coordinate and engage actors at different levels of government. Processes led by national governments should be complemented by locally-driven accountability processes that engage non-state actors. Also, decentralised information sharing improves accountability in public administration. Fourth, multi-stakeholder processes are complex, expensive, and time consuming; require solid networking and facilitation skills, and consistent efforts to maintain momentum and provide feedback to stakeholders.

Source: Potter, A., and J. Butterworth, 2014, Mainstreaming anti-corruption initiatives: Development of a water sector strategy in Mozambique, *U4 Practice Insight 2*, Bergen, U4 Anti-Corruption Centre.

Integrating anti-corruption measures into specific sector processes or subsystems is used more extensively than systematic anti-corruption mainstreaming, since it requires fewer resources and may find more windows of opportunity, even in challenging contexts. Interventions to address corruption vulnerabilities into processes and systems can be classified based on their nature. These measures aim to enhance transparency, integrity, accountability and people's engagement within sector processes and systems to address specific corruption vulnerabilities. Some of these measures are related to voluntary multi-stakeholder processes and initiatives (for selected examples of sectoral multi-stakeholder initiatives, see Table 2.9.)

Since corruption is present in all sectors, measures and tools developed for tackling corruption in public administration generally can and should be used in sectors. Both cross-cutting anti-corruption interventions and sectoral policy instruments must be consistent for addressing corruption more effectively. For example, experts have noted that illegal logging in Indonesia could be more effectively reduced by indicting perpetrators not only using the Forestry Law but also the Anti-Corruption Law when the connection to losses in state revenue can be proved.¹⁸⁷ Although anti-corruption legislation is not generally operationalised at the sector level, in some countries it enables the role of anti-corruption bodies in specific sectors (e.g., Nigeria, Sierra Leone).¹⁸⁸

At the sector level, enhancing transparency and oversight should also consider specialised oversight bodies (e.g., UK

Counter Fraud Service for the health sector) as well as sector-specific regulators which monitor and audit public entities. For example, in the water sector, the role of sector regulators is one of the factors, together with enhanced transparency and integrity measures of private providers, which has been related to improved efficiency in service provision in four Latin American cities (Medellin, San Pedro, Quito and Comayagua).¹⁸⁹

In some sectors, interventions have aimed to tackle corruption by increasing competition within the sector (for example, through public-private-partnerships, subcontracting service delivery, privatizing services).¹⁹⁰ However, these interventions have their own vulnerabilities to corruption, which must be addressed, for example by increasing transparency and information disclosure in public-private partnerships in infrastructure.¹⁹¹

Some anti-corruption interventions at the sector level may be initiated and implemented as pilots, often with a bottom-up approach, starting at the local level and involving civil society organisations and non-state actors. Reform opportunities may open more easily at the local level, especially in the context of decentralised service delivery sectors (education, water, health) or even infrastructure. In some countries, specific sectors are prioritised to implement integrity pilots (e.g., Colombia has prioritised extractive industries and the pharmaceutical subsector of the health system¹⁹²). Some of these pilots may become good practices that can then be replicated, demonstrated and scaled up.¹⁹³ Annex 1 presents an overview of anti-corruption measures in selected sectors.

Table 2.9.
Examples of voluntary multi-stakeholder initiatives in sectors

Initiative	Year	Aim	Sector
Extractive Industries Transparency Initiative (EITI)	2003	Voluntary certification program for revenue transparency in the extractive industries through publication and audit of company payments and government revenues from oil, gas and mining. While EITI is implemented by law, this process is overseen by a local multi-stakeholder group in each respective country. Independent consultancies evaluate performance.	Extractives
Medicines Transparency Alliance (MeTA)	2008	Improve transparency and accountability in the pharmaceutical system to have a positive impact on access to medicines. Data disclosure and transparency in data collection and dissemination in the following areas: i) quality and registration status of medicines; ii) availability of medicines; iii) price of medicines; and iv) promotion of medicines.	Health
Construction Sector Transparency Initiative (CoST)	2008	Works with governments, industry and local communities to get better value from public infrastructure investment by increasing transparency and accountability. It promotes transparency by disclosing data from public infrastructure investment.	Construction
Open Government Partnership	2011	Brings together government reformers and civil society leaders to create action plans that make governments more inclusive, responsive and accountable.	Cross-cutting-public sector

Source: Author's elaboration.

2.4.2. Evidence of effectiveness of anti-corruption interventions in sectors

Evidence of the effect of anti-corruption interventions in specific SDG issue areas is still limited.¹⁹⁴ A recent 2016 review for the health sector,¹⁹⁵ for example, found that only 9 studies met the criteria for establishing empirical evidence for the effectiveness of anti-corruption interventions and only one case showed high-certainty evidence.¹⁹⁶ According to experts,¹⁹⁷ this lack of evidence could be the result of inadequate enforcement, particularly for cases of corruption across jurisdictions, which require international cooperation. Poor monitoring and evaluation are also a contributing factor.

Although the evidence on the effectiveness of specific types of anti-corruption reforms is limited and often inconsistent (contested evidence or mixed results of positive and negative effects), there are examples of effective anti-corruption interventions in sectors. The evidence shows that the combination of different anti-corruption interventions is likely to achieve stronger results in reducing corruption.¹⁹⁸ The measures that have been found to have more potential to effectively address corruption in sectors include public expenditure tracking tools, specialised audits and, under certain conditions, selected social accountability measures in combination with other interventions.

Evidence of the effective anti-corruption results of social monitoring and accountability initiatives is contested, but indicates that, under certain conditions, social accountability measures can have a positive impact on corruption in sectors. This positive effect has been found, for example, in infrastructure projects.¹⁹⁹ Participatory budgeting has also been found to have a positive impact in exposing corruption in health.²⁰⁰ Information and media campaigns have had a positive effect in reducing the capture of public funds in education and improving health service delivery.²⁰¹ Some experimental studies also find positive effects of the use of access to information legislation on reducing corruption in social programmes.²⁰²

The combination of community monitoring and non-financial incentives (e.g., diminished career prospects) and institutional monitoring with financial incentives (e.g., wage reduction) has also been found to have positive effects on corruption across sectors.²⁰³ Effective implementation is important to maintain these positive effects over time.²⁰⁴ The effect of decentralisation on corruption depends on the capacity of sub-national governments, the engagement of communities in planning and monitoring, local accountability structures, and the extent to which there is a free press, among other factors.²⁰⁵

Evidence indicates that the effect of anti-corruption measures may be heterogeneous across SDG areas. For example, in Brazil, increased probability of an audit at the municipal level had a deterrent effect in procurement but not in health care.²⁰⁶

Therefore, increasing the likelihood of an audit is not sufficient to deter rent-seeking if potential sanctions and the probability of sanction conditional on detection are too low.

Moreover, the effective reduction of corruption does not always improve sector outcomes. Evidence from the same programme of audits at the local level in Brazil found that “cracking down corruption may hurt service delivery.”²⁰⁷ The reduction in corruption came together with a reduction in spending and worse health indicators (e.g., hospital beds, immunization coverage). The “spending fell by so much that corruption per dollar spent actually increased” and health indicators became systematically worse. This is consistent with evidence from other countries. Successful anti-corruption reforms in the health sector in Uganda reduced bribery but did not improve health sector delivery.²⁰⁸ These results could be explained because corruption networks operate in certain contexts as alternative redistribution mechanisms and as a source of income for those with fewer resources.²⁰⁹

2.5. Monitoring target 16.5 and anti-corruption reform

The 2019 High Level Political Forum (HLPF) will review SDG 16 for the first time. Nonetheless, some Member States have already reported on transparency, accountability and anti-corruption in their voluntary national reviews (VNRs). Reporting on anti-corruption in the context of the HLPF is still incipient, and advances and trends are not yet traceable. However, the information presented in the reviews confirms the commitment of many countries to making progress on target 16.5.

From 111 VNRs presented in 2016-2018, 52 include terminology related to Target 16.5. From these, 49 include the term ‘transparency,’ 37 ‘corruption,’ and 36 ‘accountability.’ From 502 mentions of anti-corruption-related principles in total, 92 mentions report specific measures, 76 identify these issues as priorities, and 14 report on progress or results in this area. There are 32 mentions of initiatives in specific sectors, especially extractive industries, health, water and local governments, with reference made to fisheries, the marine environment, justice and gender. Also, some countries signal their commitment to aid other countries’ efforts in controlling corruption. Others emphasize the role played by civil society in fighting corruption and bribery.

Countries highlight advances in their capacity and effectiveness to address corruption, while acknowledging that national indicators are still below targets. Several countries focus on addressing corruption among high-level officials and combating illicit financial flows (e.g., Albania, Australia, Belgium, Chile, Czech Republic, Latvia, Montenegro, Namibia, Slovenia, Sweden and Togo). Others mention national policies to tackle

Table 2.10.

Reporting of progress on target 16.5 in voluntary national reviews, 2016–2018

Show commitment and actions	Support other countries' anti-corruption efforts	Reference to sectors	Civil society involvement
<ul style="list-style-type: none"> Albania Chile Cyprus Egypt Georgia Greece Athens Latvia Mexico Netherlands Nigeria 	<ul style="list-style-type: none"> Australia Belgium Denmark France Germany Netherlands Norway 	<ul style="list-style-type: none"> Albania Chile Cyprus Georgia Greece Latvia Mexico Netherlands Nigeria 	<ul style="list-style-type: none"> Belgium Brazil Estonia Georgia Germany Greece Indonesia Mexico Nepal Philippines Republic of Korea Sweden

Source: Author's elaboration.

illegal financial flows (e.g., Afghanistan, Belgium, Chile, France, Germany). Some countries have adopted National Anti-Corruption Plans (e.g., Estonia and Namibia). Latvia reports the implementation of targeted financial disclosure of public officials and politicians' assets, as well as conducting regular public opinion surveys on corruption in national and local institutions. Countries like the Czech Republic and Montenegro have focused on strengthening auditing systems.

Approaches to monitoring target 16.5

Discussions about monitoring target 16.5 have focused mainly on the selection of indicators for the global framework. The selected global indicators for measuring progress on target 16.5 focus on combatting bribery but do not capture other relevant forms of corruption.²¹⁰ Also, the availability of data to measure these indicators is currently limited and does not allow to identify patterns over time.

Countries are expected to develop their own national indicators to inform and complement the global SDG indicators. Some countries have started to identify national indicators to measure target 16.5 (e.g., Indonesia, UK). Some of these indicators consider not only measurements of corruption, but also track progress on the implementation of anti-corruption reforms.

In many countries, the public perception is that anti-corruption reforms are either insufficient or ineffective. For example, 50% of people surveyed in Latin America in 2017 believed that governments in the region were not doing well in their efforts to address corruption.²¹¹ This lack of trust is compounded by the fact that monitoring and measuring progress on anti-corruption reforms is challenging, and sustaining anti-corruption reforms

over time has proved difficult. The lack of comprehensive corruption risk management systems (see section 2.1.5 above) also makes it difficult to monitor progress at different levels.

Overall, monitoring and evaluation is one of the weakest links in the implementation of anti-corruption policies. Formalistic approaches usually report on activities rather than results. Often, regular reports are not produced. Also, monitoring and evaluation systems are generally not open to inputs from stakeholders, including public participation, civil society or academia. Capacity constraints, limited data availability and weak accountability for results aggravate these problems.²¹² There is a need for clarity about the expected outcomes and impacts that should realistically be the aim of anti-corruption interventions and how they shape the choice of relevant indicators.

Countries have multiple monitoring systems and indicators to track progress on anti-corruption interventions and to report to international peer review mechanisms, but there is weak coordination among such systems. Integrated monitoring systems are rare. Public agencies charged with monitoring anti-corruption strategies frequently lack the authority, political backing or capacity to encourage or compel powerful line ministries to report on progress.²¹³ For example, ACAs face difficulties in demanding compliance with basic monitoring requirements, and monitoring by high-level committees and councils seems challenging. Also, the impact of wider governance reforms on corruption is not assessed regularly as part of routine monitoring. Monitoring of international treaties is not always in line with national anti-corruption policy documents and only partially covers national anti-corruption policies.²¹⁴

Table 2.11.**Examples of proposed national indicators for target 16.5**

Country	Indicators	Sources of data
Indonesia	<ul style="list-style-type: none"> Percentage of population who pay a bribe to officers or who are solicited (indicator 16.5.1) Index of opinion/assessment of public habits related to corruption Index of experiences related to certain public services (sectors) Other corruptive experience indexes Anti-corruption law enforcement index/corruption law enforcement index Corruption Perception Index (CPI) 	<ul style="list-style-type: none"> UNODC Local Transparency International
United Kingdom	<ul style="list-style-type: none"> Proportion of senior officials and parliamentarians who fully disclose relevant financial interests Proportion of people who report paying a bribe for services Ratification of UNCAC and up-to-date legal framework against bribery, corruption and tax abuses which facilitate stolen asset recovery Existence of a mandatory public register that discloses the beneficial ownership of trust funds and companies Existence of a dedicated corruption-reporting mechanism through which citizens can report corruption cases Percentage of respondents who report paying a bribe when interacting with government officials in the last 12 months Conviction rate for all corruption cases 	<ul style="list-style-type: none"> Financial register is available, although detailed investigations are only undertaken if there is a complaint Freedom of information act and open data charter ensure timely data should be available TransparencyInternational:Corruption Perceptions Survey (annual)

Source: UNDP 2016.

Measuring change in corruption at the national level through aggregate indicators is difficult. A practical approach to measuring progress on anti-corruption needs to consider a mix of different indicators, and assess the benefits of specific interventions through outcome level indicators.²¹⁵ Indicators could include missing expenditures, the number of ghost workers, the percentage of funds that never reach an intended health facility or school, the number of public complaints, the number of victims of corruption, the number of bribes reported paid by passport applicants, the perceived levels of integrity of individual departments, teacher absenteeism rates, bribes paid to custom officials, etc.²¹⁶ These indicators should be complemented with others, as multiple indicators enable better capturing the progress and the different aspects of corruption vulnerabilities. The basket of indicators should combine both subjective and objective indicators, and combine input, output and process indicators, outcome indicators and impact indicators.²¹⁷ These can also be adapted to measure progress in specific SDG areas or at the local level.²¹⁸

However, using a mix of indicators is not a common approach. National anti-corruption strategies (NACs) usually measure the impact of implementing the strategy through perception-based indicators only. For example, for the Armenian NAC 2009-12, the reduction in the general level of corruption in Armenia was measured through changes in TI's CPI and the World Bank's control of corruption indicator. Output indicators are usually identified to assess the implementation of the action plans that

operationalize the NACs, but these indicators often present limitations (e.g., not measuring immediate outputs, being unclear or not assessable).²¹⁹

While measuring the completion and outcomes of anti-corruption agencies' activities is critical to provide reliable information on performance, to learn about what works and what does not and to manage public expectations, ACAs often have weak monitoring and evaluation systems. Guidance is available for ACAs to strengthen results-based management frameworks in order to identify which results the organization is responsible for and to monitor and evaluate results with a mix of different disaggregated indicators (to capture differences in types of corruption, corruption by sector, gender, locality, etc.).²²⁰ For example, UNDP's Guide to assess ACAs (see section 2.3.1) can be used for constructing output and outcome objectives and their respective indicators.²²¹

Similarly, monitoring systems for anti-corruption interventions at the sector level tend to be weak. One challenge is that policy measures outside the sector also have an impact on improving the sector's goals and outcomes.²²² For example, the implementation of access to information legislation or whistle-blowing protection systems, either at systemic level (e.g., national) or in specific entities, will also affect the results, which in turn makes it difficult to assert the causal relation between any given intervention and the sector outcomes. Therefore, it is recommended to combine different kinds of indicators

Table 2.12.

Example of mix of indicators for asset declarations

Inputs, processes and outputs	Outcomes	Impact
<ul style="list-style-type: none"> Existence of a legal framework for fighting illicit enrichment and for the declaration of assets Existence of an oversight agency to monitor anti-corruption efforts and income and asset disclosure Website to make data publicly available Civil servant training events on integrity and ethics 	<ul style="list-style-type: none"> Number of civil servants filing asset declarations Number of cases where officials failed to file declarations/filed incomplete declarations Number of cases of illicit enrichment/fraud detected through assets declarations 	<ul style="list-style-type: none"> Investigation rate for cases of suspected illicit enrichment Improvement in country performance on the Corruption Perception Index (CPI) Improvement in citizens' trust in various categories of public officials subject to the asset declaration regime Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by these public officials, during the previous 12 months

Source: Trapnell, S., M. Jenkins, M. Chêne, 2017, *Monitoring corruption and anti-corruption in the sustainable development goals. A resource guide*, Berlin, Transparency International.

to monitor sectoral anti-corruption interventions, including measures of the sectoral framework (evidence of the existing or missing conditions for a “clean” sector), progress of the anti-corruption interventions that aim to make the sector more transparent and accountable, and impact or sector-specific outputs and outcomes that show evidence of the integrity and corruption levels in the sector.²²³

Strengthening the monitoring systems of national anti-corruption institutions can contribute to assessing progress on the implementation of the SDGs. As the 2030 Agenda calls for countries to develop national indicators to measure progress on target 16.5, indicators from national anti-corruption institutions could complement the existing global indicators to track progress on the results of anti-corruption efforts at the national level, considering different sectors, forms of corruption and results for different groups.

2.6. Coherent anti-corruption policies in support of the SDGs

Progress in achieving all the SDGs requires effectively addressing corruption. This involves effectively integrating anti-corruption in national development plans and processes, harnessing potential synergies between anti-corruption approaches and other policy instruments, managing tensions and trade-offs, and minimising negative impacts.²²⁴ For achieving these goals, three strategies are (i) taking a systemic approach to anti-corruption; (ii) adopting specific instruments to identify and address trade-offs and to maximise consistency between anti-corruption and other policies; and (iii) strengthening institutional coordination.

Anti-corruption systems

A country's (or an organization's or sector's) anti-corruption system is made up of all the multiple bodies, actors, laws and norms, processes and practices that have responsibilities in preventing, detecting, prosecuting and sanctioning corruption. All these components of anti-corruption systems contribute to addressing corruption. Long-term institutional reforms with multiple elements are critical to sustain anti-corruption reforms over time. See Box 2.17.

Ultimately, the effectiveness of anti-corruption measures depends on the performance of the whole accountability system, including the interaction between all its parts.²²⁵ Prevention and oversight are critical elements of anti-corruption systems, but there is also the need to impose sanctions when illegal practices are unearthed. Accountability institutions (such as supreme audit institutions) and other non-state oversight actors (such as civil society, the media, international institutions and others) can contribute to the monitoring and detection of corrupt practices, but also to trigger the action of control agents with the mandate and capability to investigate and enforce sanctions (e.g., the judiciary).

To make anti-corruption systems work in practice, attention needs to be paid to the specific context in which they operate. As well as in specific sectors, anti-corruption measures can be adopted at national and subnational levels.²²⁶ At different levels of government and in different sectors, the choice of anti-corruption instruments should be based on an assessment of the corruption risks to be addressed (section 2.1.5), but also consider the specific characteristics of government institutions and practices at each level, the relevant actors and processes involved in each case, as well as the way in which they interact with the country's wider governance context.

Box 2.17. Chile's continued efforts to eradicate corruption

Chile is frequently mentioned in the literature among a handful of countries that have made substantive advances in addressing corruption. In 2017, Transparency International's Corruption Perception Index listed Chile as the second least corrupt country in Latin America, following Uruguay. In its main message to the 2017 HLPF, Chile reinforced its commitment to SDG 16 by highlighting the strengthening of democratic institutions as a long-term challenge for sustainable development.

Chile's 2017 VNR discusses explicitly its commitment to and progress on SDG 16. The country has adopted an "Integrity and Transparency Agenda" (*Agenda de Probidad y Transparencia*) explicitly aligned with SDG 16. As part of this agenda, between 2014 and 2017, the Chilean government enacted a series of laws:

- Strengthening and Transparency of Democracy (Ley N° 20.900, 2016)
- Constitutional amendment to give constitutional autonomy to the electoral service (Ley N° 20.860, 2015)
- New Law on Political Parties (Ley N° 20.915, 2016)
- Establishing the dismissal from parliamentary office, majors and other public servants for violating norms on transparency, limits and control of electoral spending (Ley N° 20.870, 2015)
- Compulsory Civic Education (Ley N° 20.911, 2016)
- Integrity in Public Service (Ley N° 20.880, 2016)
- Strengthening of High-Level Public Management (Ley N° 20.955, 2016)
- Law of lobbying (Ley N° 20.730, 2014)

The country also adopted a series of administrative reforms, including:

- Preventive Anti-Money Laundering and Anti-corruption in Public Services System
- Improvement of normative regulations of Public Procurement to strengthen the integrity demands for public procurement officials
- Code of Good Practice for Lobbyists
- Plan of Citizen Education for all educational institutions

Further, Chile established a Unit of Market Transparency at the Office of Agriculture Research and Policy (*Oficina de Estudios y Políticas Agrarias*, ODEPA) to improve transparency in order to enhance the performance and competitiveness of these markets.

Source: Consejo Nacional para la Implementación de la Agenda 2030 y el Desarrollo Sostenible, 2017, *Informe Nacional Voluntario, Chile, Agenda 2030 Objetivos de Desarrollo Sostenible*, June 16th.

Attention must also be paid to anti-corruption policy-making. Effectively addressing corruption not only requires selecting the combination of tools and measures that are most appropriate to address the identified vulnerabilities in each context, but also strengthening the design, implementation, and monitoring of anti-corruption policies and improving the available instruments to measure change or progress as a result of anti-corruption reforms.

Synergies between anti-corruption and other measures

Integrated anti-corruption policy-making, which addresses potential tensions and maximises consistency between anti-corruption and other policies, has ample benefits. First, it allows to consider competing priorities between anti-corruption and other policies. For example, addressing corruption may, under some circumstances, have negative effects on inequality (SDG10).²²⁷ It may consider missing links (both positive and negative) between anti-corruption interventions in one sector and other SDG areas – how existing sectoral and anti-corruption

policies, programmes and instruments may reinforce or undermine each other. For example, addressing corruption in infrastructure road projects may enhance (positive effect) access to health services. It could also consider both positive and negative spill-overs. One of the limitations of sectoral anti-corruption approaches is that corruption may just move from one sector to another due to an anti-corruption intervention (see Table 2.7). As a positive spill-over, other development initiatives, like investments in education, may pay off in enhancing integrity and decreasing corruption over time.²²⁸

Different instruments, such as corruption risk assessments, can be used to systematically identify and address potential inconsistencies and tensions between anti-corruption measures and other instruments. Article 5, paragraph 3, of UNCAC stipulates that State Parties shall "endeavour to periodically evaluate relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption."²²⁹ However, corruption risk assessments of legislation and regulatory measures are yet uncommon (they have been used mainly in Eastern Europe and Asia).²³⁰ Some countries are considering introducing this tool (e.g., Poland as

part of the “Government Programme for Fighting Corruption 2014-2019”). In others, handbooks, guidelines and manuals for drafting legislation include standards for legislation drafting and considerations on how to check for contradictions with other legislation (e.g., Austria, EU).²³¹ High-level political commitment, transparency, engagement of civil society, legally binding requirements, enforcement of results, and regular evaluation of the impact and efficacy of the corruption proofing activities are critical for the effectiveness of these tools.²³²

Integrated anti-corruption can also be fostered through institutional mechanisms to enhance coordination and collaboration between entities and stakeholders which are part of the anti-corruption system.

Institutional coordination for anti-corruption

Institutional coordination of entities with a mandate and authority to implement anti-corruption measures (including prevention)²³³ is one way of advancing integrated approaches.²³⁴ However, effective coordination has been a common challenge for anti-corruption.

Institutional multiplicity refers to the duplication of anti-corruption functions (preventive, investigative or oversight, and enforcement) among various governmental bodies. The corruption literature has discussed the benefits but also the unexpected consequences of competition among institutions in terms of increased opportunities for the extraction of rents.²³⁵ In the context of accountability institutions, institutional multiplicity can be seen as an inefficient allocation of resources. Moreover, competition among multiple entities which perform the same function or complementary functions may create tensions that undermine the effective fulfilment of their roles. For example,

experts report that in Romania, mistrust and limited coordination between key rule of law bodies such as the Ministry of Justice, the National Integrity Agency and the National Anticorruption Directorate have slowed down data collection and caused delays in the construction of an open case law portal for the country.²³⁶

In some cases, however, institutional multiplicity may have advantages to tackle complex governance challenges like corruption.²³⁷ The non-exclusive jurisdiction of multiple entities may reduce resistance to change. In addition, one entity may compensate for the failure or lack of capacity of another institution. Multiple entities can also add up their respective resources (expertise, human resources, financial, technology, etc.) to address corruption.

Coordination of sector and local anti-corruption efforts at the national level is important. In some countries, a central body, such as a specialized anti-corruption agency, may play this coordinating role. Making multiple institutions work effectively may require a clear definition of the different institutional mandates and an analysis of the institutional hierarchies. A better understanding of the strategic roles and responsibilities and how different institutions interact with each other is a helpful precondition for better coordination of corruption prevention efforts.²³⁸ Simply disseminating information or guidelines on policies may be not be enough for their effective implementation.²³⁹

Specialised anti-corruption bodies should cooperate with sector institutions to assess corruption risks, conduct investigations in sectoral institutions, develop preventive anti-corruption measures (e.g., codes of conduct) in vulnerable sectors, or develop common strategies to prevent and combat corruption

Box 2.18. Evaluating the performance of anti-corruption systems

Several supreme audit institutions have conducted evaluations of anti-corruption strategies and instruments of public entities. These audits provide valuable information on the performance of anti-corruption systems and identify opportunities for improvement. Dimensions considered in these audits include ethical tone at the top, existence of integrity policies, corruption risk management, capacity building in integrity and anti-corruption, existence of complaint mechanisms, oversight of specific processes vulnerable to corruption, existence of anti-corruption units or focal points, and management of corruption risks, among others.

In Mexico, for example, the 2014 evaluation of anti-corruption strategies in 290 federal entities found opportunities for improvement in multiple areas. Most entities lacked a technically sound and articulated strategy to prevent corruption (59% did not have any integrity or anti-corruption policy or programme formally established), and the leadership provided limited support to anti-corruption initiatives (51% did not conduct any actions to support integrity and anti-corruption). Public officials did not have enough knowledge on anti-corruption issues (68% had not conducted any training on anti-corruption). Corruption risks were managed poorly and with limited oversight (89% did not have any system to manage corruption risks). 60% of the federal entities did not have any mechanism to receive complaints regarding potential corrupt practices. Following the audit, 259 institutions committed to implementing corrective actions in at least one dimension of the study.

Source: ASF, 2014, “Estudio sobre las estrategias para enfrentar la corrupción establecidas en las instituciones del sector público federal”, Mexico, AFS.

in sectors. For example, in India and Ghana, specialised anti-corruption bodies have conducted investigations of suspected cases of corruption in the forestry and mining sectors.²⁴⁰

Protecting organizational autonomy while promoting effective collaboration can be achieved by creating institutional structures that facilitate coordination but do not require entities to coordinate unless feasible and beneficial for the system as a whole.²⁴¹ In Uganda, for example, an accountability sector was created in 1998 – when a sector-wide approach to planning was adopted – to enhance coordination of accountability systems and make institutions effective and efficient in the mobilization and use of public resources. The sector includes, among others, the Directorate of Ethics and Integrity and the Supreme Audit Institution.²⁴²

Operationally, coordination may also be enhanced through other mechanisms, including inter-institutional communication, joint actions, matching priorities, common intelligence systems and cooperation agreements, among others. More transparent institutions seem more productive in their cooperation with others, as information facilitates collaboration. Audit institutions play a key role to begin productive interactions among accountability entities – they can identify critical situations but require collaboration from other institutions to qualify and categorize corruption cases, assess the information, and collect and analyse the evidence.²⁴³

Institutional arrangements for SDG implementation at the national level could help foster institutional coordination and coherence of anti-corruption initiatives. However, the integration of anti-corruption in national development plans and strategies is still challenging due to lack of knowledge (e.g., limited guidance on how to integrate anti-corruption in other development areas) and experience, and limited communication and coordination between the development and anti-corruption communities.²⁴⁴ As a result, national SDG coordination mechanisms do not always reflect the cross-cutting nature of target 16.5 and SDG 16. For example, countries that have created inter-ministerial coordination mechanisms with working groups at the operational level usually include SDG 16 under one of the working groups rather than institutionally recognising its cross-cutting nature (e.g., Sierra Leone, Maldives). There is limited prioritisation of anti-corruption targets for integration in national development plans, and countries that have assigned responsibilities for SDG targets to specific entities sometimes do not assign target 16.5 to any institution, even if there are public entities with related responsibilities. For example, Colombia's Secretary of Transparency has not been identified as lead agency for target 16.5, because this target was not identified as a national priority due to lack of strong indicators and national baselines and targets.²⁴⁵

2.7. Conclusion

The 2030 Agenda enshrines the commitment to address corruption to achieve sustainable development. SDG 16 embraces a set of institutional principles—accountability, transparency, participation, and inclusion— that are crucial for combatting corruption. Effective prevention, detection and sanction of corrupt practices are fundamental for building effective and inclusive institutions and achieve all SDGs.

Growing attention to corruption as a development challenge is reflected in the increase of international anti-corruption instruments. These instruments have prompted countries to implement anti-corruption policies and measures. In the context of the SDGs, critical questions are how to leverage the high level of participation in international anti-corruption agreements for SDG implementation, and how countries can build on their experience with international anti-corruption instruments to strengthen coordination and monitoring of anti-corruption reforms in support of the SDGs.

National anti-corruption efforts have multiplied since the early 2000s. Countries have adopted and implemented a large variety of anti-corruption approaches and tools, with a focus on raising awareness about corruption, enhancing the legislative and regulatory frameworks against corruption, detecting and monitoring corruption vulnerabilities and practices (including by engaging citizens), preventing corruption (increasing transparency, integrity, accountability and participation), and effectively sanctioning corrupt behavior. The design and implementation of anti-corruption strategies needs to be aware and sensitive about the implications of their working definitions and causal mechanisms to produce change. They should consider the collective action requirements for their success, including under which conditions local stakeholders will act to use the opportunities created by anti-corruption measures and reforms.

The integration of anti-corruption measures in national development strategies and SDG issue areas is particularly appealing in the context of SDG implementation. It reflects the integrated nature of the 2030 Agenda and explicitly seeks to improve development outcomes through tailored responses to the vulnerabilities and risks specific to each SDG area. It can help advance coherent anti-corruption policies and strategies that take advantage of the synergies between different tools, support coordination and advance more integrated approaches to monitoring.

With few exceptions, evidence of the effectiveness of specific anti-corruption tools is still scarce and inconsistent. However, the evidence indicates that long-term sustained efforts and tailored,

multi-pronged anti-corruption approaches, which combine multiple tools, are needed to effectively address corruption. Designing anti-corruption approaches strategically and based on sound assessments of corruption risks is necessary. Moreover, more integrated and stronger monitoring and evaluation systems for anti-corruption, which rely on multiple indicators to measure progress, are critical to improve anti-corruption efforts, gather evidence of effective reforms and report on progress on target 16.5. Given the importance of anti-corruption for sustainable development, adopting effective mechanisms for combating and preventing corrupt practices represents a fundamental step for achieving the SDGs.

Endnotes

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- 12 Goetz, A. M., R. Jenkins, 2005, *Reinventing accountability. Making democracy work for human development*, New York, Putnam.
- 13 E.g., Mungiu-Pippidi, A., 2017, Introduction: Identifying and explaining governance virtuous circles, in Mungiu-Pippidi, A., M. Johnston, *Transitions to Good Governance. Creating virtuous circles of anti-corruption*, Cheltenham, Edward Elgar Publishing; Rothstein.

- 14 Cf. Johnston, M., 2013, *Corruption, contention and reform: The power of deep democratization*, Cambridge, Cambridge University Press. The increasing preoccupation with corruption can be seen from the dramatic increase of academic articles devoted to the topic, which went from 14 in 1992 to more than 300 in 2014 (see Rothstein, B., A. Varraich, 2017, *Making Sense of Corruption*, New York, Cambridge University Press: p. 7, fig. 1.1).
- 15 See Johnston, M., 2014, *Corruption, contention and reform. The power of deep democratization*, Cambridge, Cambridge University Press, specially ch. 7. A recent study that analyses incentives for corruption suggests that extortive corruption can be expected to be more prevalent in poorer countries (asking for bribes for public services would be related to tighter budgets), while collusive corruption would not be affected by development level. It argues that reduced corruption in developed countries “seems to occur through other characteristics often positively associated with a country’s income. This is because a rich country generally benefits from a better press freedom, better property rights enforcement and a better rule of law that it has a lower capture level.” It finds corroborating evidence in business surveys. Auriol, E., J. Lassebie, 2013, *Capture for the rich, extortion for the poor*, Manuscript.
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CHAPTER 3:

BUDGET PROCESSES IN SUPPORT OF SDG IMPLEMENTATION

3.1. Introduction

This chapter examines how budget processes can be harnessed to better support the implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs).

Awareness of the importance of means of implementation for achieving the Agenda and the SDGs has been consistently high during and since their elaboration. In addition to a goal dedicated to means of implementation (goal 17), each of the other goals in the SDGs includes so-called means of implementation targets. The Addis Ababa Action Agenda, agreed in July 2015, is recognized as an integral part of the 2030 Agenda. In the words of the Agenda, it “supports, complements and helps to contextualize the 2030 Agenda’s means of implementation targets”. The follow-up process for the Addis Ababa Action Agenda has put emphasis on the need to accompany national sustainable development strategies with associated financing strategies, which seek to mobilize resources from all sources, reflecting the recognition of the need for a comprehensive approach to financing the SDGs.

So far, perhaps less attention has been devoted to national budget processes and the ways in which they can support the implementation of the SDGs. Yet, budget processes are a critical link in the chain that connects sustainable development objectives, strategies and plans, public spending and finally outcomes. By linking public spending to agreed development objectives, the budget process delivers two essential functions in this respect: first, it informs resource allocation and enables public spending to reflect development priorities; and second, the information produced through the budget process allows for the monitoring and evaluation of the goals, through linking public expenditures with outcomes.

Efforts to link the budget process with the SDGs started in earnest very soon after the adoption of the 2030 Agenda, with pioneer countries such as Mexico aiming to reach almost complete mapping of budget expenditures with the SDGs. Many others have used tagging to follow resources going to specific sectors or themes. The international community has actively supported these national efforts.

These initiatives are informed by previous attempts to link the Millennium Development Goals (MDGs) with national budgets, as well as efforts to track public expenditures in support of sectoral objectives, including the environment and climate change, both in developed and developing countries. At the same time, efforts to better link the budget process with the SDGs occur within the context of long-term reform processes in public administration, especially those that aim to strengthen public financial management (PFM) systems.

The first part of the chapter takes stock of ongoing efforts at the national level to link budget processes to the SDGs.

It reviews emerging experiences in this area, and examines pending questions that remain at this early stage of SDG implementation. A critical question in this regard is how quickly countries will develop budget systems that enable better monitoring of progress towards the SDGs and related national objectives, including through strengthened linkages between planning, budgeting, revenue raising, and public spending.

The second part of the chapter examines how the budget process, as an institutional construct, applies and responds to the institutional principles of SDG 16 examined in this report: transparency and access to information, accountability, anti-corruption, participation, and non-discrimination. Specifically, the chapter reviews how these principles relate to the various stages of the budget process, the tools that are used to implement them and their effectiveness, and global trends in this regard. While in many sectors practitioners are not used to thinking of institutions through the lens of the SDG 16 principles, this is not the case in the field of budgeting. In fact, as a community of practice, experts in this area often use these principles to structure their work, and a rich body of knowledge exists on their applications in budget processes. Budgeting is therefore a great case to demonstrate the relevance and cogency of the SDG 16 principles for public institutions in support of the SDGs.

The remainder of the chapter is organised as follows. Section 3.2 takes stock of recent developments at the national level in terms of linking budget processes with the SDGs, and briefly reviews trends, orientations and challenges in this area. Sections 3.3 to 3.7 examine the linkages between budget processes and the institutional principles of SDG 16. Section 3.8 concludes.

3.2. Linking the budget process with the SDGs

3.2.1. Linking planning, budgets and results

In general, countries need systems that allow the government and other actors to link revenue collection and the allocation of resources with policy objectives as well as with performance in achieving those. Ideally, such systems should enable governments to measure shifts in the allocation of public resources across the various goals, and more broadly to answer the question of how the allocation of public resources is changing society in the short, medium and long terms.

In the context of the implementation of the 2030 Agenda, the SDGs have to be translated into national sustainable development strategies and plans that include clearly identified priorities, policies, progress indicators, and financing estimates. Because these plans, and accountability for their results, will

be implemented primarily through budget decisions and execution, ensuring progress requires close integration and alignment between planning, budgeting, monitoring, and accountability processes.¹ In many countries, institutional links between the different processes exist. For instance, in Kenya, it is the medium-term five-year plan that provides the framework for the annual budget.²

One of the critical advantages of linking SDGs to planning and budgeting instruments is that the SDGs provide a map of sustainable development that can facilitate integration of actions across sectors, levels of government and actors, thus promoting policy coherence.³ In many countries, the SDGs or national adaptations thereof have been integrated in sustainable development strategies and national development plans, as well as increasingly into sustainable development financing strategies that seek to mobilize resources from different actors (both public and private) in support of SDG implementation. The integration of SDGs into national budget processes has so far been more limited.

Institutionalizing strong connections between planning and budgeting processes is fraught with difficulties. At the central level, the two processes follow different sets of rules, and are often hosted in different institutions. Coordination between the two can be difficult. At the sector level, similar difficulties are the norm rather than the exception (Box 3.1).

Current efforts to link the budget process with upstream and downstream processes are informed by previous attempts to link the Millennium Development Goals (MDGs) with national budgets during the 2000-2015 period, as well as efforts to track public expenditures in support of sectoral objectives, including the environment and climate change, both in developed and developing countries.⁵

Efforts to track MDG spending showed that some goals were easier to track than others (e.g., education versus smallholder agriculture or social protection). They revealed the crucial role of adapted budget classification systems that enable the tracking of expenditures in a disaggregated way

Box 3.1. Difficulties of horizontal integration in health

Health not only has a dedicated goal in the Sustainable Development Goals (SDGs), it is also recognised as a prerequisite, contributor and indicator for all other goals. Conversely, health outcomes are influenced by a multitude of factors that correspond to policy areas located outside the health sector. The existence of strong linkages between health and other policy areas makes integrated approaches a necessity for improving health outcomes across the board. Because health service provision is inherently local, integration and coordination across actors operating at different geographical levels is also a critical element of effective health policies. This highlights the value of integrated approaches to health. The World Health Assembly recently elaborated various considerations for effective integrated health approaches.

However, in practice integration has often proven elusive. Some countries have adopted Health in All Policies (HiAP) as a specific integrated approach to deliver policies across sectors, systematically taking into account the health implications of policy decisions, seeking synergies and avoiding harmful impacts with an aim to achieve common goals. Some countries have adopted a holistic “One Health” policy approach, supported by multidisciplinary research, working at the human, animal and environmental interfaces to mitigate the risks of emerging and re-emerging infectious diseases.

In practice, different forms of institutional arrangements are found to support intersectoral health approaches in public administration. They range from informal to formal networks, from light-touch coordination mechanisms across sectors to collaborative problem solving for deeply rooted health-social problems, and from inter-ministerial bodies to parliamentary deliberation. Across these mechanisms, different actors may be involved. Contexts in terms of history, institutional capabilities, and accountabilities vary enormously.

Joint budgets from different public sources of financing can facilitate the funding of health-related activities. Joint budgets are used, for example, in England and in Sweden. The challenge of agreeing and establishing joint accountability has been a hurdle for ministries in many countries from developing joint budgets. Cross-sectoral financial allocation systems can help to promote the integration of policies. For example, in the Netherlands there is a joint budget for research and policy activities in connection with the national action programme on environment and health. In Sweden, the government sets objectives that cut across ministerial and budget boundaries and the budget system, at least initially, allocates money according to policy areas, rather than to departments.

As a whole however, adopting and implementing integrated approaches has proven to be difficult, partly because of the complexity and the dynamics of the multisectoral determinants of health and the involvement of multiple actors. Many questions remain regarding how best to promote whole-of-government efforts.

Source: World Public Sector Report 2018.⁴

Box 3.2. Linking planning, budgeting and outcomes: lessons from the Millennium Development Goals

Even though the MDGs eventually achieved salience at the international level, their systematic adoption in national programs had to wait until the mid-2000s, not without a considerable push from international agencies.⁶ However, the integration of MDGs into national planning documents did not always translate into policy implementation. For example, analyzing the responsiveness of national development strategies of 50 countries to MDGs and their levels of spending, Seyedsayamdost (2017) concluded that the countries that did not align their development strategies to MDGs were as likely as those with adapted national plans to invest in social spending on health and education.⁷

In addition to the importance of focusing on policy implementation and not only on planning, the analysis of the MDGs offers direct insights about recommendations and best practices that can be a useful starting point to address budgetary processes related to SDGs. In this respect, Development Finance International and the International Budget Partnership (IBP) monitored the spending related to MDG implementation in 72 countries. Within those countries, 11 were identified as having strong budgetary systems to track MDG spending: Bangladesh, Colombia, Dominican Republic, Ecuador, El Salvador, Ghana, Kenya, Malawi, Nepal, Peru and South Africa.⁸

Source: Lorena Rivero Del Paso and Ramón Narvaez, 2019.⁹

and the linking of spending and performance. Delays in the production of spending figures were a common hindrance, as was the complexity of getting consolidated pictures from expenditures made at various levels of government or through privatization arrangements. It was often difficult to link spending with performance on specific policy objectives. Lastly, the MDG experience showed that the reflection of internationally agreed goals in national planning documents did not necessarily materialize in substantive changes in public expenditures in support of those goals (Box 3.2).

Some of the underlying challenges evidenced during the MDG era are still prevalent. The audits of government preparedness to implement the SDGs that have been conducted by many supreme audit institutions across the world provide a snapshot of current challenges, which apply to all regions (see Annex 3.1). Many countries still lack reliable accounting systems that could ensure the reporting of transactions in a comprehensive, integrated and comparable manner.¹⁰ Another prominent technical challenge relates to budget classification systems. Many countries still do not have classification systems that enable them to track public expenditures on specific programs or policy objectives in a detailed way, and still fewer can do so in a way that would enable comparison over time or international comparisons. Focusing on the capacity of governments to know how much they spend on health, the Open Budget Survey 2017 showed that out of 115 countries surveyed, 67 per cent used a functional classification, and only 44 per cent used a functional classification based on international standards. The number of governments that were able to track expenditures on multi-year periods and across levels of governments was even lower.¹¹

3.2.2. Current efforts to map national actions to link budgets and the SDGs

Efforts to map national actions to link the SDGs to the budget process have multiplied in recent months. Such mappings have been produced by the OECD, the European Parliament's Committee on Development, a group of international civil society organizations, and UNDP, among others (see Table 3.1). At present though, there does not seem to exist any mapping that would cover the whole globe. All the existing mappings adopt different criteria for analysis. Several of these studies consider budget practices in the context of the whole set of institutional arrangements put in place by countries for SDG implementation. Some provide case studies in addition to summary tables.

As a whole, these studies show limited adaptation of national budget systems to link them with the SDGs, except for a small number of countries.

Reforms of the budget process are highly political in nature. Efforts to link the budget with the SDGs compete with many other priorities linked to the 2030 Agenda. Because they showcase what governments themselves consider as most urgent, the voluntary national reviews (VNRs) presented by UN Member States each year at the high-level political forum on sustainable development can provide an indication of the salience of SDG budgeting in the broader context of the implementation of the 2030 Agenda. An analysis of the 46 national reports presented in 2018 shows that more than half of the reports (25) provide no information on inclusion of the SDGs in national budgets or budgeting processes. Reports for an additional 15 countries show that the SDGs

Table 3.1.**Recent efforts to map national actions to align budget processes with the SDGs**

Report	Nature	Focus area	Number of countries covered
OECD, 2019 ¹²	Survey of national governments	National performance budgeting frameworks	31 (OECD countries)
UNDP, 2018 ¹³	Analysis of country practices	National SDG budgeting efforts	12
European Parliament, 2019 ¹⁴	Comprehensive desk review and interviews	Institutional arrangements for SDG implementation	28 (all in the European Union)
Kindomay, 2019 ¹⁵	Analysis of voluntary national reports made by UN Member States in 2018	Institutional arrangements for SDG implementation	51
Hege and Brimont, 2018 ¹⁶	Analysis of voluntary reports to the UN in 2016 and 2017 and interviews	National SDG budgeting efforts	64

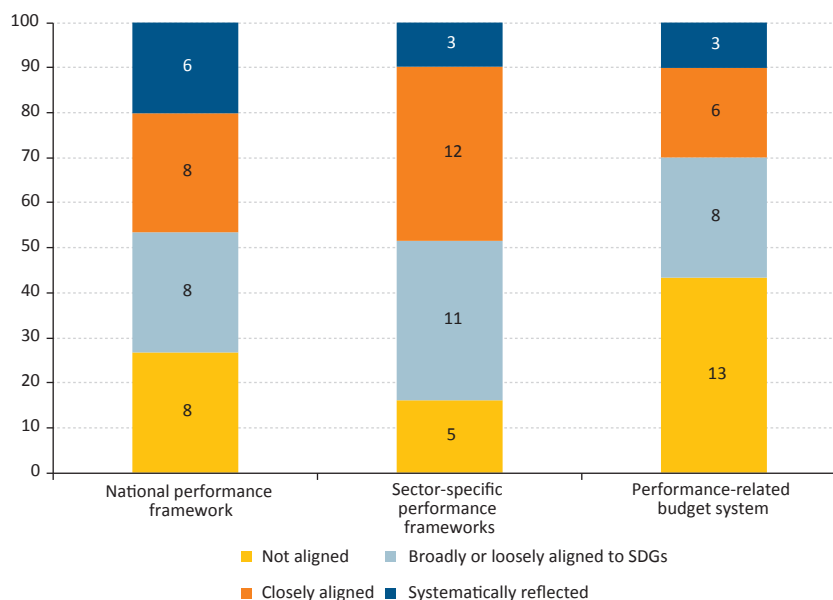
Source: Authors' elaboration.

have not been incorporated into budgetary processes, with ten of these countries (Albania, Benin, Guinea, Jamaica, the Lao People's Democratic Republic, Niger, Slovakia, Spain, Sri Lanka and the State of Palestine) indicating plans to do so. Only six countries reported incorporating the SDGs into their budget processes in some fashion: Colombia, Ecuador, Latvia, Mexico, Uruguay and Viet Nam.¹⁷ As a whole, this picture does not convey a sense of urgency to implement SDG budgeting, especially in developed countries.

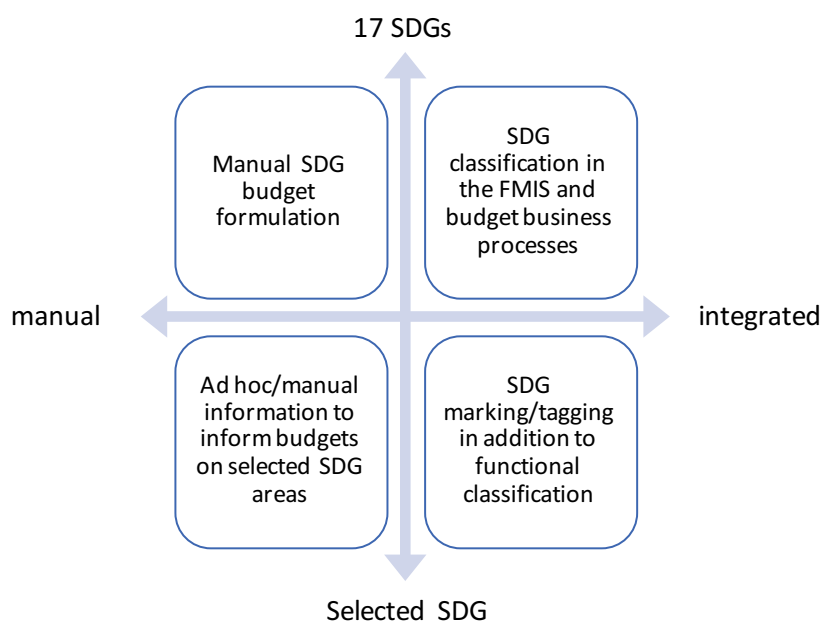
The study done for the European Parliament confirms this impression. Among the 28 European countries, 10 countries indicate that they link or plan to link the SDGs to their budgetary process, either directly or indirectly (Croatia, Denmark, Finland, France, Ireland, Italy, Slovakia, Slovenia, Spain and Sweden). In many of these, the linkage is limited to the inclusion of qualitative elements of SDG implementation in the budget documents that are submitted to parliament. Finland is cited as a good practice in this area, with each ministry being asked to include a short paragraph under each of the main titles in the budget proposal showing how sustainable development would be reflected in their sectoral policies during the 2018 financial year, and the SDGs being systematically used in the justifications for the main expenditure titles in the 2019 budget. The use of performance indicators based on SDGs for the budget is another practice that seems very limited, with Italy being cited as an exception for the inclusion of indicators related to well-being in the budget process. Slovenia has adopted 30 key performance indicators linked with national targets related to the SDGs, and plans to integrate these indicators into the budget by 2020. In addition, a few countries already have tools in place to tag how different budget appropriations contribute to certain SDGs or targets, but this is often limited to aid budgets (e.g. in Ireland).¹⁸

A recent survey of the OECD assessed the alignment of national budget performance frameworks in OECD member countries. It found that such alignment was limited at present (Figure 3.1). While there is increasing awareness of the need to include SDGs in performance budgeting in OECD countries, this has not really been translated into practice. For example, so far the SDGs have not prominently impacted national approaches for designing performance budget indicators. Similarly, there is hardly any evidence of reporting on SDG progress in the accounts that are produced at the end of the budget cycle. Some countries comprehensively report on a limited number of strategic, cross-cutting priorities, rather than individual SDGs. An emerging discussion in the OECD is whether there could be sustainability reports produced by the public sector (in part inspired by parallel developments in sustainability reporting in the private sector). Such reports would come in addition to traditional performance reporting and could be a way to report on SDG progress.¹⁹

To analyze countries' efforts in the area of SDG budgeting, UNDP has used a simple framework that singles out two dimensions: whether the approach is ad hoc versus systemic; and whether the scope is limited to individual SDGs or encompasses them all. While other dimensions are also important,²⁰ this framework provides a simple heuristic model where the different approaches can be easily mapped. For example, based on the results of the SDG preparedness audits done by supreme audit institutions across the world, it is easy to locate countries in the space defined by these two dimensions regarding SDG budgeting (see Annex 3.1).

Figure 3.1.**Alignment of budget performance frameworks to the SDGs in OECD countries**

Source: Compiled from data from OECD, 2019.²¹

Figure 3.2.**Technology aspects of modeling the choice for SDG budgeting**

Source: UNDP, 2018.²²

Box 3.3. Early movers on SDG budgeting: the case of Mexico

As documented in the *World Public Sector Report* 2018, Mexico stands out as the country that has moved the farthest in terms of mapping the SDGs into its national planning and budgeting processes. Mexico's efforts to integrate SDGs in its national strategies and plans started in 2016. The Ministry of Finance and Public Credit, which oversees the formulation of National and Sector Plans, developed a methodology to monitor and evaluate budget performance's contribution to the achievement of the SDGs, in partnership with the United Nations Development Programme (UNDP) and the Office of the Presidency, which is responsible for the implementation of the SDGs in the country. The methodology was developed by building on Mexico's integrated system for planning, public finance management, policymaking and oversight, established in 2013.

The first step was to identify the link between sectoral strategies and each of the 169 targets of the SDGs. Then, the methodology considered the alignment of sector plans with budget programmes in Mexico's Performance Evaluation System. Based on this analysis, the Ministry of Finance identified the budget programmes related to each SDG target. Finally, the methodology considered the comparability of performance indicators related to sector and budget programmes with the SDG global indicators (tiers I and II) per target. The analysis was reviewed and validated by line ministries.

This initial analysis indicated the need for more disaggregated information to assess the specific contribution of each budget programme to the related SDG target(s), since different budget programmes and even sector programmes contribute to diverse components of each SDG target. Therefore, the Ministry of Finance and UNDP disaggregated 102 of the 169 SDG targets into several sub-targets. This would help to identify more precisely the contribution of specific government actions to the different components of each target. Furthermore, the budget programme managers would be able to identify if an entire budget programme, or just one element of it, contributed to each target or sub-target, and whether this contribution was direct or indirect.

Considering the previous analysis, in 2017, the Ministry of Finance integrated the methodology into the Budget Statement of the Executive Budget Proposal of 2018. This had implications for the IT systems for budget preparation, which included a module for linking the budget programmes with the SDG targets or sub-targets.²³ The module would also allow tracking budget execution linked to specific targets. Complementary fiscal transparency measures were also adopted, such as integrating a summary of the methodology into the Citizen Budget and publishing the results of this exercise in open data.

Several factors facilitated the reform of the budget process, including: the existing programme structure of the national budget, which includes performance targets; the fact that the planning and budgeting processes were coordinated in multiple ways; and the existence of strong monitoring and performance evaluation systems. Political will was instrumental, as the development of the methodology for linking SDG targets with the budget was developed by a small group reporting directly to the Under-minister of Expenditures of the Ministry of Finance.

As in other countries that have made inroads into SDG budgeting, it remains to be seen whether the new set-up and the information it produces will remain a tagging and mapping exercise, or if they will be used to monitor, evaluate and adjust public policies in support of SDG implementation in significant ways.

Source: Lorena Rivero Del Paso and Ramón Narvaez, 2019, and *World Public Sector Report* 2018.

There is great variety in the arrangements adopted across countries. Linkages with the SDGs are made at different stages of the planning and budget cycle. While Mexico stands out for including performance indicators linked to the SDGs in its budget process and for mapping a large portion of government expenditures to SDG targets, many countries have adopted more limited approaches. These cover a wide range, from qualitative reporting of budget allocations in a narrative way presented by the executive branch, to the mapping and tracking of budgets against SDGs.

National actions reflect differing political circumstances, administrative dynamics and technical capacities. While no global mapping of these efforts exists, experts in the field seem to agree that the most frequently adopted approaches at present are SDG-specific (for example, focusing on climate or biodiversity) rather than Agenda-wide; and ad hoc rather than systemic. Depending on the motivations underlying budget process reform, countries can put emphasis on different products and tools (for example, citizens' budgets for specific SDG areas or more participatory approaches to budgeting).

Experts seem to agree that the more ad hoc tagging systems are, the less resilient they also are. While countries can produce information through basic tagging of expenditures to specific sectors or SDGs, approaches that are not embedded in the entire budget process run risks of failure.²⁴ Ideally, there should be strong institutional interlinkages among the planning, budgeting and monitoring processes, as well as a focus on the outcomes pursued by budget implementation. The adoption of program budgeting and even more of performance budgeting is a critical enabler for establishing such linkages. However, even in cases in which countries have not adopted performance budgeting, there are ways to establish systems that allow for tracking expenditures supporting various SDGs.

The choice of an approach to link the budget with the SDGs impacts the capacity to track and monitor progress on the SDGs. For example, experts point out that in Latin America, Argentina has focused on integrating the SDGs in the budget formulation; Uruguay on the performance evaluation side; and Mexico on both. This has implications for the information that can be produced from the budget process in relation to SDG implementation and monitoring.²⁵

3.2.3. Drivers of institutional change at the country level

Both political and technical drivers and factors play a role in the approaches that countries choose to adopt to integrate SDGs into their budget process. In some countries, it is the transition from line budgets to program and performance-based budgeting that drives the integration. In general, countries that have incorporated SDGs into their budget tend to be those that have made progress on programming and

the inclusion of performance indicators. Examples in Latin America include Argentina, Colombia and Mexico. In other countries, non-state stakeholders or the legislature may take an active role in incorporating the SDGs into the budget discussion.

A key political factor is how to mobilize interest for the SDGs in the ministry of finance, which is the main custodian of the budget process. In many countries, the ministry of finance does not have primary responsibility for SDG implementation, with institutional arrangements in this regard varying widely. This issue has to be addressed within each government. The SDGs, because they cover most sectors of the economy, can serve as a platform for dialogue between ministries of finance, ministries of planning and line ministries. For example, in some countries, the ministry of finance has used climate change to engage with line ministries on PFM reform. More broadly, experts highlight the critical importance of engaging all the relevant parts of the national institutional system around budget reforms. Building institutional capacity around SDG budgeting in key institutions is paramount.

Efforts to integrate the SDGs in the budget process illustrate the challenge of achieving real transformation, as opposed to marginal changes, for the implementation of the 2030 Agenda. Experts report that in some countries, the message coming from institutions in charge of the budget process is largely amounting to business as usual, with results on already existing programmes being re-cast ex-post in terms of the SDGs, without fundamental changes in resource planning, allocation and spending. The recent study done for the European Parliament also concludes that in European countries, the SDGs have so far not been systematically used as a way to reorient public spending.²⁶

A number of other challenges exist, including: (i) reflecting the importance of private sector action for the implementation of the SDGs, or at least its interface with the public allocation of resources, in the budget process; (ii) challenges of coordination across different levels of government in decentralized countries (e.g. in Kenya, the coordination of planning, resource allocation, spending and reporting for 47 county governments); (iii) issues with revisions to budget documents within the budget year, and how to ensure that the revisions maintain focus on original priorities; and (iv) lack of a common language and systems among public institutions. For example, while ministries of finance and supreme audit institutions are familiar with the concept and use of performance indicators, this may not be the case in line ministries.

3.2.4. Linking SDGs and the budget process in the context of ongoing PFM reforms

Provided that they are not purely ad hoc, efforts to link the budget process with the SDGs have to be inscribed in the broader context of public financial management (PFM) reform.

Importantly, the impetus for PFM reform at the national level is often not related to the SDGs, and often has more to do with fiscal crises or other motives. Similarly, the core objectives of PFM reform tend to revolve around considerations of fiscal consolidation, fiscal responsibility, or technical considerations that are independent from the SDGs. Notwithstanding this, PFM reforms can provide opportunities for changes in the budget process that enhance linkages with the SDGs.²⁷

One relevant question in order to assess how far countries are likely to go in coming years is the time scale of PFM reforms. Experts tend to agree that when there is political will, PFM reforms can be implemented in relatively short periods of time. The example of Austria, which comprehensively reformed its budget process to move to performance budgeting, accrual accounting and gender-responsive budgeting, is mentioned in this regard. The results from the Open Budget Survey also show that countries can increase the disclosure of budget information in a short time (e.g. Georgia). Aspects related to participation, however, may be more complex and take longer to implement.²⁸

In this respect, it is critical to avoid duplication and the creation of parallel systems – this would be a waste of resources. The case for integration is much clearer than it was for the MDGs, as the scope of the SDGs covers almost all public expenditure, as shown by the Mexican experience. In other words, efforts to better reflect the SDGs in the budget process have to be conceived as part of efforts to strengthen PFM systems.

International organizations and especially international financing institutions such as the IMF and the World Bank play an important role in supporting PFM reforms across the globe, including through technical assistance and budget support to developing countries. They are therefore an important driver of PFM reform. While those institutions have taken note of the 2030 Agenda and SDGs and have incorporated them into their work, the extent to which considerations relevant to SDG budgeting have been incorporated into technical advice and support to PFM reforms in developing countries is unclear. There may be opportunities for those organizations to factor the SDGs into budget reform issues more.²⁹

3.2.5. Options for countries wanting to adopt SDG budgeting in coming years³⁰

Countries contemplating linking their budget processes with SDGs or national adaptations thereof in the future will have to choose among many types of models. As a general consideration, implementing SDG budgeting requires not

only technical, but also legal and institutional changes, as well as political will. Reforms to implement SDG budgeting should be part of broader reflections on how to best integrate the SDGs into national governance systems. The solutions chosen, and the sequencing of reforms, are likely to differ across countries, as they should be based on their idiosyncratic circumstances.

As noted by UNDP, there are actions and reforms that most of the countries can launch without significant systemic transformations in their budget processes. One example is the presentation of SDG-related goals and targets in budget statements and simple reporting on SDG performance. On the ministry of finance side, this might include limited actions such as the inclusion of the SDGs in budget speeches, budget reporting on highlighted areas and targets or annual reports accompanying the budget and showing how the budget is contributing to SDG goals. Such ad hoc solutions could be effective in kickstarting reform processes within the framework of available human, financial and technical resources.

The adoption of short-term solutions does not prevent governments from considering more structural reforms of their budget processes. The nature of such reforms is more complex and requires adjustments in business processes and standards of operations, the institutionalization of SDG target accountability for performance, and the adoption of monitoring and reporting systems on outcomes, including linking budget expenditures to specific performance targets. Such reforms may take many years to fully implement. Countries that have already established programme-based budgeting will find it easier to realign their budget formulation processes with SDG targets.

In choosing a model that is appropriate for national circumstances, UNDP highlights the importance of giving attention to various considerations, including the state of the national PFM system and the relevant capacity in public administration, and the “demand” for SDG budgeting information by line ministries and external stakeholders. A range of tools already exists, which can help countries choose among options. Those include PFM assessment; expenditure analysis; stakeholder analysis; and others (see Box 3.4).

Options selected to implement SDG budgeting should match national circumstances. Critical questions for governments in this regard, and the way they may impact governments’ choices of options, are summarized by UNDP in Table 3.2. The table presents indicative answers to each question to illustrate alternatives that countries would need to consider.

Box 3.4. UNDP's SDG Budget Integration Index

The SDG Budget Integration Index is a diagnostic tool to assess the budget cycle in a given country in order to identify PFM system gaps where SDGs are not integrated in budgeting processes. The tool assesses: policy-budget linkages (whether SDG policy papers that should influence budgets are properly costed and are measurable); PFM Systems (whether budget processes such as prioritization, coding and reporting are informed by the SDGs); and budget accountability for SDGs (whether budget actors account for SDG performance and measuring the roles of non-executive actors, such as parliaments and CSOs). Using this diagnostic tool should help governments and UNDP to find critical entry points for making the national budget more SDG-oriented. Apart from its primary functions of providing a stocktaking analysis, identifying priority areas for reforms and measuring of progress, the SDG Budget Integration Index will also allow cross-country comparisons to be made. The Budget Integration Index has been piloted and used for one of the SDGs – SDG 13 on climate change. Nepal and Pakistan have successfully assessed the level of integration of SDG 13 in their national budget systems.

Source: UNDP (2018).

Table 3.2.

Options for countries wishing to adopt budgeting for the SDGs

Minimal (requires less complicated systems)	Intermediate	Maximal (requires advanced systems)
Who will be the primary users and beneficiaries of SDG budgeting?		
Limited number of users (the Cabinet, Finance Ministry and/or SDG relevant working group)	All domestic stakeholders including parliaments, SAI, CSOs and other stakeholders take part in either budget formulation and/or budget reporting and accountability for SDGs	All domestic stakeholders and international audience (cross-country comparable data)
Who will be mainly responsible for implementation of the SDG budgeting process?		
Centralized: central unit responsible for Financing for SDGs (e.g. finance/planning ministry)	Centralized plus line ministries relevant to selected SDGs	Decentralized (deconcentrated): all line ministries and other stakeholders drive SDG budgeting
What is covered by SDG budgeting?		
Selected SDG areas and SDG targets (as per government desire/choice)	Information on cross-cutting SDGs (e.g. poverty, climate change, biodiversity, gender equality) supplements the existing functional classification. As a result, complete SDGs information is available either via existing classification or supplemental SDG budget coding. (if these systems are not in the same FMIS, then accuracy and timeliness of information is compromised).	Full SDG coverage: All SDG indicators and targets are explicitly reflected in budgets as part of the same budget information system
When in the budget cycle will SDG information be used?		
At the end of budget formulation process – reflecting SDG information in final budget documents (after the budget decisions are made): thus, SDG budgeting is used solely for information purposes and is not driving budget decisions	During the budget formulation process: may have limited influence on budget decisions but still in the budget formulation process.	Before the budget formulation process (e.g. at strategic budget allocations stage, or in Medium-Term Budget Frameworks: as a result, strategic budget allocations are fully SDG-informed) and then throughout the rest of the budget cycle
How will the PFM business processes adapt to SDG budgeting?		
Basic/manual checklist of SDG relevance for selected budget proposals to support decision making. The depth of analysis is limited as budgets lines are not mapped with SDGs, but this option is very easy to implement in any country.	Mapping of budget lines with SDGs is done. SDG information is used at both budget formulation and budget reporting stages, but the process is ad hoc, so risks of quality and timeliness of information exist.	SDG information is integrated into fiscal management information systems (FMIS), so the information on SDG linkage is supplied to budget decision makers before budget decisions are made and for the rest of the budget cycle. Also, reporting is done on an automatic basis, as part of the FMIS produced report.

Source: UNDP, 2018.³¹

3.2.6. Conclusion

National efforts to implement and monitor progress on the 2030 Agenda will require the adoption of some form of SDG budgeting. Based on current developments, this can range from supplying basic information on SDG targets and related budget allocations for information purposes, to full-fledged SDG-based budget classification systems that can drive budget prioritization, decision-making, execution, monitoring, reporting, audit and accountability processes.

The conclusions from a review of current efforts to link national budget processes to the SDGs present cause for both optimism and concern. On the positive side, in part due to lessons learned from the implementation of the Millennium Development Goals, there is high awareness in the international community of the importance of establishing solid linkages between national budget processes and other key elements of the chain that links visions, strategies and plans, to public spending and development outcomes. Many countries have not only signaled that they attach importance to this issue, but have also started to put in place systems and institutional mechanisms to be able to reflect how public spending contributes to the realization of the SDGs.

Yet, on the basis of these experiences, it seems clear that all countries cannot be expected to adopt the most ambitious versions of SDG budgeting in the medium term, and perhaps even by the end date of the 2030 Agenda. In setting up mechanisms to link their budget processes to the SDGs, countries have to operate within political, administrative and technical constraints, which are essentially idiosyncratic. Hence, it is reasonable to expect that the capacity of national governments – and by extension, of the international community – to track how public spending contributes to the realization of the SDGs will only progressively increase and will depend on national circumstances.

One key factor in this equation is how ongoing PFM reforms – which are not necessarily initiated with the SDGs in mind, but as part of long-term processes of fiscal management and public sector reform – can be used to support SDG implementation and inform SDG monitoring. In this regard, there likely is an important role for international organizations and especially international financing institutions such as the IMF and the World Bank, which support PFM reforms across the globe. While those institutions have taken note of the 2030 Agenda and SDGs and have incorporated them in their work, opportunities may exist to factor the SDGs into their budget work more prominently.

Looking forward, it could be relevant to pool knowledge from different organizations and experts that have started to follow national efforts toward SDG budgeting, including UNDP, the OECD, the World Bank, IDDRI, IISD, GIFT and others. Beyond

providing a global snapshot, a simple systematic mapping or dashboard of where countries are with respect to linking their budget processes with the SDGs could be used to monitor developments over time in this area and to assess how long reforms take to be implemented in various contexts.

3.3. Transparency and the budget process

Transparency has a central role in the budget process and public financial management systems. In this context, fiscal transparency refers to the clarity, reliability, frequency, timeliness, and relevance of public fiscal reporting and the openness of such information.³² As budgets provide the financial backing to efforts to meet the Sustainable Development Goals (SDGs), budget transparency provides the basis for interaction between Governments and the public on relevant fiscal policies. It is critical for evaluating the degree to which commitments to the goals are bolstered by adequate resources, to garnering the attention and interest of all stakeholders in the goals, to tracking progress towards the goals and the degree to which its reach is equitable, and to holding Governments to account and shifting course when progress lags. Transparency is thus fundamental for participation in, accountability for, and non-discrimination in the budget process.

3.3.1. International standards

In the context of budgets, transparency is the principle most extensively addressed by international standards of all those examined in this publication. Budget transparency standards, guidelines and best practices have been published by the leading international organizations working in this field, including among others the Global Initiative for Fiscal Transparency (GIFT), the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), and the International Budget Partnership (IBP). For example, the 10 High-level Principles on Fiscal Transparency³³ of GIFT assert, inter alia, that the presentation of fiscal information to the public should be an obligation of Governments, that Governments should publish clear and measurable fiscal policy objectives, provide regular reports on progress towards them, and explain deviations from plans, and that everyone has the right to request and receive information on fiscal policies. The IMF's Fiscal Transparency Code is also composed of principles that are centred around the four pillars of fiscal reporting, fiscal forecasting and budgeting, fiscal risk analysis and management, and resource revenue management. The IMF 2018 Fiscal Transparency Handbook explains the 2014 Code's principles and practices and provides more detailed guidance on their implementation.³⁴

The OECD provides best practices for budget transparency, identifying key budget reports that should be produced, specific disclosures that they should include on both financial and non-financial performance information, and practices to optimize the reports' quality and integrity. That organization's *Budget Transparency Toolkit*³⁵ provides an overview of international standards and guidance on budget transparency.

Recent fiscal transparency guidance by international organizations puts emphasis on making the link between the short and long terms.³⁶ It specifies sets of documents that have to be publicly disclosed in order to meet transparency standards, which include long-term documents such as medium-term financial risks and long-term sustainability challenges.

3.3.2. Overview of international trends

Many Governments publish budgetary information at different points throughout the budget cycle. For instance, in Kenya, the PFM law directs the relevant State institutions to ensure that members of the public are given information on budget implementation for national and county governments every four months.³⁷ At the global level, IBP's *Open Budget Survey* provides an independent assessment of public budget accountability and transparency, looking at the availability, timeliness, and comprehensiveness of eight key budget documents that IBP asserts should be published in all countries to inform each stage of the budget cycle.³⁸ It has found that over the past decade, budget transparency on average has significantly increased.³⁹ Despite such cumulative progress, however, it remains limited and has recently stalled. In the Survey's most recent 2017 edition covering 115 countries, the Open Budget Index (OBI) – the segment measuring transparency – showed that Governments are providing 61 per cent of key budget documents to the public, representing a marginal decline from a high in 2015, the first since the Survey began in 2006.

Many Governments are not publishing significant budget documents, with three of every four countries surveyed publishing on average six or fewer of the eight key budget documents.⁴⁰ For instance, twenty-seven countries did not publish the executive's budget. In other cases, where documents are published, they provide an inadequate level of detail to properly inform the public.

The 2017 Survey also revealed a first-time decline in the number of key budget documents published, which is the main driver behind the overall decline in transparency.⁴¹ Despite this, however, budget documents that are published were found to contain marginally more information than was indicated in previous Surveys. Such additional information has been disclosed, for example, in the category of expenditures for people living in poverty within executive's budget proposals.

Experts note that improvements in budget transparency can be achieved relatively quickly.⁴² For the most part, it is a matter of publishing documents that are already being produced. The Open Budget Survey found that of the 359 documents that the surveyed countries did not publish (out of 920 documents), 203 documents are produced but not disclosed to the public. However, gains can also be reversed and trends can be volatile. At the same time, progress is not restricted by geographic or other characteristics; countries that ranked in the top tiers of the Open Budget Index are geographically and otherwise diverse.

3.3.3. Challenges to transparency

Budget transparency is often not uniform. It may be extensive in some areas and forms and weak or absent in others.

In the great majority of countries surveyed – 87 per cent – the enacted budget is made available to the public.⁴³ While more than half of countries (59 per cent) publish comparisons between the approved budget and actual spending during the budget's execution, just 15 per cent provide an updated budget by the mid-year point, and 45 per cent a comparison of final spending to the original budget. Moreover, only 46 per cent of countries use a functional classification in final reports, such that the public is generally not able to track spending by sector. There is even less transparency on Governments' objectives in collecting and spending funds. Just over a quarter of countries provide information about the purposes and costs of new policy proposals (27 per cent) and publish targets for policy goals (26 per cent).

Budget transparency is further constrained by a limited scope in many countries, where certain sources of revenue and expenditures are not subject to publication or scrutiny. Ideally, transparency should include data on supplementary budgets, which in some countries are equally important to enacted budgets. However, pressure exerted on Governments to disclose certain areas of the budget may create incentives for them to shift expenditures to less transparent budgetary instruments such as extra-budgetary accounts. Also, there is generally less transparency on revenues than on spending. In particular, tax expenditures can be significant and are growing in size, but receive much less attention than direct spending. For instance, in the USA, they amount to around USD1 trillion per year in foregone revenue,⁴⁴ or about 30 per cent of total revenue in 2017.⁴⁵ Few countries publish information on tax expenditures, with France being one of several exceptions. Much data relevant to the evaluation of public programmes may not be produced, collected or owned by national statistical offices or other Government bodies and may therefore be subject to different disclosure standards. This raises questions regarding both transparency and accountability.

Considering the emphasis of the Sustainable Development Goals on poverty and inequality, it is particularly important for Governments to publish data on the incidence of their tax systems, and on the impact of government spending on socio-economic outcomes. In particular, little information is generally available to show the impact of budgets on different groups of society, including those often left behind. However, gender budget statements, or budget statements for indigenous peoples, children or other groups, represent one important step used in several countries to gain insight into the differentiated impacts of public spending.

Where budget transparency mechanisms are in place, many are not linked with SDG processes and are not being used to provide information about the SDGs. In particular, whether information on budget processes provide clarity on the trade-offs and synergies among policies addressing the social, environmental and economic dimensions of sustainable development is an open question.⁴⁶ In some cases, however, the SDGs have created traction to enhance transparency and disclose more data. Colombia is one such example, having revised its performance indicators in accordance with the SDGs.⁴⁷

The timing of disclosures is important to budget transparency. Disclosures are especially important at junctures that allow citizens time to exert influence on budgetary decisions, such as the pre-budget statement and the executive's budget proposal. It is at the formulation stage when the scope for public participation is greatest, and there indeed tends to be more information available during this phase than during the execution phase. The pre-budget statement is made available by just over 40 per cent of countries and, as noted, the executive's budget proposal is made available by fewer than 80 per cent.⁴⁸ Beyond that, citizens can monitor how Governments are fulfilling their plans and commitments through access to information during the execution and oversight stages, where there is also some scope for participation. However, only 29 per cent of countries publish the mid-year review, and fewer than 70 per cent publish the year-end report (66 per cent) and the audit report (67 per cent). Issuing bulk information on the budget only after the cycle ends may fulfill some transparency requirements but misses the mark in terms of making information actionable to the public and thereby making budgets more responsive to it.

In some countries, the quantity of budget data made available to citizens and even its prompt issuance in alignment with the budget calendar are sufficient and appropriate, but aspects of quality are lacking. Improving the relevance, clarity, reliability, objectivity, and comparability of information is also crucial for enabling budget information to be analyzed and acted upon by citizens. Some of these concerns are discussed further below.

3.3.4. Examples of transparency tools and reforms

The interface between governments and users of information and data is arguably as important to transparency as the availability of that information and data. Presenting and communicating budget information to different types of users (including Parliaments, supreme audit institutions, independent fiscal institutions, civil society organizations and the public at large) pose multiple challenges for Governments. Particularly where fiscal transparency is extensive, there is growing concern in some countries that ever more budget data is being produced in a vacuum. That is, that vast quantities of fiscal information are being published that are too technical or specialized for – or too far removed from the concerns of – current and potential users, leading to “user fatigue”.

Where information is barely accessed and leads to little or no engagement, transparency efforts, which may require significant resources, may come to be viewed as wasted. In order to make information more accessible and relatable, it is important to utilize user feedback mechanisms to learn about users' needs and preferences.⁴⁹ Responsiveness to user requests and queries would further serve to maintain the interest of the public in planning and budget processes. For instance, the Ministries of Finance in Brazil, Mexico, and South Africa engage with civil society organizations about what type of information they need and are interested in.⁵⁰

There is no single approach or standard for delivering budget data and information, although some international organizations provide guidance, such as OECD in its “Rationalizing Government fiscal reporting” publication.⁵¹ That article explores the dilemma of Governments' efforts to provide reports that are comprehensive and sophisticated while also comprehensible to most readers, noting, among other conclusions, the need to issue summaries of fiscal reports, to analyze and interpret complex government information, and to combine financial and non-financial performance information.

Numerous tools and measures exist that can aid national Governments in communicating fiscal information effectively. Some of these relate to developing the capacity of users to digest budget information and providing information to them in a more accessible way, as well as to new technologies and digital governance, which can significantly accelerate the dissemination and analysis of such information, yet which also pose risks in terms of accessibility to users and data integrity.

It is important to educate citizens and civil society organizations on navigating and interpreting budget and planning information and to enable engagement around it. In the context of the SDGs, such efforts help to reinforce transparency and expand the focus from budgetary allocations alone to also encompass targets and performance.⁵² Every complex budget-related document should ideally be converted to a

simplified, non-technical brief designed to inform the average citizen and published in tandem with the corresponding official document. Yet only 50 per cent of countries publish such “citizens’ budgets.”^{53,54} These documents are also relevant for other actors, notably Parliaments and line ministries, many representatives of which are unlikely to have technical expertise in budgeting. In the case of Parliamentarians, the development of budgeting skills is particularly critical in order to fulfill their responsibilities to approve and provide oversight of the budget. Many Governments have undertaken measures to develop budget literacy, or the ability to read and understand public budgets towards meaningfully participating in the budget process, including in public education systems as in England, UK and Singapore.⁵⁵ Capacity-building can also serve as a tool to address misuse and misinterpretation of budget data.

Fiscal transparency portals are an increasingly utilized tool for making available information about a country’s fiscal position.⁵⁶ They provide consolidated data and information regarding revenues, macroeconomic variables, expenditures, and performance evaluation, which enable insight into priorities, progress and gaps related to the SDGs. In a review of the budget transparency practices of six countries, a study found that the three countries that achieved greater levels of budget transparency, Mexico, the Philippines and Uganda, had each created online portals with budget information in open formats and in real time.⁵⁷ Portals can be tailored with distinct features and for different categories of users. In the case of Canada’s GC InfoBase database, users can customize queries of financial, human resource, and performance data information, including by using tags that map information to specific areas of interest.⁵⁸

A related tool aimed at enhancing the use of information and data is open data, or free, digital, public data that is available online for use, reuse, and redistribution by anyone.⁵⁹ The World Bank’s BOOST initiative helps countries to publish budget

information using different classification systems, in particular functional classifications, to enhance budget transparency and make budget data practical for users, as well as to facilitate the availability of comparable budget data across countries. GIFT, Open Knowledge International and BOOST coordinated the development of the Open Fiscal Data Package (OFDP) to foster the publication of open budget and spending data in a standardized way.⁶⁰ The Package is a simple data structure specification for publishing budget data and a platform that provides simple ways of searching, visualizing and analyzing the data. The Government of Mexico has used the Package to publish its budget and spending data since 2016, and South Africa has utilized it for its fiscal transparency portal since 2018.⁶¹ The Package is also being piloted by other Governments, including Argentina, Croatia, Guatemala, Paraguay and Uruguay.⁶² Experts underline that government ownership and the integrity of budget data (certified by Ministries of Finance) are critical for the success of budget transparency initiatives, and that international transparency initiative should also aim to support Governments to enhance their capacity to disclose budget data in open data formats.

As with budget portals, open budget data can be used to enable access to budget data and foster citizen engagement in the budget process, including for monitoring and accountability with regard to SDG commitments and efforts to achieve them. It is notable that the fiscal transparency portal of Mexico’s Government includes the tagging of the budget to the SDGs in open data.⁶³

Little information exists on trends in budget transparency at the sub-national level.⁶⁴ Public administration at the sub-national level may often be unable to comply with all transparency requirements due to limited capacity and fiscal constraints.⁶⁵ Some information is available within individual countries, such as Croatia, where the publicizing of evaluations of local government transparency has generated healthy competition to make strides in this area (see Box 3.5).

Box 3.5. Local government budget transparency in Croatia

Croatia is a country with limited budget transparency at the national level, according to the Open Budget Index. However, the average level of budget transparency of the country's 576 local governments, as annually surveyed and analysed by the Institute of Public Finance (IPF), has been consistently improving.⁶⁶ The IPF promotes budget transparency at the local level, where expenditures are particularly visible and tangible, and annually measures whether the 20 counties, 128 cities and 428 municipalities are publishing five key budget documents (year-end report, mid-year report, budget proposal, the enacted budget and citizens' budget) on their official websites.⁶⁷ The publication of all of these documents implies neither absolute budget transparency nor absolute accountability on the part of local government authorities; nevertheless, it shows compliance with laws and the Ministry of Finance's recommendations. Moreover, it is the first step towards greater budget transparency, a prerequisite for active citizen participation in decisions about the collection and spending of local funds, and the supervision of local government accountability.

So measured, the overall average level of local budget transparency almost doubled over the last four annual research cycles, from an average of 1.8 to 3.5 published documents (out of a possible 5). There is no longer a single city without at least one budget document published, or a single municipality without an official website. By types of local governments, the average transparency scores for counties, cities and municipalities are "excellent" (4.9), "very good" (4) and "good" (3.3), respectively, but there are sharp differences, notably among municipalities. It is instructive to compare the 2015 findings, in which only one municipality, 5 counties and 15 cities published five budget documents, with those of 2018, in which this occurred in 107 municipalities, 17 counties and 54 cities. In 2015, there were 18 cities and 148 municipalities without a single budget document published, while in 2018, this was the case in just 25 municipalities. The proportion of counties making citizens' budgets available increased from 35 per cent to 85 per cent, and that of cities from 15 per cent to 47 per cent. Municipalities also made the most progress in publishing budget proposals (from below 8 per cent to over 60 per cent). That is precisely what the IPF called for – the publication of more budget documents to enable citizens to be informed about the enacted budget, but also to influence budget formulation and the remainder of the cycle.

Numerous local governments initiated transparency measures with the establishment of websites, the provision of budget visualisation and educational games, and the organization of budget forums and progressed to facilitating various forms of direct budget participation. Currently, some invite citizens to participate in budget planning and formulation through small community service campaigns and local partnership projects, or through e-consultations that assess the current budget and receive citizen-generated proposals and projects for the next fiscal year.

While the motivations behind these gains in transparency and opportunities for participation are not fully known, competition among local governments is likely a driver. Each year the IPF publishes results, ranks local governments, issues awards, and engages the ministers of finance and public administration in an awards ceremony, all of which attract national and especially local and regional media attention.

Source: Adapted from Katarina Ott, "Budget transparency: inputs for discussion", paper prepared for the United Nations expert group meeting on budgeting and planning in support of effective institutions for the Sustainable Development Goals, New York, 4-5 February 2019.

3.3.5. Evidence of effectiveness and impacts of reforms

Evidence shows an association between greater budget transparency and improved quality of governance, socio-economic and human development indicators, electoral accountability of politicians, and budget allocations as a result of citizen participation; higher competitiveness and political turnout; better credit ratings and fiscal discipline; and reduced corruption and borrowing costs.⁶⁸ These positive associations have some caveats. The various studies illustrating them have several qualifiers to their conclusions, and much evidence is based on a small number of studies. With regard to macro-fiscal outcomes, evidence is generally based on broad measures of transparency, with few studies

exploring the impact of its specific aspects. Nonetheless, the evidence that does exist clearly points in the same direction. Critically, the long-term benefits of transparency, such as improved indicators of human development, where there is relatively less evidence, appear to rely on it having triggered participation.⁶⁹ In other words, participation seems to be a required link between transparency and the responsiveness of Governments to citizens' feedback. Greater research is needed on this link.

3.3.6. Conclusion

Budget transparency is a crucial principle in its own right. Citizens and other stakeholders need access to comprehensive, high-quality, and timely budget information in order to

scrutinize budget processes and track progress for all individuals and groups towards the Sustainable Development Goals, and to make their voices heard in highlighting gaps and concerns as well as conveying their own needs and priorities. In these ways, transparency is also fundamental to participation in – and accountability for – budget processes, and also for tackling discrimination.

On the one hand, emerging and expanding means of enhancing transparency, such as fiscal transparency portals and citizens budgets, show promise in expanding both access to and understanding of budget information. On the other hand, the still limited level of global transparency and, in particular, the trend towards less transparency, both observed in the Open Budget Survey, show that there is room for improvement. Also of concern is that existing budget transparency mechanisms tend to be disconnected from the Sustainable Development Goals, and therefore do not provide direct insight into progress towards them.

3.4. Accountability and the budget process

Governments operate in an increasingly complex policy environment. Accountability in the budget process has shifted in response to the complex governance and policy challenges encapsulated in the SDGs. This involves a redefined

role for all stakeholders in budget accountability, including governments, Parliaments, oversight institutions, the public and other actors. Besides the factors that have traditionally limited effective budget accountability, such as formal constraints or limited capacities, there are also new emerging challenges for budget accountability in support of SDG implementation. This section presents the main actors of budget accountability systems, discusses their changing roles, and explores how to strengthen accountability in the budget process.

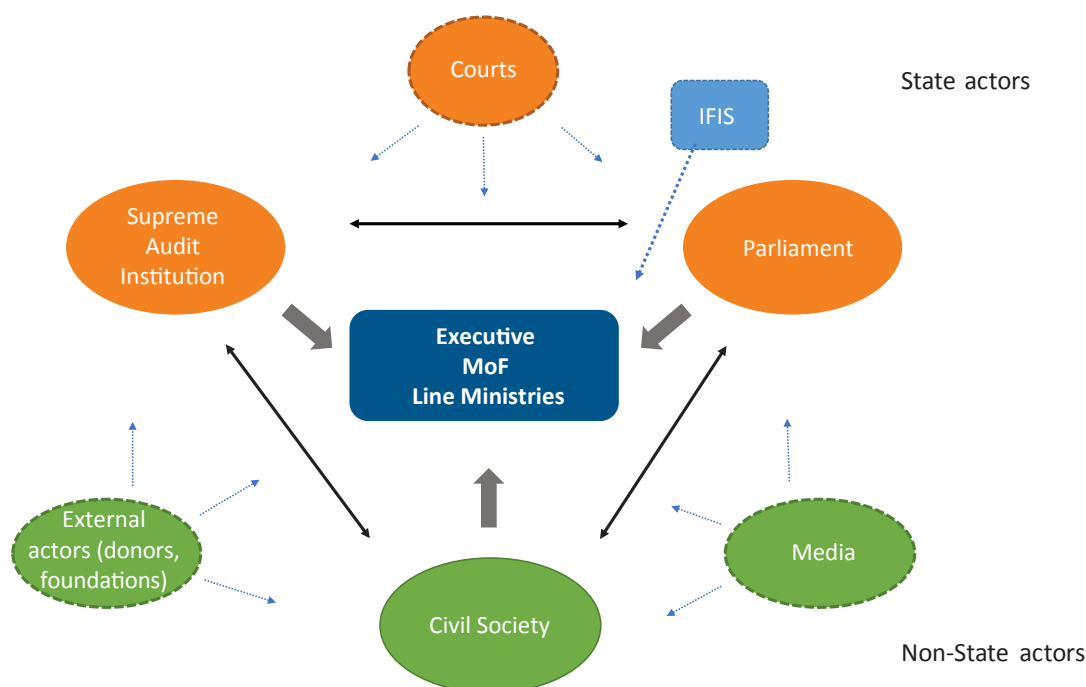
3.4.1. Accountability in the budget process

The government has a special duty to account for its decisions relating to the use of public resources and results achieved for society. This should include the legislature having the means to question and authorise budget proposals, and track the integrity and effectiveness of their implementation and the corresponding outcomes,⁷⁰ as well as external audit agencies that provide an ex-post assessment of the degree to which the executive reports on resources raised and spent are reliable, whether such operations were carried out in compliance with existing laws and regulations, and if they performed well in achieving policy objectives.⁷¹ The High-Level Principles on Fiscal Transparency (principles eight and nine) highlight the oversight role of Parliaments and external audit agencies.⁷²

Traditionally, three main groups of stakeholders have been identified as key for budget accountability: governments that

Figure 3.3.

Stakeholders in budget accountability



Source: Author's elaboration based on De Renzio P, 2016, "Creating incentives for budget accountability and good financial governance through an ecosystem approach. What can external actors do?", Discussion paper, IBP/GIZ.

provide comprehensive, timely and legible budget information, as per available international standards;⁷³ independent oversight and audit institutions that operate at all stages of the budget cycle (e.g., independent fiscal institutions, IFIs, and supreme audit institutions, SAIs);⁷⁴ and an active Parliament that actively exercises its role in authorizing budget decisions and holding government to account for budget formulation and execution. Yet, according to the 2017 Open Budget Survey,⁷⁵ out of 115 countries surveyed, only 28 per cent of legislatures (32) have adequate oversight practices, while two-thirds of SAIs have adequate practices. Thirty-six countries (31 per cent) are assessed to have weak legislative oversight of the budget. Legislative oversight is stronger during budget formulation and approval than during implementation. While there are independent fiscal institutions in 28 countries, only 18 of these are both independent and sufficiently resourced to carry out their functions.

Budget reforms in recent years have sought to strengthen budget accountability by strengthening the role of Parliament, enhancing the capacity of independent oversight institutions and opening more opportunities for citizens to engage in the budget process. There has been increasing emphasis on the need to look at the whole accountability system at the national level, which is broader than the institutions singled out above and includes other stakeholders such as civil society and the general public. The increasing number of actors expands the opportunities for collaboration (e.g., between Parliaments and civil society, between SAIs and civil society⁷⁶) to contribute to increased budget accountability.⁷⁷

3.4.2. Budget accountability in support of the SDGs

Governments face increasingly complex policy challenges. The integrated nature of the 2030 Agenda and the SDGs requires governments to develop or enhance new core capacities, including by:⁷⁸ developing institutional mechanisms that facilitate managing performance broadly on the results that government seeks to achieve; adopting a whole of government orientation to decision making, resource allocation, inclusion, and policy coherence; and implementing collaborative mechanisms to facilitate horizontal and vertical integration and stakeholder engagement.⁷⁹

The SDGs do introduce the need to think of budget accountability differently. The nature of budget accountability has changed from having a year-end focus to activities that span the whole budget cycle. It goes beyond budget control and oversight, and becomes a tool for managing the strategic objectives of the government, including their sustainable development objectives. Budget accountability and government responsibility regarding the budget process may now involve looking for good practices, learning what works, and managing networks that allow for the achievement of interrelated policy goals, beyond the traditional focus on compliance. Yet, addressing integration within the context of

budget accountability is not without difficulty. For example, attempts to introduce so-called “portfolio budgeting” may face resistance from various actors.

All budget stakeholders need to ensure that they evolve in tandem with these changes. On the whole, Governments are providing more and better information on their plans and forecasts. Parliaments have adapted their structures to better address budget issues, with more specialized committees focusing on different aspects of the budget (forecasts, performance reports, governance). SAIs have also adapted by developing innovative auditing techniques and enhancing performance audit practices to ensure that they return value and benefits to clients, stakeholders, and citizens in the current governance environment.

Still relatively little reporting on performance of SDG implementation is done by governments. Yet, in some important ways, the SDGs do not represent a radical departure from the past. Governments often have national plans to address complex issues at a whole-of-government level, which overlap with the SDGs even without an explicit connection to them. They have increasingly included performance information in budget documentation (See Box 3.6).

Some governments have also introduced reforms to move towards whole-of-government reporting. For example, in the Philippines, the Department of Budget and Management has, since 2011, reported on the status of allocation releases, consolidated statement of allocations, obligations and balances, and cash allocations releases and their disbursements. Since 2013, the government has published mid-year and year-end reports that provide a cohesive discussion on the state of the budget, and the General Appropriations Act requires the national government and public entities to submit their reports regularly to Congress.⁸⁰

For Parliaments, the need for integration translates into the need for further engagement of different parliamentary committees throughout the budget cycle. An active role of committees in parliamentary budget scrutiny leads to detailed and more technical (rather than political) engagement.⁸¹ Enhanced coordination and communication between specialized budget committees and sector committees, as well as dedicated SDG committees that have been created in some countries,⁸² supports stronger parliamentary involvement in the budget process. There are some notable examples of this wider legislative engagement, including Sweden, India (specialized sector committees examine the budget since 1993), Australia or Uganda,⁸³ as illustrated in Box 3.7.

However, improvements are still possible. A stronger role of sectoral or SDG committees requires time and a more general debate around the budget bill, which does not happen in many countries where parliaments do not discuss the budget in detail, and often provide only a vote of confidence on

Box 3.6. Inclusion of performance information in budget documentation

France's organic budget law (Loi organique relative aux lois de finances, LOLF) groups expenditures by "missions" that bring together programmes associated with high-level policy objectives and performance indicators. Recent reforms have focused on streamlining the indicators to make them clearer to parliamentarians and the public. France enacted a law in 2015 requiring the Government to present wealth and well-being indicators over and above GDP, to promote debate on policy impacts. The government is developing a strategic dashboard using a limited set of internationally comparable indicators, including: economic development indicators such as FDI (OECD) and Doing Business (World Bank); social progress indicators, such as healthy life expectancy at 65 by gender (OECD), percentage of 18-24 year olds with no qualification who are not in training (France Stratégie/Eurostat) and poverty gaps (World Bank); and sustainable development indicators such as greenhouse gas emissions per unit of GDP (European Energy Agency/Eurostat).

Source: OECD (2018), *Best practices for Performance Budgeting*, OECD Publishing, Paris.

Box 3.7. Engagement of a wider range of parliamentary Committees throughout the budget cycle

The Swedish Riksdag, has a two-step legislative process in which the Spring Fiscal Policy Bill (submitted in April) allows for a more general debate on fiscal policy and the debate on the Budget Bill (submitted in September) covers the government's detailed spending proposals for the next budget year. Sectoral Committees have a strong role in reviewing performance targets for ministries and agencies and scrutinise results.

Source: OECD (forthcoming), *Best practices for Parliamentary Budgeting*, OECD Publishing, Paris.

the budget as a whole. A recent OECD survey shows that sectoral committees take the lead on reviewing sectoral financial and performance information in only 11 OECD countries.⁸⁴ Also, according to the Open Budget Survey 2017, sectoral committees review budgets for their sector in 72 countries out of 115 surveyed, but in 44 of these, the sectoral committees do not issue any publicly available recommendation before the budget adoption.⁸⁵

Accountability institutions such as SAIs can draw on a rich body of experience in "auditing complexity" to enhance their budget accountability role in support of SDG implementation. Some SAIs, like SAI India, are using social audits to inform performance auditing practice.⁸⁶ Other SAIs are conducting audits that assess complex governance issues and their impact on government performance and the efficiency of spending. For example, the UK National Audit Office has evaluated the long-term planning and revenue spending framework of the central government.⁸⁷ Also, the US Government Accountability Office (GAO) regularly conducts audits that consider institutional duplications, overlaps and fragmentation, and their impacts on the efficiency of public spending.⁸⁸ Overall, about half of the recommended actions in GAO's annual reports on duplication have been implemented by Congress or agencies, and these annual reports are estimated to have helped the federal government save over \$175

billion.⁸⁹ GAO has also audited the performance of the government in implementing whole-of-government strategies (e.g. for pandemics, homelessness), see Box 3.8.

3.4.3. Enhancing budget accountability

Despite progress, persistent challenges to budget accountability at the national level relate to formal constraints (e.g., limited formal powers of accountability institutions, no mandate to publish audit reports), limited capacity and resources, and wider governance and political economy factors (such as limited competition or political influence) that undermine the effective operation of the budget accountability system.

In addition, some challenges are particularly relevant in the context of SDG implementation. These include, for example, the lack of government accountability around the macroeconomic projections on which the budget is based, with over-optimistic projections for revenue collection being reflected in the approved budget and ultimately resulting in negative economic impacts. Another challenge refers to private sector accountability within the framework of the budget, for example for public-private partnerships. The role of both government and non-governmental experts in safeguarding the reliability of budget information is another challenge, as well as the limits to budget accountability for the SDGs

Box 3.8. GAO's assessment of the executive branch's approach to using whole of Government strategies to leverage synergies, identify gaps, and improve performance of crosscutting outcomes

The GPRA Modernization Act of 2010 (GPRAMA) provides the U.S. federal framework for establishing long-term and annual goals, reporting on progress at least annually, and using that information in various types of decision making. As part of GPRAMA, the Office of Management and Budget is to establish 4-year "Cross Agency Priority" (CAP) Goals. The 14 current CAP goals cover a range of cross cutting policy, program, and management issues. In addition, agency leaders are to annually assess, through a portfolio of evidence, the agency's progress in achieving each of their strategic objectives. These objectives are intended to be outcome-oriented and span the operations of a number of programs. The results of these reviews are to inform a variety of agency decision-making processes, including budget formulation and execution. Currently, major federal agencies have identified 267 strategic objectives.

GAO, which worked closely with Congress in crafting GPRAMA, is required by the Act to review these and other aspects of GPRAMA. This has included auditing implementation of the provisions, assessing the governance mechanisms being used to implement the CAP goals, identifying best practices for coordinating crosscutting programs and for doing strategic objective reviews, and assessing if goals and objectives are being met.

Source: Input by C. Mihm to the expert group meeting on Budget and planning in support of effective institutions for the implementation of the SDGs, New York, February 2019.

when those are perceived by the government merely as a foreign aid agenda. Several initiatives can be identified to address all these challenges.

3.4.4. Promoting accountability throughout the budget cycle

There are different approaches to improving budget accountability to support SDG implementation. Table 3.3 below identifies some possible initiatives for each stage of the budget cycle.

Several aspects of budget accountability may require special attention in the context of SDG implementation. First, it is important to consider accountability for the full government commitment, which includes not only direct spending but also tax expenditures. This requires improving the transparency of tax expenditures and subjecting them to the "performance test" of having goals, measures, and periodic reporting.⁹⁰ It also includes closing the gap between planned and forecasted tax revenues and the actual revenues collected. All this would help to better inform decision-makers and enhance the credibility of the budget.⁹¹

Table 3.3.

Initiatives for better budget accountability

Stage of the budget cycle	Initiatives to promote accountability
Setting of government fiscal policy and objectives	<ul style="list-style-type: none"> Providing information on fiscal policy and objectives that is not narrowly focused on one year but has a multi-year perspective, ahead of the annual budget discussion Establishing a role for an independent fiscal institution to give quality assurance on the credibility of the fiscal objectives Parliament debating and/or formally approving fiscal policy and objectives
Formulation and approval of the budget	<ul style="list-style-type: none"> Undertaking participatory budgeting initiatives to better understand the budget priorities of citizens Publishing a budget proposal that sets out plans for the forthcoming years, with all relevant information on revenue, expenditure, tax expenditures, financing, commitments and potential risks Providing parliament with at least 3 months, and specialist analytical and research resources (e.g. a Parliamentary Budget Office), to analyze and discuss the proposal Publishing a citizen's budget to help the public engage in deliberations over the budget proposal
Budget implementation and audit	<ul style="list-style-type: none"> Publishing regular reports and accounts, including a comprehensive mid-year report, that provide key figures and commentary on budget execution Having an independent audit done in a timely manner after the end of the year Providing parliament with capacity to undertake in-depth scrutiny, including hearings with ministers and other officials, through various committees (e.g. Public Accounts Committee and sectoral Committees)

Source: D. Moretti (OECD), input to the expert group meeting on Budget and planning in support of effective institutions for the implementation of the SDGs, New York, February 2019.

Second, financial and performance information should be combined in budget documents, rather than presented separately, as the latter makes linking expenditures and performance more difficult. Although several countries include non-financial performance information in budgets, this information is not always integrated into the budget process to support and inform budget decisions and oversight.⁹² Evidence from some countries also shows that performance information is mainly used during budget implementation but not as much for informing policy and budget formulation based on the results of oversight and evaluation.⁹³

Moreover, it is important to enhance the evidence base of budgetary decisions. By incorporating evidence of effectiveness and performance, public entities can improve the effectiveness of their programmes and enhance innovation based on evaluation and research. For example, in the USA, Pay for Success (often referred as Social Impact Bonds) is a contracting mechanism under which investors provide the capital the government uses to implement a social service. The government specifies performance outcomes in Pay for Success contracts, and generally includes a requirement that a program's impact be independently evaluated. Pay for

Success oversight bodies regularly review performance data, while those managing and investing in a project focus on performance and accountability.⁹⁴

Progress towards achieving the SDGs is undermined when countries budget for them but do not implement the budgets. Enhancing “budget credibility” (the difference between the approved budget and actual expenditure) is linked with the efficiency of spending and has important implications for macroeconomic stability, service delivery and social welfare.⁹⁵ The Public Expenditure and Financial Accountability (PEFA) framework includes indicators on several dimensions of budget credibility.⁹⁶ This issue is also included in the IMF's Fiscal Transparency Code and Fiscal Transparency Evaluations. Regular budget implementation reports should provide justifications that are plausible, transparent and regulated by the budgetary process. After budget execution, the executive should also provide the reasons for any deviations, to enhance accountability for results. Ongoing work by the International Budget Partnership aims to better understand the extent, nature and reasons for budget deviations and the impact of budget credibility problems on service delivery and social welfare.

Box 3.9. Understanding budget credibility

The International Budget Partnership (IBP) is leading a two-year project to better understand why budget deviations happen (the explanation for deviations) and whether money is being diverted to different priorities than those agreed to in the original budget (i.e., the allocative consequences of deviations). The project will also convene and coordinate a global community of practice to discuss the research findings as they are produced and work together toward a set of global advocacy objectives to enhance budget credibility.

Initial findings from cross-country research indicate that budget credibility is a challenge. At aggregate level, governments underspend their budgets by 9.3 per cent on average and often more. Challenges are greater in lower income countries. The composition also shifts substantially during execution. Sectors such as general public services, defense, public safety, education and social protection tend to gain in budget shares, while sectors such as economic affairs, environmental protection and housing tend to lose in budget shares. While increases for most of the sectors that gain are due to compensation, reductions are almost exclusively due to capital expenditure

Regarding the reasons for deviations, an analysis of 24 case studies across different regions and sectors indicates that many governments do not provide explanations, and those that do often provide inadequate explanations. Some provide more information than others. For example, countries in Latin America provide explanations at a very disaggregated level. Countries such as Bangladesh provide explanations on a consistent basis. The analysis also shows that governments have more information on budget implementation than is being disclosed (e.g., Ukraine).

Additional areas for research include better understanding of the role of Parliament and oversight institutions as well as the impact of budget deviations on service delivery and equality.

Source: see footnote⁹⁷

Lastly, financial reporting based on accrual accounting helps governments to better reflect all public assets, liabilities and contingent liabilities, which should also be subject to end-of-year scrutiny.⁹⁸ Although countries have made some progress on the publication of accrual basis financial statements, civil service pensions and natural resources are not yet reported by most countries, limiting the accountability of some of the government financial operations.⁹⁹ Also, as accrual accounting is considered a very technical issue, countries have developed reader-friendly summaries and commentaries of technical, complex and sometimes overly detailed financial statements.¹⁰⁰

3.4.5. Enhancing capacities for budget accountability

Improving budget accountability also requires adequate capacity of all relevant accountability stakeholders to analyze, interpret, and respond to budget information that is provided by the Government and to collaborate for better budget oversight.

Increasing analytical capacity in Parliaments is often needed, especially considering the growing volume of budget-related information in many countries, which sometimes exceeds the capacity of Parliaments to meaningfully engage in budget discussions. Additionally, in some contexts there may be a need to streamline budget information and make it easier to understand. Building legislative capacity for budget oversight requires adequately trained committee staff and strengthened independent research capabilities, including in parliamentary budget offices. The number and background of budget committee staff varies widely. For OECD countries, 2-3 staff is the most common, but countries such as France or the USA have around 20-30 staff for each house.¹⁰¹ Also, many Parliaments still do not have an internal research body to assist parliamentarians or one has been only recently established. Staff of these research units is also variable. Specialized research capabilities, for instance to conduct gender analysis of budgetary issues, are also a challenge.¹⁰²

In general, insufficient time has been spent on identifying institutional mechanisms needed by Parliaments to fulfill their role in budget accountability. In some countries, the SAI has played a role in this regard, providing capacity building to parliamentarians on how to understand budget information. For example, the US Government Accountability Office has worked with the legislature to enhance its engagement in government performance initiatives and strengthen its decision-making and oversight capacity.¹⁰³ Also, Costa Rica's SAI conducts an annual survey on the quality and utility of its audit reports, which has allowed the SAI to identify areas for improvement, for example, in terms of the language used in audit reports to appeal to young parliamentarians.¹⁰⁴

Well-resourced oversight institutions are also critical. In some countries, SAIs have limited staff working on the external audit of budget accounts.¹⁰⁵ Also, in some countries SAIs do not

conduct or still have limited capacity to conduct performance audits.¹⁰⁶ The SDGs provide a window of opportunity to advance performance audits. Indeed, many SAIs conducted performance audits for the first time when they audited their governments' preparedness for SDG implementation in recent years.¹⁰⁷

The capacity of SAIs to have their recommendations acted upon, considering the different SAI models and whether the SAI has enforcement powers, is also an important factor in enhancing budget accountability. In the USA, although the GAO has no enforcement power, a recent law mandates that each federal agency, in its annual budget justification going to Congress, include a report on each public recommendation of the GAO that is classified as "open" or "closed, unimplemented".¹⁰⁸ Most SAIs have some type of follow-up system,¹⁰⁹ but effective follow-up of audit recommendations is hindered by limited transparency of audit reports (the percentage of SAIs that made most of their completed audit reports available to the general public fell from 70 per cent in 2014 to 49 per cent in 2017, and the percentage that published no reports rose from 15 per cent to 26 per cent).¹¹⁰ Also, according to the 2017 Open Budget Survey, in 41 countries out of 115, the legislature does not review audit findings.

Beyond SAIs, other stakeholders such as independent fiscal institutions (IFIs), the media, and civil society also need enhanced capabilities. Many countries do not have IFIs, and in others they have limited capabilities due to legal constraints or limited resources. While in some countries (such as Indonesia, Kenya or South Africa), there are many specialized civil society organizations working on budget issues, in other countries civil society capacity is limited. Similarly, the media do not always play a well-informed and constructive role in budget accountability.¹¹¹

3.4.6. Effectiveness of budget accountability measures

The evidence base on budget accountability is still underdeveloped, and conclusive findings are lacking. Nonetheless, case studies and meta-analysis suggest that transparency and participation may, under certain conditions, enhance budget accountability and lead to positive impacts. Early evidence suggests that budget work done by civil society also contributed to accountability and participation, in a context of adequate civil society capacity and when linked to broader forms of collective action. In addition, while there are still no conclusive results, there is a growing body of evidence that connects public sector transparency with better economic and social outcomes (as discussed in 3.3.5). There is evidence that links improved budget accountability with improved service delivery and with more equitable budgets, which more effectively address the needs of marginalized people and those living in poverty.¹¹² Further,

there is some evidence of a positive relationship between fiscal transparency and better developmental outcomes.¹¹³ Thus, there is growing evidence that budget transparency contributes to increasing accountability, and the latter can lead to better development results.

3.5. Addressing corruption in the budget process

As do other forms of corruption (cf. Chapter 2 of this report), corruption in budget processes undermines public confidence in government, affects the delivery of services and the provision of public goods, hinders social and economic development, creates inequality, and weakens the rule of law.¹¹⁴ Corruption in budget management undermines the legitimacy of resource allocation and renders government planning ineffective.¹¹⁵ Corruption at the stage of budget development can skew the allocation of government expenditures across sectors, produce “bloated” budgets, and create opportunities for corrupt practices later on in the implementation process.¹¹⁶ It is also one of the potential sources of budget deviations and affects budget credibility, as it makes actual expenditure inconsistent with the planned budget. Moreover, by diverting scarce resources from priority social sectors such as health, water or education, budgetary corruption is particularly damaging for the poor.¹¹⁷

Efforts to combat corruption around the budget process have revolved around two main questions: How to identify corruption risks at different stages of the budget process, and how to address those vulnerabilities. This section focuses on the expenditure side and does not cover corruption risks related to revenues.

3.5.1. Corruption in budgets and the SDGs

As in other areas, efforts to address corruption in the budget process face methodological challenges. There is no standard methodology to measure corruption in relation to budget processes, and consequently no data are readily available in this area. Leakages of expenditures – a proxy indicator for corruption – are easier to identify and good methodologies exist to measure them.¹¹⁸ However, other practices that are systemic or related to political economy factors – such as the use of privileged information by public officials, collusion of public officials to provide false information to the legislature, revolving doors between the public and private sectors, “crony capitalism” – are difficult to measure and address. Moreover, some of the common anti-corruption responses such as budget transparency standards cannot fully address these issues. Further, there is a tendency to underestimate the sophistication of corruption schemes related to public resources.

Inefficient spending due to leakages of expenditures is a common public financial management (PFM) challenge that is used as a proxy indicator for corruption in budget implementation. Fraud and financial leakages can be measured by audits and public expenditure tracking surveys.¹¹⁹ Leakages create barriers to access to services,¹²⁰ undermine the quality of service delivery and affect outcomes and the performance in sectors such as health, water and education.¹²¹ For example, in the health sector, financial leakages impact health worker payments, contribute to shortages of critical goods and medicines, and affect the number of patients treated, among other negative effects.¹²²

As shown in Chapter 2, reflecting the integrated nature of the 2030 Agenda when addressing corruption in budgets is critical but remains a challenge. In this regard, it may be helpful to look into particular SDG areas, for example under target 12.2, which relates to efficient management of natural resources. Further, attention should be paid to corruption risks when considering risk management systems for SDG implementation and to the development and monitoring of corruption indicators for budget sub-systems in specific SDG areas. Also, tools and strategies for preventing and addressing corruption are needed for cross-sectoral budgets supporting goals and targets that involve multiple government agencies and sectors (e.g., food, health, and climate change).

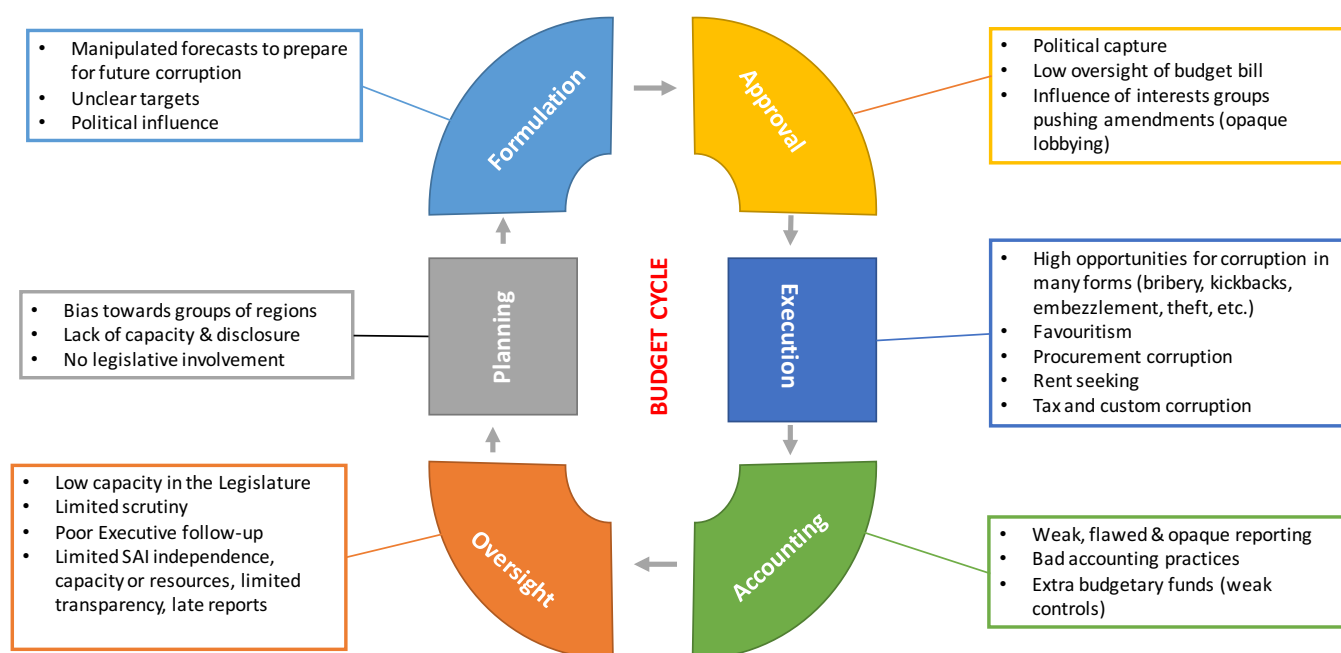
It might be too early to link anti-corruption in budgets too systematically to other institutional principles of the SDGs, as the underlying empirical evidence to connect them is as of yet insufficient. There is still too little knowledge about causal connections, impacts and results of anti-corruption measures and interventions to draw substantive conclusions.¹²³ As noted in Chapter 2, combining transparency with enforcement seems to be critical to ensure effective responses to corruption.

3.5.2. Corruption risks at different stages of the budget cycle

The risks of corruption vary across the stages of the budget process (see Figure 3.4).¹²⁴ Vulnerabilities at one stage may create opportunities for corruption at later stages. Corruption vulnerabilities also affect financing and budgeting in specific sectors (e.g., education budget). Thus, considering sector-specific processes is important for preventing and controlling budget corruption.¹²⁵

Corruption vulnerabilities emerge in the relations among the multiple actors who engage in the budget cycle, including members of government (the executive), parliament, state entities, and officials in local and regional governments. Overall, PFM corruption has mostly been analysed from a principal-agent perspective.¹²⁶ Yet, it is largely about political decisions, which can be captured by specific groups and interests, and about how public administration implements them. Corrupt actions may breach the constitution and violate

Figure 3.4.
Corruption risks by stage of the budget cycle



Source: Author's elaboration.

national budget laws and procedures, as well as civil service laws and regulation. The absence of a proper legal framework, unclear rules and regulations, weak enforcement, limited transparency and existing informal practices and institutions also drive corruption in the budget process.¹²⁷

At the planning stage, corruption vulnerabilities appear as opportunities to inappropriately channel public resources in ways that benefit particular interests. The planning of public activities may be biased towards specific groups (e.g., ethnic, political) or geographical areas. Biased allocations are more likely when the legislature is not involved, and when the plan is prepared by the executive only, amidst limited transparency and accountability.¹²⁸ Also, lack of planning capacity (e.g., reflected in unclear, inconsistent and non-prioritized planning documents) and lack of disclosure of planning documents may create opportunities for corruption.

The stage of budget formulation also has specific vulnerabilities that, unattended, can allow for corrupt practices. Financial forecasts may be manipulated or biased to allow future embezzlement or diversion of resources. Weaknesses in the planning process may render expenditure targets unclear and disconnected from the planning process. Political influence may affect expenditure targets (e.g., a powerful line ministry can get higher allocations) and also create opportunities for corruption at later stages. Lack of transparency of the

budget proposal (see section 3.3.2) may also allow for undue influence.¹²⁹

At the approval stage, weaknesses in the legislative process may create opportunities for corruption. Short deadlines and little time for legislative scrutiny can lead to budget approval without appropriate checks to address potential vulnerabilities. Moreover, at this stage, special interest groups, businesses and political parties may use corrupt practices to promote amendments to the budget that benefit specific constituencies or will allow for corruption later on. They can also influence legislators to amend the budget proposal or safeguard budget allocations or subsidies. Risks of political capture are high at this stage.

Budget execution is the stage that is most vulnerable to corruption,¹³⁰ as this is where the main transactions are made, resources become tangible, and multiple actors are involved. Particular attention at this stage should be paid to areas in which high levels of discretion can increase vulnerability to corruption, such as public contracting, budget processes and customs.¹³¹ Corruption in budget execution may take many forms, including favoritism in or absence of budget authorizations, distortion of public investment projects, bribery and kickbacks in procurement, undue advantages to certain providers, money stolen or used to benefit particular individuals or groups, and rent-seeking. The ability of the

executive to change the budget without legislative approval during implementation¹³² and the multiplication of exceptional procedures that bypass expenditure oversight may increase the probability of these practices occurring.¹³³

Government agencies have to account for their expenditures. Their financial reports are subject to internal audit and consolidated by the ministry of finance, which issues a budget execution report subject to external oversight. Poor accountability and reporting mechanisms can contribute to increasing the incentives for corruption as well as create an environment of impunity. Flawed or opaque reporting and weak accounting practices and internal controls increase the risks of corruption at different stages of budget implementation, as the chances for detection and prevention are reduced.

Legislative oversight is usually undertaken by the legislature's public accounts committee (or equivalent). Limited legislative scrutiny, lack of capacity and resources, and poor executive follow-up undermine oversight.¹³⁴ External oversight is undertaken by the supreme audit institution (SAI). SAIs' limited independence, lack of capacity and resources, insufficient cooperation with Parliament and non-state stakeholders, and the limited availability of their audit reports may limit the effectiveness of external oversight by the SAI (see above page 105).¹³⁵

Corruption vulnerabilities also emerge regarding extra-budgetary resources and accounts for specific types of expenditures or revenues (e.g., social security funds, natural resources). The implementation, control and oversight of these resources frequently lacks the standards and processes of regular budgetary resources, providing opportunities for corruption (for instance, many SAIs do not oversee these funds). In some cases, these off-budget funds may be purposely set up to avoid oversight.¹³⁶

3.5.3. Preventing and combatting corruption in budgets

PFM reforms have focused on reducing discretion and complexity, streamlining administrative procedures, and standardising and automatising processes. They also include better monitoring and enforcement of tougher sanctions of corrupt practices. These reforms have typically addressed corruption as a technical and administrative issue. However, PFM corruption is also a political problem, where technical and political considerations are intertwined in complex ways.¹³⁷ Therefore, they require consideration of broader governance and political issues in specific contexts. Also, recent reforms have sought to enhance transparency, participation and accountability in budget processes. A positive aspect of this area is that international standards exist for the entire PFM cycle.

Anti-corruption reforms in this area can generally be classified in five main types.¹³⁸ First, those reducing technical complexity, including information and communication systems and skills in the public service. Second, those simplifying financial regulations where feasible and coherent, particularly in high-risk and high-value areas, and eliminating unnecessary bureaucracy. Third, those enhancing transparency: government information systems, including websites, must provide information on key policy decisions and financial performance data. Fourth, those providing the public with effective channels to ensure value for money in service delivery and improve probity (e.g., complaint mechanisms). Finally, those strengthening internal and external audits, ensuring access to information and full disclosure of reports to the public.

There are several ways of minimising corruption opportunities and risks that are specific to the budget process. At the budget formulation stage, approaches to reducing corruption include: strengthening overall governance processes (e.g., sufficient time, clear budget envelopes); multi-year and programme-based budgeting with reliable control mechanisms; more transparency and public scrutiny (through for example, citizens' budgets), and participatory budgeting.

Corruption risks at the budget approval stage can be minimised by ensuring sufficient time for legislative scrutiny; building the capacity of parliament's experts, and introducing lobbying regulations that enhance transparency and establish lobby registers. For example, Chile recently approved legislation to regulate lobbying, define their active and passive subjects, and established a register for lobbyists and their activities (See Box 2.11 in Chapter 2).¹³⁹

Measures to address corruption in budget execution include the use of information and communication technologies (ICTs) to consolidate data and facilitate real-time access to information; public expenditure tracking systems to detect leakages; enhancing transparency of budget execution more generally; participatory monitoring; and improved accounting and reporting standards and skills to implement them.

Some of these measures are used mainly to enhance the effectiveness of the public financial management system, but they may also promote integrity or have corruption reduction as a secondary objective. For example, well designed and implemented integrated financial management information systems (IFMIS)¹⁴⁰ can help detect exceptions to normal operations, patterns of suspicious activities, automated cross-referencing of personal identification numbers for fraud, cross-reference of asset inventories with equipment purchase to detect theft, automated cash disbursement rules, identification of ghost workers, etc. As of 2005, the World Bank had funded IFMIS projects in 27 countries and developed guidance to address implementation challenges. Successful IFMIS projects included those in Ethiopia, Kosovo, the Slovak Republic, Tanzania, and Uganda.

Box 3.10. Good financial governance and audits in Africa

The Good Financial Governance programme, supported by the German agency for international cooperation (GIZ), advocates for the improvement of PFM systems in Africa by providing better assessments of their effectiveness and using external audits to identify common challenges. It considers technical PFM dimensions as well as normative and political economy dimensions, and tries to establish whether there is correlation among PFM processes, budgetary outcomes, and national sustainable development outcomes, measured by the SDGs. Further, it seeks to identify the extent to which these relationships are influenced by contextual factors such as governance, corruption, politics, and the economy.

The assessment tool considers PFM processes both at the centre of government and in line ministries, departments and agencies, and allows for aggregating findings from single entity assessments, which affect the government's ability to implement policies, assess macro-economic frameworks, and ensure alignment with the SDGs. It also identifies financial governance risk areas. The model has been piloted in several African countries, including Ghana, Kenya, Malawi, Mozambique, Senegal, Tanzania and Uganda.

Source: GIZ, 2016, *Good financial governance heat map*, Eschborn, November (http://gfg-in-africa.org.dedi1115.jnb1.host-h.net/wp-content/uploads/2017/05/Giz_GFG-heat-map_full-final_March-2017.pdf).

Another way of addressing corruption risks is by enhancing the transparency of budget execution. Reporting how resources are used facilitates monitoring of financial flows by different actors and makes it easier to detect corruption and mismanagement. For example, Colombia's *Mapa Regalías* is an online information system that uses visualization to give citizens information about the allocation of royalties from resource extraction across levels of government and institutions.¹⁴¹ This facilitates the monitoring of investment projects financed by those revenues.¹⁴² Enhancing the independence, capacity and resources of SAIs, as well as increasing the transparency of audit reports and improving collaboration between SAIs and other accountability actors, can also contribute to improved budget oversight and control.

Keeping these reservations in mind, a range of PFM-related reforms can have a positive impact on corruption. Commitments made by countries under the Open Government Partnership (OGP) offer a sample of such tools and approaches. They include: the publication of contract agreements between

the public and private sectors (e.g., Slovenia); the creation of portals or other channels for complaints; the use of social audits by anti-corruption institutions (keeping in mind that they require responsiveness on the part of the state); conflict of interest commissions; wealth declarations for senior officials; requirements of transparency for the financing of political parties; and engaging citizens in budget formulation and resource allocation (e.g., Brazil's policy councils). The effectiveness of most of these tools or institutions critically depends on the capacity and commitment of the relevant institutions (Parliaments, supreme audit institutions, the judiciary) to follow up on evidence of wrongdoing.

3.5.4. Effectiveness of anti-corruption reforms related to budgets

The empirical evidence indicates that domestic factors, both economic and political, are critical for the quality of PFM systems,¹⁴³ and through those for addressing corruption. Overall, evidence shows that PFM reforms are effective

Box 3.11. Budget education, advocacy and monitoring

Multiple initiatives aim to educate citizens about the budget process, and to engage citizens and civil society in advocating for more social spending and monitoring and for holding governments accountable. Examples include budget education campaigns in Indonesia (*Your Voice Your Opportunity*) and social audits in Kenya (*It's Our Money Where's it Gone*).

In Zimbabwe, Save the Children worked with the National Association of Non-Governmental Organisations (NANGO) to support 34 children's groups in work on a Child-Friendly National Budget Initiative. Children from these groups now understand key budgetary concepts, and produce annual shadow budgets for their schools and local authorities. Budget allocations for health and education were increased in 2011 as a direct response to submissions presented by the children-led groups.

Sources: Save the Children, 2012, *Health sector budget advocacy. A guide for civil society organisations*, London, Save the Children; Masud H et al., 2017, *International Practices to Promote Budget Literacy: Key Findings and Lessons Learned*, Washington, DC, World Bank.

in reducing corruption in public administration,¹⁴⁴ but the evidence for specific types of reforms is less consistent.¹⁴⁵ Reforms with stronger evidence of impact are public procurement reform, public expenditure tracking and central budget planning and management. There seems to be some consensus among experts that PFM reforms do not by themselves constitute a solution to all budget corruption problems. For example, while emphasis has been placed on public procurement reform as a remedy for corruption, its primary objectives remain enhancing efficiency and effectiveness. There is clearly a role for PFM reform at the budget execution stage, where basic tools such as streamlining and automatization of processes, compliance controls and audits can contribute to limiting corruption. Beyond this, having too high expectations of PFM reforms may be misplaced. In order to address sophisticated corruption schemes, other approaches might work better. For example, the OECD emphasizes that “transparency is about building trust”, avoiding an excessive focus on combating corruption.

Evidence of effective anti-corruption results of social monitoring and accountability initiatives is contested, but indicates that, under certain conditions,¹⁴⁶ social accountability measures can have a positive impact on corruption.¹⁴⁷ Participatory budgeting has been found to have positive effects in terms of exposing corruption in health at the local level.¹⁴⁸ Information and media campaigns have contributed to reducing the capture of public funds in education and improving health service delivery.¹⁴⁹

Overall, strong PFM systems at the national level are correlated with lower levels of corruption. A recent study from the IMF suggests that an effective tax authority or revenue body may be more efficient for reducing perceptions of corruption than specialized anti-corruption institutions.¹⁵⁰ There are also few systematic assessments of corruption risks in the budget process at the national level. In all, the evidence on the effectiveness of budget/PFM reforms on anti-corruption remains insufficient to draw reliable conclusions.

3.6. Participation and the budget process

Public participation in fiscal policy refers to the variety of ways in which the public – including individuals, citizens, civil society organizations, community groups, business organizations, academics, and other non-state actors – interact directly with public authorities on fiscal policy design and implementation. Participation may be invited by an official entity, such as a ministry of finance, line ministry or agency, a legislature, or a Supreme Audit Institution. Participation may also be initiated by a non-state actor.¹⁵¹

Participation, together with transparency, is a key pillar of accountability, in general as well as in relation to the budget process. By directly or indirectly involving the population in decisions on and the execution of public expenditure, new concerns or ideas might be raised, incentivizing the quality of the debate on the use of allocated resources. Also, incorporating a wide range of voices to the public arena can help reduce the risk of capture of budget decision-making by well-positioned groups. Through participation, citizens and civil society can perform the important function of scrutinizing government actions related to the budget, which other institutional mechanisms (for example, Congressional hearings in the USA) may or may not perform depending on the country context. Citizen engagement can play a useful role in monitoring budget execution, especially at the local level but also at the national level, as well as in audits.

Participation has both an intrinsic (for example, through offering marginalized groups the opportunity to influence decision-making) and an instrumental value. Public participation has to be understood as complementary to – and not a substitute for – existing institutional mechanisms and accountability systems in the budget process. Citizen engagement is a tool that can be mobilized in countries with different accountability systems.

However, participation also involves costs (e.g., related to the capacities and resources needed for participatory processes) and risks. It can be hard to set up and manage, resource-consuming, and sometimes lead to inconvenient results. Some parts of the government may feel that they are already overburdened by citizen engagement initiatives. Governments often need to see the practical benefits of engaging citizens, for example in terms of leading to better resource allocation, improving public services and making them more responsive to the needs of citizens.

In addition, there exist many participatory tools and approaches, which involve different degrees of participation (as measured, for example, by the International Association for Public Participation scale); and those are not equivalent or equally adapted to different problems and objectives.¹⁵²

For these reasons, public institutions have to make clear what they expect from citizen engagement. This is a precondition for selecting the appropriate approaches. Among the considerations that matter in this regard are clear criteria for participation, the inclusion of feedback mechanisms, and the role of experts in participatory processes. For example, Kenya has defined clear criteria for citizen participation in the budget process, and the government has to publish reports showing evidence of citizen participation. It is also critical to avoid elite capture and ensure that the scope of participatory processes is such that they can address issues relevant to the most marginalized groups. In all, when considering public participation and citizen engagement, risks and challenges should be kept in mind.

3.6.1. International principles for public participation in budget processes

Participation features in the principles of the Global Initiative for Fiscal Transparency (“GIFT principles”). Among other things, the principles emphasize that “citizens should have the right and they, and all non-state actors, should have effective opportunities to participate directly in public debate and discussion over the design and implementation of fiscal policies”. GIFT has been engaged in a systematic effort to collect case studies and empirical evidence on what practices work in this respect.

3.6.2. Forms of public participation in budget processes

Public participation in the budget process encompasses engagement across the whole annual budget cycle, from budget preparation to legislative approval to budget implementation to review and audit. It can also encompass engagement in new policy initiatives or reviews (e.g. on revenues or expenditures) that extend over a longer period than the window for preparation of the annual budget. Figure 3.5 shows some of the various mechanisms for public participation in the budget cycle.

Participation in fiscal policies may be through face to face communication, deliberation or input to decision-making, through written forms of communication including via the internet, or by combinations of different mechanisms. It ranges from one-off public consultations or invitations for submissions, to on-going and institutionalized relationships, such as regular public surveys, standing advisory bodies, or administrative review mechanisms. Participation can be through broad-based public engagement as well as deliberations involving experts, or combinations of the two.

3.6.3. Trends in participation in the budget process

In early 2018, the International Budget Partnership released the results of the 2017 Open Budget Survey, which included a new set of measures based on the GIFT Public Participation Principles, offering a new stocktaking of the state of public participation in budget processes around the world. For the first time, the Open Budget Survey measured efforts to engage widely and with marginalized and vulnerable groups. The survey covered 115 countries. To assess participation in the budget process, it focused on seven formal engagement mechanisms which cover the executive branch (at the central level and in line ministries), the legislature, and the supreme audit institution (SAI). For each mechanism except those

Box 3.12. The development of international principles on participation in fiscal policy

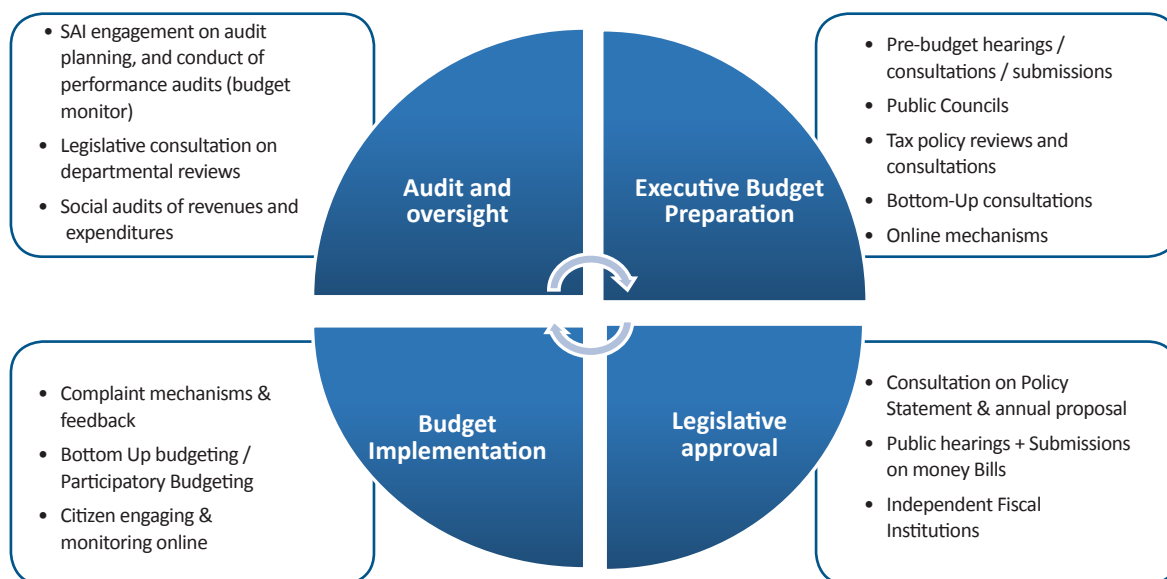
Starting with the IMF’s 1998 Code of Good Practices on Fiscal Transparency, the first generation of international fiscal transparency standards focused on the need for comprehensive disclosure of fiscal information. More recently, open fiscal data developments are greatly expanding the scope of publicly available information. Experience has shown, however, that disclosure is a necessary but not a sufficient condition for accountability. Attention has recently moved to translating public disclosure into more effective accountability by means of greater public engagement on fiscal management, greatly facilitated by developments in digital government.

Reflecting these developments, Principle Ten of the 2012 GIFT High-Level Principles on Fiscal Transparency,¹⁵³ Participation, and Accountability established that: ‘Citizens and non-state actors should have the right and effective opportunities to participate directly in public debate and discussion over the design and implementation of fiscal policies’. In January 2018, GIFT published the Expanded Version of the High-Level Principles in Fiscal Transparency, Participation and Accountability, which seeks to explain the role played by the Principles in promoting greater fiscal transparency globally, as well as to set out the relationship between each of the principles and the corresponding standards, norms, assessments, and country practices to which they relate.

Requirements for public participation in fiscal policy have since been incorporated in the 2014 IMF Fiscal Transparency Code (principle 2.3.3) and the Fiscal Transparency Handbook, in the OECD’s Principles of Budgetary Governance 2014 (Principle 5) and the OECD-GIFT G20 Budget Transparency Toolkit (Section 4, Openness and Civic Engagement),¹⁵⁴ as well as in some PEFA indicators (PI-13 (iii) on the existence of a functioning tax appeals mechanism, PI-18.2 on legislative review of the budget, and PI-24.4 on procurement complaints mechanisms).

To make the right to public participation more practical and meaningful, the GIFT network has, since 2014, implemented a work program to generate greater knowledge about country practices and innovations in citizen engagement. Outputs include country case studies, a set of *Principles of Public Participation in Fiscal Policy*,¹⁵⁵ a Guide on Public Participation,¹⁵⁶ and discussions on instruments to measure public participation in fiscal policy.

Source: Juan Pablo Guerrero & Murray Petrie, input to the World Public Sector Report 2019.

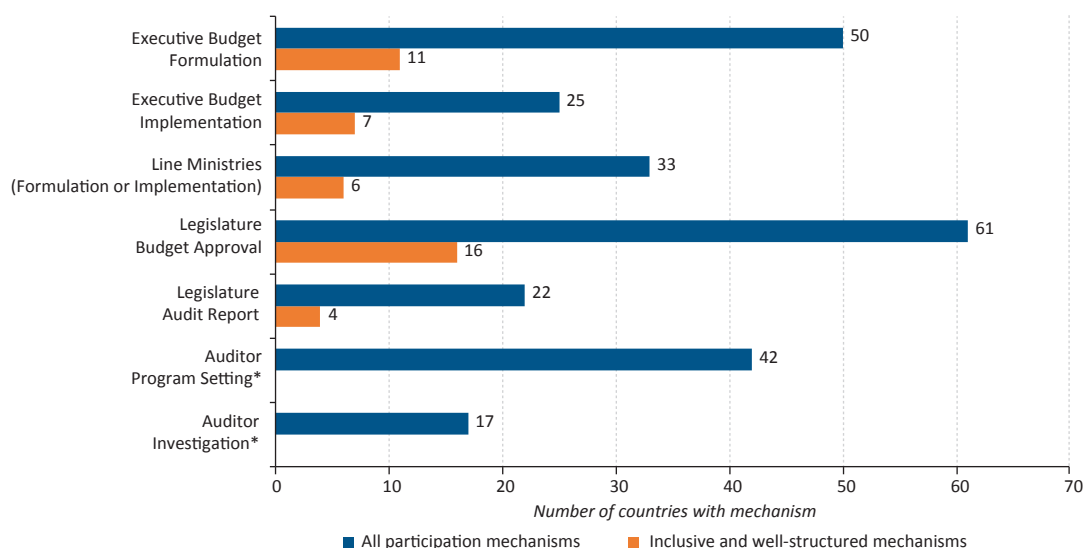
Figure 3.5.**Mechanisms for public engagement at different stages of the budget cycle**

Source: Juan Pablo Guerrero & Murray Petrie, input to the World Public Sector Report 2019.

involving the SAI, the survey provided an assessment of the inclusiveness of the engagement process.¹⁵⁷

The results of the survey show that channels for citizens to influence budget decisions at the central level remain limited (see Figure 3.6). As a whole however, 94 countries out of the 115 reported the existence of at least one engagement mechanism in relation to the budget cycle, with a variety of

approaches at different stages of the budget cycle. In Canada, for example, there are thousands of pre-budget consultations. The survey shows that participation is more common at the formulation than at the implementation level. Very few countries with executive participation mechanisms make a special effort to reach vulnerable groups. Most countries are not providing feedback to the public on how their inputs were considered or used.¹⁵⁸

Figure 3.6.**Frequency of the seven participation mechanisms assessed in the 2017 Open Budget Survey, out of 115 countries**

Source: International Budget Partnership, 2018.

Significant direct public engagement is implemented by line ministries and agencies that actually deliver public services or make payments to citizens. (see Box 3.13).

Public participation at the audit stage has started to develop. For instance, Georgia has achieved significant progress in enabling participation due to the launch of its Budget Monitor platform which, besides providing information on expenditures and auditing processes, offers citizens the possibility of sending audit requests, suggestions, and proposals, informing the State Audit Office of Georgia about deficiencies in the PFM system, and suggesting priorities for future audits.¹⁵⁹

Local governments have considerable experience in institutionalizing public participation in budget matters. Participatory mechanisms at the local level have witnessed rapid development around the world over the past two decades. The most well-known among those has been participatory budgeting, pioneered in Porto Alegre in 1989 and later in many Brazilian municipalities. European versions of participatory budgeting adopted in the early 2000s responded to attempts to create new ways to engage citizens and improve transparency and accountability. Many other institutional mechanisms have emerged, including different forms of participatory planning and public hearings.¹⁶⁰ Even within each category, they have a great variety of designs, decision-making powers, and modalities for participation; the relative roles of individual citizens versus organized civil

society or other organized groups in these mechanisms also vary considerably.¹⁶¹

Participatory budgeting has been the most studied of these types of mechanisms.¹⁶² There is no global mapping or repository of participatory budgeting initiatives, although partial mappings and case study repositories are publicly available.¹⁶³ A comprehensive review volume on participatory budgeting covering all world regions was published in 2014. It documents the geographic extension of participatory budgeting, the development of the instrument over time in several countries, as well as the themes covered by participatory budgeting.¹⁶⁴ According to experts, as of 2013, participatory budgeting was implemented by more than 2,500 local governments in Latin America alone.¹⁶⁵ Between 2000 and 2010, European experiences had increased from a handful to more than 200.¹⁶⁶

The literature underlines that after its initial developments in Brazil, participatory budgeting rapidly became a “best practice tool” that was promoted internationally, sometimes in the process losing its connections with administrative reforms and social justice objectives which had been critical preconditions for success in the Brazilian experiment.¹⁶⁷ Compared to the original Brazilian experiment, however, some of the later versions of the tool are purely consultative and are not endowed with decision-making powers on the allocation of resources at municipal level.¹⁶⁸

Box 3.13. Public participation in infrastructure and equipment projects for schools in Mexico

Mexico's Education Reform Program, a federal government program overseen by the Ministry of Public Education in coordination with the Ministry of Finance, was launched in 2014 with the aim of improving the infrastructure and equipment conditions of the most vulnerable schools throughout Mexico and enhancing the quality of learning.

It also aims to strengthen the management autonomy of schools by letting all the stakeholders in every school (parents, teachers and principals) decide how to invest federal funds in order to develop school capacities. The program encourages public participation at every stage of the project, from the allocation of resources to specific projects to the monitoring of implementation.

Source: GIFT, 2015, Mexico, “Public Participation in Infrastructure and Equipment Projects for Schools,” <http://guide.fiscaltransparency.net/case-study/public-participation-in-infrastructure-and-equipment-projects-for-schools/>

Box 3.14. Grassroots participatory budgeting in the Philippines

The Philippines has developed a national programme to facilitate annual participatory planning and budgeting at the local level. The program engages local communities, CSOs and other stakeholders to work with city and municipal governments in proposing projects to be included in the national budget. Building on a pilot started in 2012, the initiative expanded to all municipalities and cities across the country in 2015. It has been complemented with efforts to strengthen civil society capacity to engage with local governments.

Source: Bottom-up Budgeting website, <http://openbub.gov.ph/>.

3.6.4. Requisites and enablers for public participation in budget matters

To enable participation, fiscal information and other relevant data should be disseminated in formats and using mechanisms that are easy for all to access and understand, and to use, re-use and transform. Moreover, Governments should be responsive regarding the purpose, scope, intended outcomes, process and timelines, as well as the expected and actual results of public participation. Also, Governments should make distinct efforts to reach out to the most marginalized groups.

Information and communication technologies (ICT) offer new opportunities for public participation in budgeting, both directly (e.g., engagement platforms and other tools of e-government) and through transparency tools such as open government data. However, as highlighted in chapter 1, technology by itself cannot be expected to solve all problems associated with effective and inclusive participation.

As already mentioned in relation to transparency, budget education for both the general public and the Parliament is critical in order for engagement to be productive. Actions to improve budget literacy, capacity building in public institutions, and feedback mechanisms are all viewed as important. A basic task of government is to demonstrate the link that exists between taxes and public services; this is especially important in countries trying to increase domestic revenue mobilization from low levels. More broadly, public participation should encompass broad conversations on the role of the fiscal system in addressing inequality, including for example the regressive or progressive nature of the fiscal system as well as of specific policies.¹⁶⁹

3.6.5. Evidence on the effectiveness of budget participation

At the national level, little is yet known about the impacts of participation on budget processes. While there is a significant body of empirical evidence supporting a plausible causal link between the disclosure of fiscal information, policy impact and, to a lesser extent, development outcomes, at this stage rigorous evidence of the impacts of public participation is more limited. A systematic review of the rigorous empirical literature on fiscal transparency and participation found that there is strong evidence linking different types of participatory mechanisms in budget processes to shifts in resource allocations (increased share of social sector spending corresponding to citizen preferences) and to improvements in public service delivery.¹⁷⁰ In Ghana, where businesses are involved in the design of tax policies, they are more likely to pay their taxes.¹⁷¹ Assessing the quality of participation is important, but is rarely done.

The impacts of participatory budgeting in Brazil have been the object of an abundant literature. Participatory budgeting in its initial version was found to have had a positive impact

on resource allocation to people living in poverty; to have succeeded in avoiding capture by powerful social groups or components of civil society; and to have effectively lowered the level of patronage in local resource allocation.¹⁷² It was credited with bringing public administration closer to citizens' preferences and to have resulted in improvements in outcomes for people in poverty.¹⁷³ Among success factors mentioned in the literature were strong political will on the part of municipal authorities, clear technical criteria for resource allocation, and the reflection of the experiment in broader local public administration reform and political impetus to enhance social justice.¹⁷⁴ More recently, a study of 5,550 Brazilian municipalities over the period 2006-2013 found a strong and positive relationship between the presence of participatory institutions and improvements in infant mortality, and noted that participatory institutions, social programs, and local capacity reinforce one another to improve well-being.¹⁷⁵

Outside of Brazil, limited systematic evidence seems to exist of the impacts of participatory budgeting.¹⁷⁶ A recent rapid evidence assessment done by the Department for International Development of the United Kingdom (DFID) examined 16 studies on participatory budgeting from developing countries and found consistent evidence of positive impacts on budget allocation, service delivery, and citizen involvement. Evidence of the impacts of participatory budgeting on the efficiency of public financial management systems, on accountability and on anti-corruption was mixed, with both positive and negative impacts reported.¹⁷⁷ Another report published by IIED in 2014 reviewed participatory budgeting in 20 cities from different regions. It noted that in most cases, participatory budgeting is in effect about improving governance and delivery of services, without fundamentally changing existing power relations.¹⁷⁸

Other case study evidence about the benefits of fiscal transparency and informed citizen engagement in the budget process is mostly at the local level. It includes: better resource allocation (e.g. subnational transfers in Mexico, with the role of the media and CSOs leading to changes in the approval criteria for urban investment projects); improvement in the provision of public services (e.g. social accountability and monitoring experiences of sanitation in South Africa or social audits in India); better responses to the preferences of the beneficiaries of services (i.e. Kenya devolution experiences and refining gender subsidies' beneficiaries in Mexico); opportunities for marginalized groups to exert some influence in decisions that affect them (i.e. i-monitor in Nigeria, which invites citizens to report budget waste, South Korea open consultations for budget implementation, and LAPOR, an on-line complaint system in Indonesia that receives complaints about any public service, independently from the managing agency).

While, as noted, most of the evidence of the effectiveness of participatory mechanisms is at the sub-national level, the

underlying causal mechanisms – increased contestability of fiscal policy design and implementation, a direct voice for citizen preferences, reduced elite influence, and enhanced accountability – are the same for the central government. The challenge is to undertake research at the national level to test the effectiveness of different types of participation mechanisms implemented in different ways. Independent fiscal institutions and other institutions can provide feedback to governments in this regard.

Lastly, many positive examples of participatory mechanisms come from the sector level, but the wealth of experience that exists in different sectors has not been systematically mobilized to inform participation in budget processes. It is also unclear whether some SDG areas are “more participatory” than others, and if so, what could be done about it.

3.6.6. Conclusion

The notion of public participation in budget processes has steadily gained ground in past decades. Most countries now formally recognize the need for citizens to provide input into budgets. Broad principles for engagement have been elaborated and increasingly used to design participatory processes at different stages of the budget cycle, as well as to analyse their impacts and effectiveness.

However, participation in budget matters at the central government level remains limited, as does the body of evidence around the effectiveness of various participation mechanisms. Participatory budgeting at the local level is more developed, and its already long existence has enabled the accumulation of knowledge about the impacts of different versions of the tool on political and social outcomes.

Public participation in budget processes, together with transparency, is a strong pillar of accountability. In the context of the implementation of the SDGs, facilitating citizen engagement with budget decision-making at different stages of the process can contribute to better planning, delivery and accountability. As shown in other chapters of the report, this complementarity among the SDG 16 principles goes well beyond budgeting. It calls for the creation of robust institutional arrangements that make the most of the synergies between all the principles.

Participation in the budget process should be conceived in the broader context of citizen engagement in SDG implementation in general. For example, in many parts of the world, civil society is already strongly engaged in SDG follow-up. There is likely potential for synergies in this area, for instance through ensuring that information that is produced on budget matters for the benefit of stakeholders is fully utilized by those engaging in other areas.

3.7. Budgets and non-discrimination

Budgets have a pivotal role to play in measures to address discrimination and promote equity in the enjoyment of progress towards all of the SDGs. Budgets can both reinforce and help to dismantle discrimination – subtly or overtly and with varying degrees of intention. They reflect the prevalence of formal and informal discrimination in societies, including in institutions and among policymakers. Discrimination in national budgets, which is most common on the grounds of gender, ethnicity, and socioeconomic status,¹⁷⁹ can be deeply embedded and therefore difficult to identify. The way in which budget policies are formulated determines who has access to resources and services.¹⁸⁰ Due to administrative burden, requirements for participation in public programmes can have the effect of reducing participation by target groups.¹⁸¹ Yet budgets can also be utilized as tools to counter discrimination.

Detecting discriminatory budget outcomes requires not just the analysis of budgetary information, but also its interaction with broader information that relates to discrimination and inequality.¹⁸² For example, population data and assessments of the broad needs of different groups, data on the geographic distribution of services, and analysis of the impact of a range of spending programmes on different groups. Yet, most Governments publish limited information about their efforts to address poverty and inequality and about the budget's impacts on specific groups of people. Reporting on the implementation and performance of related budget policies is even more limited. For instance, the Open Budget Survey 2017 shows that just eight countries publish detailed information on spending aimed at benefitting persons living in poverty in their budget proposal as well as on the results of that spending in the Year-end Report (Argentina, Canada, Dominican Republic, France, Japan, Namibia, Slovenia and South Africa).¹⁸³

Some Governments, however, provide information on how the budget is directed towards specific groups. For instance, Mexico's annual budget proposal contains annexes that break down planned expenditures for different target groups, such as women, children, youth and indigenous peoples, although only financial information is available.¹⁸⁴ This provides a snapshot of budget items intended to benefit specific groups, rather than comprehensively assesses the impact of budget policies on these groups. Along these lines, the UK is particularly notable for its Treasury's practice of issuing twice yearly, together with its fiscal policy statement, a distributional analysis of how policy changes being introduced for revenues and expenditures are likely to impact families across income levels.¹⁸⁵

Geography can be a complicating factor in the nexus of discrimination, poverty and inequality. Spending is not equally distributed across different areas within countries, potentially functioning as an axis of exclusion.¹⁸⁶ This is often due to the

diversion of funds away from their intended purpose through corrupt practices, resulting in unequal expenditure. Leakage of funds marked for poorer areas is more common than that of those marked for richer areas. At the same time, elites tend to favor directing allocations to areas which benefit them the most. Additionally, those in power may lack awareness of – or the will to recognize – the needs and rights of those living in certain areas, such that the impact of government programmes on persons living in those areas receives scant attention. In such cases, funding is unlikely to be sufficient or to effectively respond to people's needs.

3.7.1. Budget-based responses to discrimination

There are three key budget channels through which to address discrimination.¹⁸⁷ The first is targeted policies and programmes aimed at meeting the needs of specific disadvantaged groups. These interventions may include programmes, for example, to train youth and persons with disabilities for jobs or provide educational scholarships for indigenous peoples and other ethnic minorities, as well as the earmarking of funds for social groups within general programmes. For instance, the Constitution of Kenya mandates that 0.5 per cent of all revenues collected by the national Government go to marginalised communities, and the law also requires that 30 per cent of Government procurement opportunities be reserved for enterprises owned by women, youth and persons with disabilities.¹⁸⁸

Service mainstreaming is the second channel, incorporating elements and interventions that promote non-discrimination into the delivery of services, such that they become responsive to the needs and interests of particular disadvantaged groups while serving society-at-large.¹⁸⁹ This approach could include, for instance, allocating sufficient resources to public health services to ensure that they have a range of capacities – such as care that is age-appropriate and attentive to persons living with HIV. Budgets that are “sensitive” to excluded groups can make use of various processes and tools for assessing their impacts on those groups, and be disaggregated accordingly. Such assessment is illustrated by the work of the Social Justice Coalition (SJC) in South Africa, which found that the resource allocations of the country's police service were indirectly discriminatory towards black communities affected by poverty. The SJC compared murder rates with available human resources of the police service in different police precinct areas of Cape Town. It determined that the eight precincts with the fewest police were in Black African and Coloured communities with high levels of violence and crime.¹⁹⁰

The third channel is monitoring the impacts of public programmes, intended to improve understanding of how the range of budget policies indirectly impacts disadvantaged groups.¹⁹¹ For example, this could entail an evaluation of the use of transport systems by persons with limited mobility, which may lead to a shift in resources towards universal

design, or an evaluation of the incidence of tax policies. The utilization of this approach in Brazil illustrated that the tax system has contributed to inequality, particularly along the axes of income and wealth, gender and race.¹⁹² One process that allows citizens to see where public resources are going is participatory planning, which occurs in Kenya at the ward level.¹⁹³ Another is stakeholder consultations. In Sweden, extensive consultations during the preparation of the infrastructure bill allowed all stakeholders to observe the spatial allocation of investment.

In order to fully assess the impacts of budgets on different social groups and to effectively monitor Governments' efforts to fight poverty and inequality, certain information should be made transparent for analysis by the public. This includes a contextual analysis of the multiple dimensions of poverty and inequality with data disaggregated by relevant social groups linked to budget allocation; a summary of policies aimed at reducing poverty and inequality, including their objectives, activities, expected outputs, target groups, and assessments of their distributional impact; and information on implementation in formats that easily enable tracking; and past and future budget data.¹⁹⁴ The public should further have opportunities to debate information about policies and their associated budgets and influence relevant decisions.

Participation, as described above, is a means of making budget processes more inclusive. At the national level, few measures have been taken to facilitate participation by disadvantaged groups in the budget process. The 2017 Open Budget Survey found that only seven of 115 countries have taken concrete steps to include such groups in the formulation of the budget, including Canada, Egypt, Fiji, India, Malaysia, New Zealand, and Ukraine.¹⁹⁵ In Fiji, for example, the Government specifically elicits the input of persons with disabilities.¹⁹⁶ At the budget implementation stage, only Mexico has been noted to engage vulnerable groups, using a digital platform. Such engagement as well as the participation of stakeholders in specific SDG areas is enabled by programme budgeting, which facilitates budgeting and performance monitoring of cross-cutting issues. At the subnational level, there is evidence that participatory budgeting has had success in strengthening social inclusion by improving the allocation of funds to where they are most needed in disadvantaged communities and lowering levels of poverty.¹⁹⁷

3.7.2. Gender-responsive budgeting

Gender-responsive budgeting (GRB) has developed into an important means of promoting non-discrimination in the budget process. Over the last two decades, the importance of financing to enable progress towards gender equality, and the capacity of government budgets to both enhance and undermine women's empowerment, have come into focus and are now reflected in both national and international agendas. There is currently broad understanding that

budgets are tools of governance and development with inherent implications for gender equality. At the global level, gendered elements of financing and budgeting are referred to in key international instruments such as the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda, as well as the Nairobi outcome of the Global Partnership for Effective Development Cooperation. At the national level, finance ministries are increasingly factoring gender considerations into budgeting, in particular as a way to improve the efficiency of public spending. More than 90 countries across all regions have adopted gender budgeting in different forms.¹⁹⁸ For instance, in a 2018 survey completed by 34 OECD countries, GRB was found to be underway in some form in 17 countries, and planned for introduction in two more.¹⁹⁹ Gender budgeting practices have been extensively studied.²⁰⁰ Chapter 5 in this report looks at gender budgeting in the context of institutions for gender equality.

The inclusion under SDG 5 of an indicator (5.C.1) on the proportion of countries with systems to track and make public allocations for gender equality and women's empowerment has galvanized recognition of the value of GRB and movement to adopt relevant measures.²⁰¹ The indicator measures the presence of policies, programmes and resources for gender equality and the presence of mechanisms to both track the allocation of resources towards relevant policy goals as well as publish those allocations, all of which are essential for a gender-responsive public finance system. However, as a process indicator, it does not measure outcomes and impacts in terms of gender equality; nor does it convey the 2030 Agenda's commitment to "work for a significant increase in investment to close the gender gap" (paragraph 20).

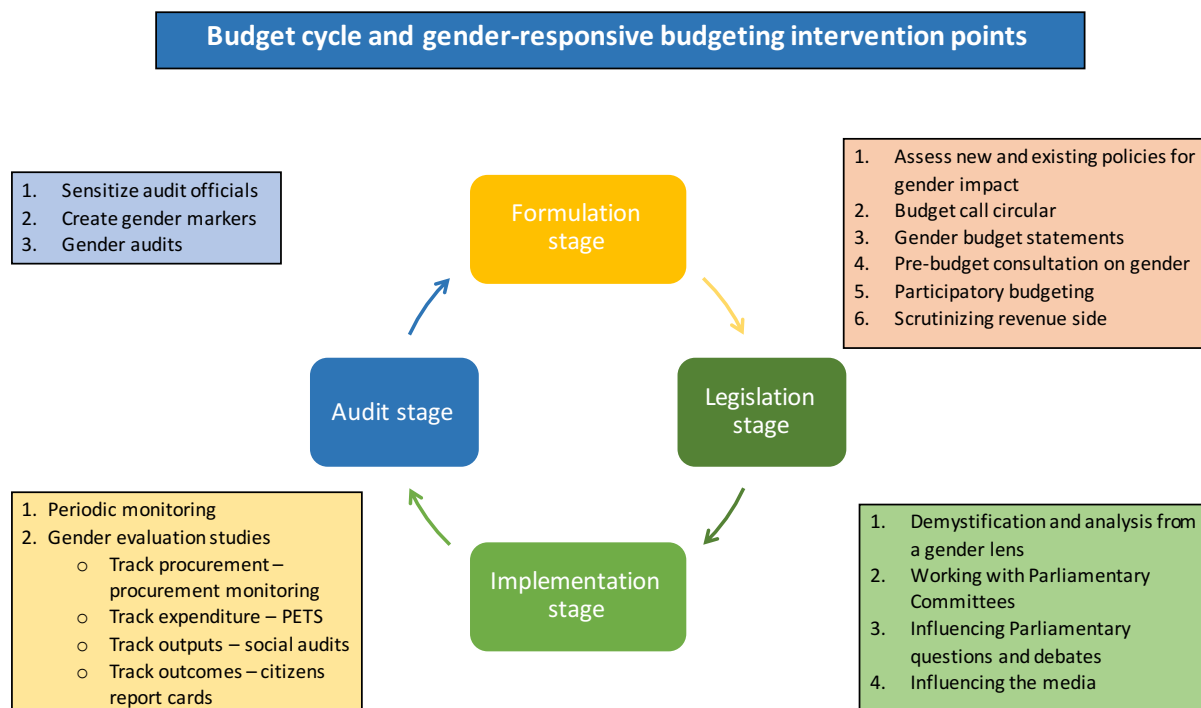
Gender-responsive budgeting may be viewed as a form of gender mainstreaming applied to the budget process. The OECD proposes three, often incremental categories of GRB systems, including gender-informed resource allocation, according to which the process of making decisions on policy and budget allocations considers potential impacts on gender equality; gender-assessed budgets, which consider impacts of the budget as a whole using gender analysis; and needs-based gender budgeting, whereby needs assessments provide a holistic and detailed view of gender inequality and inform budget decisions.²⁰² Even within these approaches, GRB can entail a variety of tools that are available at different stages of the budget cycle. Governments should identify strategic entry points during the cycle to use the tools that are appropriate given their distinct contexts and institutional capacities.²⁰³ For instance, in the formulation stage, several tools can be employed. The budget call circular can require line ministries to report on gender considerations in their budget proposals. There are gender budget statements for reporting on a given year's budgetary provisions for gender equality and women's empowerment and which, in some of the various forms that they take, can provide insight into impacts. In addition, pre-budget consultations – a form of participation

discussed above – can be held with stakeholders and focus on addressing women's needs and priorities. These and some other tools and approaches that can be pursued throughout the budget process are presented in Figure 3.7. They are not exclusive, however. For example, Governments can analyze the impact of the budget on men's and women's time use so that the value of unpaid work, largely done by women, is included in planning and budget policies.²⁰⁴

There are several challenges to gender-responsive budgeting achieving its desired impact. Where the goal of GRB is solely to track resource allocation, it may not lead to increased resources or provide insight into outcomes for women and other target groups, especially when allocations are ultimately not spent.²⁰⁵ While improved efficiency can be achieved without increased allocation, often greater resources are indeed needed to counter discrimination and inequality. Increasingly, countries are going beyond tracking expenditures to also focus on key performance indicators for target groups.

The scope of GRB usually covers only spending. It is also useful to examine the gender impact of taxes and revenues and extra-budgetary resources.²⁰⁶ Information gleaned from spending alone cannot provide a full assessment of the impact of budgets on women. Moreover, in analyzing budget effectiveness, newer budget delivery models, in particular public-private partnerships, warrant greater levels of scrutiny as they may impact women differently and affect traditional channels of accountability. Austerity measures constitute another challenge to improving budget outcomes for women, as they often lead to budget cuts in social sectors and cause significant harm to women and other disadvantaged groups.

An additional, broad challenge for GRB concerns the availability of data, including disaggregated data, to aid in the identification of inequality gaps and to inform the development and evaluation of interventions designed to address them.²⁰⁷ This challenge is twofold, both to track gender-related government spending and to assess the gender impact of spending, which require different data. There is generally more data available on budget allocations than on budget execution. Disaggregating investment in public goods that may affect different groups in different ways (e.g. roads) is conceptually difficult. In the context of the SDGs, budget information alone will likely be insufficient to assess discrimination and should be analysed together with other information (such as population or poverty data). However, overlaying information on different sources of discrimination and tracking corresponding expenditures can be very intensive in terms of both data and resources. In general, producing budget information on specific groups is easier for countries that have adopted performance budgeting. Yet while more and better data is critical, inadequate data should not prevent the development of strategies to make programmes more responsive to the needs and concerns of women and other groups.

Figure 3.7.**Gender-responsive budgeting tools and entry points at different stages of the budget process**

Source: Yamini Mishra, 2019. See footnote 205.

Gender audits, a relatively recent development, examine the degree to which gender equality is institutionalized in Government policies, programmes, structures and budgets. They can be useful in comparing budget allocations with implementation and assessing related outputs and outcomes. Working with supreme audit institutions, Governments can also include gender markers, a coding system that facilitates the tracking of gender-related allocations to determine the extent to which they support gender equality, in performance audits. In March 2018, the Canadian Audit and Accountability Foundation along with Women Deliver and the International Institute for Sustainable Development launched a “Practice Guide to Auditing the United Nations Sustainable Development Goals: Gender Equality” which presents a methodology for auditing gender equality to aid performance auditors in their work on the 2030 Agenda.²⁰⁸

Several reviews of the impact of GRB initiatives in developing economies and economies in transition are mixed.²⁰⁹ Effectiveness depends on their goals in each context and, accordingly, how progress towards them is measured. The OECD survey cited above noted limited evidence of the impact of gender budgeting insofar as it brought about notable changes in the design or outcome of policies, with

half of the twelve countries utilizing GRB practices able to provide specific such examples, and in terms of changes to budget allocations, where fewer examples were provided.²¹⁰ However, the OECD noted that such limited evidence may be due to the relatively recent adoption of gender budgeting in many of the countries. More information is available regarding factors that create an enabling environment for GRB. Qualitative comments from countries that responded to the survey pointed to the importance of linking gender budgeting with the substance of policy development rather than approaching it as a compliance exercise, and of ensuring its capacity to impact the prioritization and allocation of resources. A study undertaken by the International Monetary Fund that analyzed gender budgeting in G7 countries pointed to an increased likelihood of its success where reforms are tailored to the specific gender gaps and context of each country.²¹¹ Governments need to ensure that well-structured fiscal policies and sound public finance management systems are in place to contribute to gender equality and sustain progress towards it; to embed gender in existing budgeting and policymaking routines; and to strengthen their capacity to evaluate and measure the impact of gender reforms, including through sound indicators.²¹²

3.7.3. Inclusive budgeting for other social groups

Whereas gender-responsive budgeting is an increasingly developed field of practice and study, similar approaches to making budgets more responsive to other disadvantaged social groups are less common and less well studied. Yet the concept, tools and methodologies of GRB are increasingly being applied to other groups identified in the 2030 Agenda, such as children, persons with disabilities, and ethnic minorities.²¹³ For instance, the Government of Canada has noted that gender-based analysis, which was included in its first Gender Budget Statement in 2017, has recently been enhanced to also account for other characteristics, such as age, ethnicity, income and sexual orientation.²¹⁴ Canada also includes a special section in its Budget Plan that specifies commitments to improve access to services for indigenous peoples.²¹⁵ Fiji includes details of its programmes targeting women, children and people with disabilities in its budget proposal. Overall, such work is in its early stages. It faces some of the same challenges as GRB, such as inadequate data and the requirement of additional dedicated work by budget offices, as group-focused budget reports such as impact assessments and audits cannot be fully automated using budget process outputs. Yet it also confronts distinct challenges.

Next to gender budgeting, child-focused budgeting is most common, particularly in Latin America but also in South Asia, having received strong support from major international organizations as well as Governments and civil society.²¹⁶ Among its key aims is to limit disparities in spending on children that disadvantages those who are marginalized and living in extreme poverty. For instance, Bangladesh not only publishes a gender budget but is also developing a similar child budget that specifies activities aimed at promoting children's rights across ministries and the share of total spending on them.²¹⁷ Disability-focused budgeting has been explored to some extent at the conceptual level but less so in practice.²¹⁸ Activists and academics have actively pushed for its inclusion and mainstreaming in policy and development, but few major international organizations or other key actors have consistently advocated for disability budgeting and few resources exist that provide guidance in the field. Two particular barriers to disability budgeting have been identified, including a lack of quality data on the variation in nature and severity of disabilities as well as inadequate attention to the intersection of disability with other grounds of discrimination.

Budgeting for ethnic groups has not been extensively studied.²¹⁹ As disadvantaged ethnic groups vary considerably by country, so too do responsive budgeting initiatives. Accordingly, key actors championing such work also vary, though are often civil society organizations, backed in some cases by international donors. Expenditures and budget analyses disaggregated by ethnicity are not common. For instance, under the United States Office of Management and

Budget's Directive 15 which establishes the guidelines for the use of ethnic and racial classifications, classification is not specific enough to account for differences within American Indian and Alaska Native groups, which comprise more than 554 federally recognized and diverse groups of indigenous populations. Furthermore, study findings are often released with limited racial/ethnic categories, such that American Indians and Alaska Natives are included in the category of "others", making the monitoring and evaluation of policies, programmes and services on these groups impossible.²²⁰ Some national inclusion plans and specific programmes, such as affirmative action and targeted sectoral spending, exist, for instance for the Roma in Central and Eastern Europe, for Afro-Brazilians in Brazil, and other ethnic minorities in Malaysia, South Africa and Viet Nam. Given the context-specific nature of most initiatives, they may be difficult to replicate elsewhere.

Discrimination on the basis of ethnicity and caste can have political considerations that affect budget decisions. Caste budgeting is conducted specifically in South Asian countries where caste is grounds for discrimination, mainly India and Nepal, for which civil society is the main source of advocacy and oversight. In India, caste budgeting is institutionalized, involving both targeted spending and quotas for scheduled castes – or Dalits. The Government's Scheduled Caste Sub-plan requires it to allocate an amount of overall funds for the benefit of Dalits that is at least proportionate to their percentage of the population with the goal of promoting education and socio-economic development. Despite such allocations being coded in the budget, the National Coalition for Dalit Human Rights (NCDHR) observed that the code was not being used and, in 2007, filed a right to information case as well as an appeal. Concurrently, it launched a broad campaign to put pressure on the Government, which in 2008 agreed to use the code. Diversion of funds has also been identified, most notably in 2010 when it was determined that funds coded for Dalits and other targets were routed to the Commonwealth Games, leading to the Government's assurance that the diverted funds would be replenished. Challenges remain, however, with persistent under-allocation of funds.²²¹

Very little attention has been given to budgeting that is responsive to older persons, and few actors are pushing for such initiatives.²²² What does exist is considerable targeting of social protection programmes and health and care services for older persons. Across social groups and countries, however, socially-inclusive budget analyses are often undertaken by civil society organizations as an advocacy tool.

Research on the impact of inclusive budgeting often focuses on the implementation of processes rather than on their effectiveness over time.²²³ Some factors that are conducive to inclusive budgeting include the presence of a dedicated national programme; government support and capacity, as well as support and engagement by civil society; support from

international donors and international organizations through advocacy and technical capacity; and institutionalization through laws and guidelines.²²⁴ It has also been noted that the ability of social groups to effectively mobilize and garner the attention of Governments is an important factor in generating the publication of budget data focused on them.²²⁵

Efforts to promote “pro-poor” budgeting in the past have been undermined by inadequate policy reforms aimed at benefitting those living in poverty, including measures to address inequality. They were also affected by technical problems, including lack of appropriate budget classification systems.²²⁶

3.7.4. Conclusion

Commitments to equality and non-discrimination are essential, but in order to make an impact, they must be translated into concrete action that encompasses the budget process. Furthermore, given the multiple, intersecting dimensions of discrimination, poverty and inequality, responses to these challenges must be multidimensional and integrated. There is growing recognition of the relationship between budgets and discrimination. Governments increasingly discern the disparate effects of budgets according to gender and social group, and are contending both with these effects as well as entrenched inequalities more broadly. Three budget-based approaches to tackle discrimination as well as detect its presence in budget processes include targeted interventions, mainstreaming public services, and monitoring the impact of budget programmes.

Many national and local governments are utilizing a variety of gender-responsive budgeting tools, which can be selected according to different stages of the budget cycle and to their distinct contexts and capacities, though several challenges and limitations have been identified that should be considered in order to enhance their effectiveness. Tools developed for gender-responsive budgeting are increasingly being applied to other disadvantaged groups, such as children, persons with disabilities, and ethnic minorities. However, such use is in its initial stages. These tools, complemented by participation in budget processes, can also serve to identify discrimination in budgets and make them more responsive to the needs of social groups.

In addition to these measures, greater transparency about what governments are doing to address mutually-reinforcing discrimination, inequality, and poverty through budgeting and other policies, as well as analysis of these efforts, are also crucial for their monitoring and evaluation and to foster accountability. All of these approaches to non-discrimination require greater and more strategic application throughout the budget cycle to maximize the potential of budgets to foster inclusive policies.

3.8. Key messages on budgeting in support of the SDGs

Almost four years after the 2030 Agenda was adopted, there is a dire need for evidence of the effectiveness of institutional arrangements that support the implementation of the Agenda. Focusing on budget processes, it is critical to highlight feasible and realistic options that countries may want to consider to better support and monitor SDG implementation.

Besides mobilising additional resources to cover financial gaps, effective implementation of the SDGs critically depends on governments better and more strategically spending the resources they have and accounting for the results achieved. This requires stronger and improved budget processes that reflect the critical institutional principles enshrined in SDG 16.

Supporting SDG implementation requires better and stronger operational linkages among planning, the different stages of the budget process, performance monitoring and evaluation, and oversight. This is fundamental to assess how budget decisions are supporting progress on national development priorities and the SDGs. Linking strategic objectives with resource allocation and spending decisions and with performance and results, combining financial and non-financial information, and incorporating inputs from oversight institutions regarding the effectiveness and results of policies and programs, are fundamental building blocks for effective budgeting in support of SDG implementation.

The transformative and integrated nature of the 2030 Agenda should be reflected in the budget process. Dealing with complex, multi-sector problems requires integrated (whole of government) approaches. This applies not only to policy formulation and implementation, but also to planning and budgeting. The budget process can be a powerful tool to promote and support integrated approaches. Integrated reporting, cross-cutting budgeting, and a focus on performance and results are some of the tools that can be used. Yet, addressing integration within the context of the budget is not without difficulty and may face resistance from various actors. Improved transparency and participation can help address this challenge.

There are different ways in which countries can align their strategic objectives and national budgets to the SDGs. There is no one-size-fits-all solution. Governments can select different tools and approaches depending on their diverse country contexts, capacities, and existing demand from different actors. Technical challenges include adopting appropriate budget classification systems that are detailed enough to enable the tracking of multiple SDG-related targets.

However, it is important to emphasize that budgeting for the SDGs can no longer be business as usual. In order to make a difference in achieving the SDGs, most countries need

to undertake fundamental changes to resource planning, allocation and spending – something that the tagging of budget allocations to SDG targets by itself cannot deliver. Budget systems that enable feedback mechanisms – from monitoring and evaluation to resource allocation decisions – are critical in this regard.

Efforts to better reflect the SDGs in the budget process have to be conceived as part of broader efforts to strengthen budget systems. One key factor in this equation is how ongoing PFM reforms – which are not necessarily initiated with the SDGs in mind, but as part of long-term processes of fiscal management and public sector reform – can be used to support SDG implementation and inform SDG monitoring and evaluation. In this regard, there is likely an important role for international organizations and especially international financing institutions which support PFM reforms across the globe. While those institutions have taken note of the 2030 Agenda and SDGs and have incorporated them in their work, opportunities may exist to factor the SDGs into their budget work more prominently.

On the basis of ongoing experiences, it seems clear that all countries cannot be expected to adopt the most ambitious versions of SDG budgeting, at least in the medium term. In setting up mechanisms to link their budget processes to the SDGs, countries have to operate within political, administrative and technical constraints, which are essentially idiosyncratic. Hence, it is reasonable to expect that the capacity of national governments – and by extension, of the international community – to track how public spending contributes to the realization of the SDGs will only increase progressively.

The institutional principles rooted in SDG 16 are all instrumental to strengthening budget systems so as to better enable SDG implementation. In addition to showing the relevance of these principles at different stages of the budget process, the chapter illustrates how they reinforce each other – for instance, budget transparency and participation are now seen as fundamental building blocks and enablers of accountability.

Endnotes

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CHAPTER 4:

RISK MANAGEMENT IN PUBLIC ADMINISTRATION IN THE CONTEXT OF THE SUSTAINABLE DEVELOPMENT GOALS

4.1. Introduction

Awareness of the importance of risk and risk management in public administration has steadily grown in recent decades. Reflecting this, risk and related concepts permeate the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). There is also broad recognition that the tools of risk management should be mobilized to support SDG implementation.

Public administration plays a central role in managing risk across all SDG areas, as risk manager, regulator, or in other roles. As risk management becomes prominent in development management, public institutions have to not only adopt risk management approaches and tools, but also adapt their cultures and ways of operating in order to embed risks considerations in their daily business.

This chapter examines how risks of various natures across the SDGs are addressed by public administration at the national level. It investigates the extent to which the incorporation of a risk perspective in public administration has changed over time, and how this has affected strategies and plans, policies and institutional arrangements in different areas. It illustrates mechanisms and tools that exist today in public administration at different levels to identify and manage risk in different SDG areas, how countries are using them, and challenges they face in this regard. Lastly, it presents some of the recent trends in terms of institutionalization of risk management in government, including institutional setups that countries have put in place to identify, assess and manage risk in a more holistic way.

The focus of this chapter is on the management by public administration of risks that are external to public institutions themselves. Internal risks as they apply to individual public institutions or to the institutional system as a whole are not considered in detail here. For example, although risk management is an essential component of public procurement processes, it is out of the scope of this chapter. Similarly, anti-corruption, for which risk and vulnerability are key considerations for effective strategies, is not addressed here (see chapter 2 in this report for a treatment of risk in corruption).

The remainder of the chapter is constructed as follows. Section 4.2 provides definitions and general considerations on risk and examines how various risks are featured in the 2030 Agenda and SDG targets. Section 4.3 briefly surveys the factors that influence risk management in public administration. It provides a quick overview of paradigm changes in risk management in public administration over time. Recent trends in the institutionalization of risk management at the level of governments across the world are presented, as well as country examples of how risks are managed in public administration. The section then reviews the connections between risk management and the institutional principles of SDG 16 examined in this report. Finally, the section underlines challenges to risk management in public administration highlighted by experts who contributed to the chapter. Section 4.4 concludes.

4.2. Risk and the Sustainable Development Goals

This section briefly surveys the intersections of risk and the 2030 Agenda and the SDGs. After providing working definitions for this chapter, it examines broad considerations for risk management in public administration, which were used to inform the scope of the chapter. The chapter then reviews how risk is addressed in the text of the Agenda and the SDGs, and contrast this with an examination of risks-related issues in various SDG areas, based on examples as well as a review of the academic literature.

4.2.1. Defining risk and risk management

While risk has a clear definition in mathematics, finance and insurance,¹ in other disciplines the term is often interpreted more loosely. Due to the differences in risk across different fields (for example, systemic risk in finance versus natural disasters), different fields have developed their own interpretation of the concept, as well as diverse frameworks for thinking of risk and managing it.² For this reason, defining risk in a uniform way across the spectrum of human activities is challenging (see Box 4.1). Broadly speaking, risk can be defined as anticipated

Box 4.1. The variety of interpretations of risk across disciplines and fields

Different disciplines and fields use different concepts in relation to risk, and sometimes use the same terms in different senses.

In engineering, risk is seen as the combination of the probability of an undesirable event and the expected harm that it may cause.³ In insurance and information security, managing risk entails reducing exposure to loss and assessing the degree of threat.⁴

In economics, risk is often associated with inflation, economic growth rates, unemployment and per capita income.⁵ Common financial risks include credit or default risk, liquidity risk, interest rate risks, foreign investment risks, equity risk and currency risk.⁶

In politics, risk is often defined as a shock that is unexpected and hard to forecast.⁷

In public policy, common types of risks include those linked with the stability of regulation, for example expropriation, contract breaches, regulatory capture and corruption.⁸

Source: Authors' elaboration.

variability, expected deviation from intended consequences or as the effect of uncertainty on objectives.

Risk management, in turn, is often described as the collection of coordinated activities to prevent, mitigate and control risk, create and protect value, and improve collaboration, information-sharing and trust in decision-making (for example, in ISO 31000⁹; and COSO ERM¹⁰). While the word “risk” is often associated with adverse events such as hazards, catastrophes, conflicts, disasters, crises or threats, it can also be perceived as a window of opportunity¹¹. As such, managing risk may not only be about limiting potential damage. It also implies spotting potentials, reaping benefits and building resilience.¹²

In all fields, risk management is conceived as a sequence of stages, going from identification of potential risks to analysis and assessment to response (including mitigation, adaptation and restoration, reconstruction and rehabilitation) to monitoring and evaluation.¹³ Each risk management stage is guided by a separate set of questions and can best be served by distinct (albeit often overlapping) methods, techniques and tools.¹⁴ The nature of the risk under scrutiny, the specific phase of treatment, the availability of resources, regulatory requirements, administrative norms and sector specificities will ultimately determine the appropriate risk management techniques that can best support risk management. However, many risk management tools are employed in different fields.¹⁵

As described below, there is an extremely broad variety of risks across the spectrum of human activities covered by the Sustainable Development Goals. Risks can be categorised along several dimensions, including:

- (i) scale, from the micro-level (e.g. events affecting one individual or household) to the meso level (events

affecting one organisation or community) to the macro level. Some risks are global in scale;

- (ii) frequency and size of impact. This is a common distinction in insurance. The characteristics of each risk influence the ways in which it can be addressed by individuals, communities, the private sector, and the state.

This in turn informs considerations about whether the risk is avoidable or insurable; the extent to which it can be mitigated; whether it can be shared; and what role public administration should play in managing it. Distinct combinations of exposure-likelihood and magnitude-impact may require the use of diverse tools and risk management strategies. For instance, high-frequency, low impacts risks are more amenable to individual insurance than low-frequency, high impact ones. In such cases, public resources may be best channelled towards prevention or impact mitigation. In contrast, for extremely low probability and very high impact (catastrophic) events, governments may decide to put more focus on mitigation strategies and quick response and recovery approaches to crisis management.¹⁶

While the word “risk” conjures up images of disaster and reconstruction activities, in the context of SDG implementation it is important to acknowledge that risk management covers a broad range of policies and activities, ranging from political actions to policy changes in economic, social and environmental areas to legal and regulatory changes to technological innovation to education, information and investment. In fact, how a specific risk is addressed often depends on a layer of such provisions, which often have emerged at different points in time and are not based on the same assessments of risk. Box 4.2 illustrates this complexity, using the sector of agriculture and food (addressed under SDG 2) as an example.

Box 4.2. Examples of multiple responses to risks in the area of agriculture and food

Specific risks in food and agriculture have been addressed through a combination of means, including, among others, political actions, legal and regulatory changes, technological innovation and policy changes in economic, social and environmental areas.

Risks related to food safety and health have been addressed through food health standards and regulation (e.g. sanitary and phytosanitary standards, organic food standards); transparency requirements (e.g. food labelling, traceability requirements); mandated safety assessments for new varieties before commercialisation; and environmental regulations (e.g. for pesticides).

Food insecurity has been addressed through the improvement of food distribution systems; the creation of food banks and food stamps; price controls or subsidies for basic commodities; laws suspending exports of select basic commodities in times of shortage; and including food and nutrition as part of broader safety net programmes (e.g. school meals, food for education).

Rural poverty and poverty in smallholder communities have been addressed through agricultural subsidies; rural extension services targeting smallholders to increase productivity; national technology roadmaps; social certification schemes (e.g. Fair Trade).

Weather risk is addressed through a variety of means that include meteorological infrastructure and services provided to farmers; contingency funds for farmers; index-based insurance against weather risks (at the individual and macro levels); and agricultural research to develop more resistant crops.

Source: Authors' elaboration.

4.2.2. Risk in the 2030 Agenda and the SDGs

The notion of risk and related notions such as resilience are ubiquitous in the 2030 Agenda and the Sustainable Development Goals. The Agenda mentions risk in relation to the health of the planet (paragraph 14), disaster risk reduction (paragraph 33), and peace and security (paragraph 35). Resilience is mentioned in association with these concepts as well as in relation to migration and refugee flows (paragraph 29). Risk and associated notions are also frequently used in the SDGs, as revealed by the wording of the targets.

A first layer of three targets include the word “risk”: target 3.8 (financial risk protection in health care), target 3.d (early warning and reduction of health risks) and target 11.b (disaster risk management and resilience).

A second layer of targets are framed in a way that emphasizes risk, in that they use concepts related to risk such as resilience, vulnerability, shocks, disasters, early warning, insurance, mitigation, adaptation, and adverse impacts. They comprise target 1.5 on building the resilience of the poor and reducing their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters; target 2.4 on resilient agricultural practices; target 8.1 on strengthening the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all; targets 9.1 and 9.a on resilient infrastructure; target 11.5 on economic losses caused by disasters; target 11.c on resilient buildings; target 13.1 on strengthening resilience and adaptive capacity to climate-related hazards and natural disasters; target 13.3 on improving education, human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning; target 14.2 on avoiding significant adverse impacts on marine and coastal ecosystems, including by strengthening their resilience.

A third layer of targets do not use generic risk-related terminology, but refers to specific risks in various sectors. They include: target 2.c on extreme food price volatility; target 3.3 on health epidemics; target 3.4 on non-communicable diseases; target 3.5 on substance abuse; target 3.9 on reducing deaths and illnesses from hazardous chemicals and pollution; target 6.3 on water pollution and hazardous chemicals; target 6.4 on water scarcity; target 14.3 on ocean acidification; targets 15.2 on deforestation, 15.3 on desertification, drought and floods, 15.5 on biodiversity loss, and 15.8 on invasive alien species; targets 16.4 on illicit financial and arm flows and 16.5 on corruption and bribery; target 16.a on violence, terrorism and crime; target 17.13 on global macroeconomic stability; and target 17.4 on debt stress.

Yet other targets refer to specific means of addressing political, economic, social, environmental and technological risks. This includes, among many others, targets on poverty, food security,

social protection systems, universal access to health care, access to financial services, migration and mobility, cities, and climate change.

Finally, many of the other targets have strong risk, vulnerability or resilience components attached to them. In particular, many targets associated with Goal 10 on inequality reflect the understanding of economic, social and political risks associated with inequality. Progress on many targets of Goal 16 also requires risk-based approaches, for example in the area of anti-corruption (target 16.5).

Classifying SDG targets in such a way is always subjective. In fact, organizations working on specific thematic areas or aspects of risk management and resilience building analyse them in different ways.¹⁷ Yet, it is clear that risk-related notions permeate the SDGs. This stands in stark contrast with the Millennium Development Goals, the SDGs’ predecessors, where targets were rarely phrased in such a way. Through the choice of targets that they included in the SDGs, UN Member States signalled which risks they considered priorities, either for addressing at the international level, or because of their importance in national contexts. This, in conjunction with other internationally agreed development frameworks (for example, the Samoa pathway for small island developing States), can help countries as they consider how to manage risk in the context of SDG implementation.

As a whole, the multiple linkages made with risk in the Agenda and the goals and targets contribute to an enhanced awareness of risk across the whole range of areas of sustainable development, and as a consequence to higher sensitivity to risk management considerations in public administration. However, one aspect that the SDGs do not explicitly emphasize (but help bring to light due to their broad scope) is the interlinkages among various risks. Work done in various disciplines, especially in Earth sciences, has shown that risks at various levels intersect, overlap, and are linked by causal chains.¹⁸ This should inform governmental and public administration frameworks and strategies for addressing risk.

4.3. Risk management in public administration

4.3.1. Risk management in public administration: general considerations

Risk management in government and public administration is distinct from that in the private sector. The pursuit of public interest as opposed to profit-making motive, for instance, renders risk management in public administration less about cost minimization and more about benefit maximization for all.¹⁹ In addition, low tolerance for failure in the public sector drives attitudes toward risk that are different from those prevailing

in the private sector. In public administration, objectives such as citizen protection, well-being and prosperity are central, implying a strong role for strategic risk management, including contingency planning, emergency preparedness, as well as crisis and disaster management.²⁰

Public administration plays a central role in managing risk across all SDG areas, as risk manager, regulator, or in other roles. States usually manage a range of risks directly. For instance, most public emergency agencies and plans have cutting-edge risk management instilled in them, as in Japan's Fundamental Plan for National Resilience (2014), a whole-of-government integrated plan to overcome risk to achieve sustainable growth across generations.²¹ States also take on part of the risks that are managed by other actors in a wide range of activities, ranging from finance to trade to natural disaster management. This encompasses the provision of guarantees and insurance products to private firms or individuals, and also includes the role of the State as insurer of last resort for catastrophic events. The role of the State as regulator puts public administration in a position to oversee risk management in virtually all sectors. Regulatory agencies are often specifically required by law to perform risk assessment before product launch or service initiation in areas such as public health, food safety, waste management, water and sanitation, and critical infrastructure.²² Even when this is not the case, regulatory impact assessments in general may include risk components, particularly when those are contained in relevant legislation.²³

In the context of the SDGs, an overarching question for governments is how they can most effectively manage risk across the range of sectors where they arise. This encompasses the following questions:

- (i) What are major uncertainties and risks across SDG areas?
- (ii) How does the consideration of uncertainty and risk change strategies, plans and policies for implementing the SDGs? How can risk perspectives inform the management of nexus areas (e.g. climate, land, energy and water) and the associated synergies and trade-offs?
- (iii) How developed are risk-informed perspectives in public administration practice in different SDG areas at the national level?
- (iv) Are there causal linkages, synergies and trade-offs among risks? Do some of them warrant joint management? Are the current government structures, institutions and capacities adequate for the delivery of multisectoral risk management?
- (v) How do alternative strategies for managing risk affect vulnerable groups, and what are good practices in terms of including vulnerable groups in risk management processes?

Some countries are more vulnerable to specific risks than others.²⁴ In addition, because of their unique geographic, social,

economic and political circumstances, countries face different combinations of risks. Hence, from a macro perspective, the "risk portfolios" vary across countries. In each country, the social consensus on tolerable levels and best ways to address specific risks is also idiosyncratic.²⁵ Therefore, countries will apprehend risk management in diverse ways. For instance, the perception and assessment of catastrophic flood risk in the Netherlands, which as a country is highly vulnerable to this risk, will be different from those in countries where flood risk is less important. Netherlands' flood diversion system is designed to protect against 1:1250 year floods, as opposed to the usual 1:100 year floods, a statistical designation to refer to events occurring only once in a century on average.²⁶

Cost and benefit analyses may allow policy-makers to reflect upon the best ways to confront the more and less urgent risks in their own national contexts and resource endowments. Countries may decide to scan for risks that are as far out as thirty years, prepare for catastrophes that may happen once in a hundred years, or opt for much shorter horizon scanning of six months to a year. In each case, the ensuing risk management framework will be distinct, some favouring agile response mechanisms that target impact mitigation, others vying for systemic resilience, and still others falling somewhere in between.²⁷

Decisions about how to manage risk in public administration are influenced by institutional capacities. Depending on those, policy-makers may decide to manage certain risks directly, while going for mitigation or transfer of others;²⁸ capacity in public administration may also influence the balance between preparedness and prevention as opposed to rehabilitation and reconstruction in disaster management activities. Importantly, in some cases, decisions regarding risk management are also influenced by the prevailing institutional arrangements between the public and private sectors. For example, one of the major consequences of privatization of infrastructure is the existence of explicit or implicit risk-sharing arrangements between the two. In practice, the public sector often remains *de facto* responsible for the protection of those assets.²⁹

Variations across risk management frameworks across countries are also influenced by historical circumstances. Examples later in this report show that innovative risk management practices in public administration often initially develop in priority risk areas, later expanding to other areas or evolving into more integrated ways of managing risk across sectors. Often, risk management becomes part and parcel of public administration and governance in countries and contexts where prior exposure to catastrophes and hazards instigate a process of learning and preparedness. Crises of national, regional and global nature also prompt governments to update their risk management frameworks in specific sectors. For instance, an uptick in risk management by public administrations across the world was manifest following the 2007-2008 financial crisis.

4.3.2. Paradigm changes in risk management in public administration

Risk management in public administration has a long history, even if it was not always coined as such. Efforts of early States in Mesopotamia and Egypt to create irrigation systems for food production were among the first manifestations of risk management at large scales by governments, in this case to mitigate weather risks and enhance food security. The management of weather risks has remained a central preoccupation of governments to this day.

In recent times, risk management approaches were developed in areas where governments had to take on a large portion of the costs of catastrophic events - for instance, financial crises. Risk management frameworks in the financial sector, supported by transparency and accountability policies, have continuously evolved as the sophistication of financial systems increased.³⁰ More recently, environmental risks, including those associated with pollution of various types, became an important area of government intervention, and mandated transparency played an important role in governments' responses to pollution issues, in combination to other policies. Natural disasters, climate change and other sectors have received increasing attention over the past two or three decades, and governments have developed an array of instruments to address associated risks.³¹

Public institutions and public administration processes to manage risk have evolved over time, driven both by broader paradigm changes in governance and by the development of knowledge and practice of risk management in different fields.

Traditional ways of thinking about risk in public administration tended to envision risk as resulting from a breakdown in standard operating procedures, often due to shortfalls in compliance. The typical prescription for managing risk was to focus on legal and organizational aspects, with emphasis on administrative guidelines, codes of conduct and hierarchical reporting lines. Risk viewed in such a way was addressed through continuous checks and controls, as well as internal auditing based on operational standards.³² Decision-making processes relating to risk management were managed by individual agencies or departments with few interconnections among them.

With the rise of New Public Management and its emphasis on performance and results, the notion of risk expanded to cover strategic threats and opportunities. Methods for managing risk used in private sector organizations (for instance, the Enterprise Risk Management (ERM) framework) gradually made inroads into public administration. From the 1990s onward, capturing potential gains and taking calculated risks became part of the public management discourse of reinventing government³³. Risk was understood as a general threat to the successful operation of public administration³⁴. Regulation was seen as a possible antidote, provided that it was swift, effective and

transparent. New institutional arrangements started to emerge in the public sector, such as risk review boards made up of independent technical experts, interagency risk commissions and multi-risk taskforces, to name a few³⁵.

In the twenty-first century, as new forms of governance started to be advocated in the public discourse (for instance, networked governance), the paradigm for risk management in public administration also evolved. As the notion of co-production gained traction, there was increased focus on state-society dialogue, stakeholder engagement and multiple and joined accountability. Emphasis was put on creating risk-aware cultures in public administration, as well as on managing risk in a cross-cutting way across organizational units.³⁶ More recently, the emergence of risks linked with cyber security and other digital developments again led to a reconceptualization of approaches to risk management.

The perception of intersecting and compounding risks led to the development of Integrated Risk Management (IRM) in the public sector³⁷, backed by data-driven, concerted approaches to governance. Risk management, in its integrated form, went beyond merely interconnecting different risk factors. It was about reviewing them holistically as part and parcel of national developmental frameworks. Risk management tools were also enhanced to tackle discretion in public-private partnerships³⁸, offering solutions for shared accountability frameworks and joined risk management in networked governance. Striking a balance between privacy and security became a major policy concern, particularly in partnership arrangements enveloping areas germane to national security and public safety.³⁹

Changes in information and communication technologies have driven changes in practices of risk management. E-government has dramatically changed the way government agencies disseminate and share information. The open data movement has promoted interoperability in regulatory risk management⁴⁰. Governance, risk and compliance (GRC) approaches to risk management synthesized the lessons learned in managing risk across different lines of work and policy domains, by automating and deploying (often cloud-based) information technology management systems, governance compliance dashboards,⁴¹ and spatial decision support systems⁴² making use of geospatial information technology, wireless sensor networks and collaborative data delivery systems.⁴³ These technologies offered new possibilities for cutting costs, avoiding duplications, creating early warning systems, strengthening multi-stakeholder engagement and putting foresight at the core of public agenda setting.

At the same time, there was a multiplication of international norms, standards and guidelines for risk management in various sectors.⁴⁴ In most countries, this was a strong factor in the development of risk management frameworks, as described below.

Box 4.3. International norms, standards and guidelines for risk management

Guidelines include those published by UNECE (2011, 2016); the European Commission's Risk Assessment and Mapping Guidelines for Disaster Management from 2010; the European Commission's Risk Management Capability Assessment Guidelines (2015); IMF's guidelines for fiscal risk disclosure and management; OECD's Guidelines for Resilience Systems Analysis; and OECD's Risk management principles and guidelines for policy design in agriculture.

Directives and Conclusions include: the European Council Conclusion 8068/1/11 of April 2011 on "further developing risk assessment for disaster management within the European Union". It determines that, by the end of 2011, each Member State must start the elaboration of its national disaster risk assessments through multi-hazard scenarios; Council's Directive 2007/60/EC on the assessment and management of flood risks; 2008/114/EC, which requires Member States to identify the European Critical Infrastructure Elements. Recommendations include the OECD Recommendation on the Governance of Critical Risks.

International standards include those from the ISO 31000 series on risk management, for example ISO 31010 on risk management-risk assessment techniques, and COSO ERM, as well as standards that address risk-related issues in other areas (for example, ISO 9001 on quality management and ISO 27001 on information security management).

Examples of networks and platforms are UNEP's knowledge repository on risk exposure⁴⁵ and UNEP-GRID and UNISDR's Global Risk Data Platform.⁴⁶

Source: Authors' elaboration.

Because of its explicit focus on risk and connected notions, the 2030 Agenda for Sustainable Development has provided an impetus for mainstreaming risk-informed decision-making and resilience thinking in national development planning. The emphasis of the SDGs on preventive approaches as an integral part of sustainable development provides an opportunity to further expand risk management methods beyond traditional areas such as financial risks and disaster management. The concept of Integrated Risk Management (IRM) has gradually been connected with complexity thinking and resilience building approaches in public administration. Bottom-up, endogenous risk management modalities based on behavioural incentives have been added to more traditional approaches focusing on expert-led technical modelling⁴⁷.

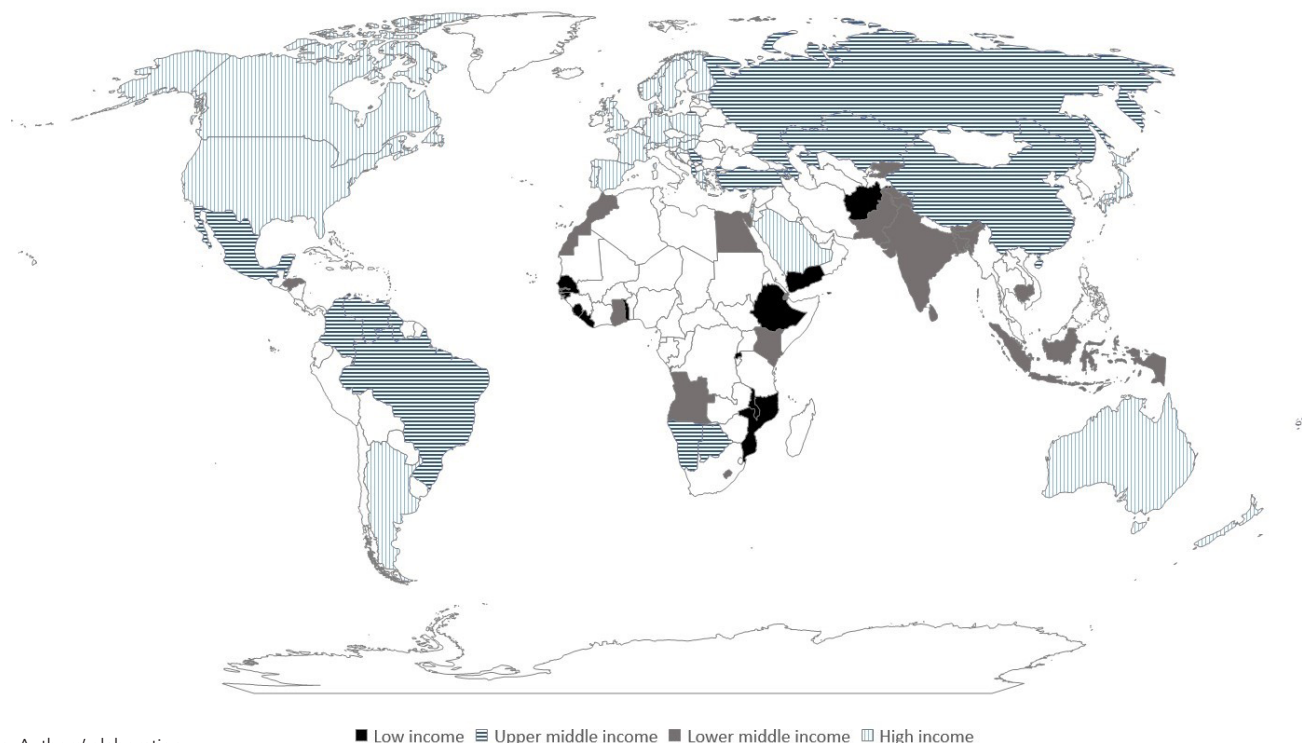
4.3.3. Trends in institutionalization of risk management in government

In order to examine institutional arrangements for risk management in public administration at the national level, desk research complemented by expert interviews was conducted on a sample of 83 countries (see Figure 4.1).⁵³ The main questions for research were: (i) whether the national government has a national risk assessment or related initiative covering a broad range of risks for sustainable development; and (ii) what are the most prominent public institutions in charge of managing risks. Highlights from this limited review are presented below.

Box 4.4. Multiple conceptual frameworks for risk management in the context of SDG implementation

Risk management in relation to SDG implementation has often been associated with compliance, regulation, integrated policy making, and resilience, borrowing elements from risk management paradigms and frameworks such as Enterprise Risk Management (ERM)⁴⁸, Governance, risk and compliance (GRC)⁴⁹, Integrated risk management⁵⁰, fragility frameworks⁵¹ and resilience management.⁵²

Source: Authors' elaboration.

Figure 4.1.**National risk assessment in the world: A sample of 83 countries****Table 4.1.****Liberia's lead managing agencies and alternates for specific risks**

Hazards/Incidents	Lead Agencies	Alternates
Flood	Ministry of Internal Affairs	Environmental Protection Agency, Ministry of Mines and Energy, Ministry of Health and Social Welfare, Liberia National Red Cross Society
Refugees	Ministry of Internal Affairs, Liberia Refugee Repatriation and Resettlement Commission	Ministry of Internal Affairs, Liberia National Red Cross Society
Pest, Drought	Ministry of Agriculture	Ministry of Health and Social Welfare, Environmental Protection Agency
Wildfires	Liberia National Fire Services, Ministry of Justice	Other service providers such as the National Port Authority
Epidemics and other health hazards	Ministry of Health and Social Welfare	Liberia National Red Cross Society
Terrorism	Ministry of Defense, Ministry of Justice	Ministry of National Security, National Security Agency
Desertification, environmental degradation, landslides	Environmental Protection Agency, Ministry of Lands, Mines and Energy	Ministry of Agriculture, Forestry Development Agency
Oil spills, exploration at sea	Ministry of Mines and Energy, Environmental Protection Agency	Ministry of Mines and Energy, Ministry of Agriculture, Ministry of Internal Affairs, National Maritime Authority
Chemical and industrial accidents	Environmental Protection Agency, Ministry of Mines and Energy	Ministry of Health and Social Welfare, Ministry of Mines and Energy, City Corporation, Ministry of Agriculture
Economic shocks	Ministry of Commerce and Industry	Ministry of Agriculture, National Fisheries and Aquaculture Authority, Ministry of Internal Affairs
Road, aviation and rail disaster	Ministry of Public Works, Ministry of Transport	Ministry of Mines and Energy, Ministry of Health and Social Welfare, Environmental Protection Agency, Ministry of Public Works

Source: Liberia's National Disaster Risk Management Policy.⁵⁴

In many countries, risk is mostly managed on a sectoral or thematic basis, with individual government agencies leading the process in their areas of competence. As an illustration, Liberia's National Disaster Management Policy identifies lead managing agencies and alternates for various types of risks related to disaster (Table 4.1). This illustrates the institutional complexity of managing the full range of relevant risks.

Line ministries and public agencies often have their own risk plans and officers in charge of managing sectoral risk. Such agencies include those in charge of customs and tax administration, budgeting and public debt management, border security and control, and other regulatory agencies in the fields of environment, urban planning, infrastructure, science and technology, food safety and quality, electric safety and energy production, public healthcare systems and medical waste management, among others. Turkey, for instance, addresses economic and financial risk through the recently established Risk Analysis Units (2012) under the Directory of Risk Management and Control in its Ministry of Commerce. Risk Management is also part of the Strategy Formation Directorate in the Ministry of Finance. Turkey has a separate National Disaster and Risk Management Office under the Presidency. Each Ministry, including the Ministry of Tourism for instance, carries out detailed and regular risk analyses.

Across all countries included in the sample, financial risks are managed by the Ministry of Finance for purposes of public finance and debt management. Similarly, national security and public safety are often handled by the Cabinet under the President or Prime Minister's Office, sometimes through the National Security Council, or Ministry of Defence or Ministry of the Interior with focus on civil protection.

Natural catastrophes and technological risks are often managed by Ministries of Environment, of Emergencies, or Ministries of Disaster, which often take on the task of carrying out integrated risk management activities that go beyond the environmental arena and address a large range of risks to the safety and wellbeing of citizens. For example, Ministries of Disaster Management were found to handle comprehensive risks in Rwanda and Ethiopia, and so were ministerial-level national commissions in Honduras and Indonesia.

Emerging risks such as cyber risk may be handled separately by a National Security Council, the Ministry of Defence or another specialized agency. Many countries have Chief Risk Officers or similar government offices and officers under their Ministries of Finance to handle financial risks or to handle supply security (Finland, Turkey, United States, Singapore, France). Others also have similar risk related offices and programs in their Ministries of Environment, Infrastructure, Industry, Water and Sanitation or other sectoral ministries (for example, France).

Depending on the unique sets of threats they face, countries have put in place national risk management and protection programmes and plans of action focused on areas such as human trafficking (Belize), water and sanitation (Afghanistan, Barbados), the National AIDS Authority (Cambodia), the National Tuberculosis Program (Eswatini), the National Food Security Programme (Ethiopia), the Employment, Labour and gender risk assessments (Liberia), or other protection schemes and safety nets (Disability Plan of Action in Eswatini). Small Island Developing States (SIDS) may have a Chief Environment Officer who manages more than just environmental risks but also their social, economic and political repercussions (Belize, Seychelles). Most of them often have full-fledged natural disaster risk management policies (East Timor) or committees (Sri Lanka).

The adoption of risk management frameworks in national public administration in specific sectors is influenced by international law and normative guidance produced by international institutions. For instance, the work of the Basel Committee has spurred the adoption of prudential regulation frameworks at the national level in most countries.⁵⁵ The European Union requires national risk assessments in order for member states to qualify for certain types of funds.⁵⁶ The Sendai Framework for Disaster Risk Reduction and the Financial Action Taskforce (FATF) play similar roles in disaster and anti-money laundering. For instance, most countries in the sample were found to have anti-money laundering and counterterrorism financing national risk assessments, based on FATF recommendations.⁵⁷ Similarly, in our sample, countries that are members of intergovernmental or supranational organisations, such as the Organisation for Economic Cooperation and Development (OECD), the Commonwealth and the European Union were found to have a higher likelihood of carrying out national risk assessments.

Regional and interregional organisations providing financing, knowledge management and capacity development also have a significant influence on the adoption of risk management frameworks in national public administration. South-South and North-South cooperation and interregional platforms of sectoral risk reduction and management provide stimulus for national governments to adopt and implement risk management frameworks. Examples include the Platform for Agricultural Risk Management in Africa, the African Risk Capacity, the Caribbean Catastrophe Risk Insurance Facility, the South-east Asia Disaster Risk Insurance Facility launched earlier this year, and others. The European Commission has platforms such as the European Foresight Platform (EFP), which brings together risk professionals and communities of practice. EFP aims to build a global network of communities and professionals to share knowledge about foresight, forecasting and other methods of future studies involving uncertainty and risk.⁵⁸

In addition to institutionalizing risk management in public administration at the sector level, many countries have also adopted more holistic, integrated approaches. This is based on the recognition that risks can be overlapping, and that siloed approaches that focus on addressing individual risks may create risks in other areas.⁵⁹ Such approaches adopt a broad definition of risk, even when addressing a specific sector. This includes mainstreaming of cross-cutting issues, such as gender equality, in other areas of risk management, as in Liberia (see section 4.3.4 below). An important step to integrated approaches is the coordination of risk assessments across a range of risk. Mexico provides an example of this with its National Atlas of Risk (see section 4.3.4 below). France also offers an interactive risk map, which allows the public to see natural and technological risks at the level of administrative subdivisions.⁶⁰

Many countries have moved to producing national risks assessments, where all important risks are assessed in a single process.⁶¹ Thirty countries out of 85 in our sample were found to conduct national risk assessments. Those vary widely across countries in terms of scope, time horizon, methodology and dissemination (see Box 4.5). Some countries report that they are in the process of building a national risk assessment system (Saudi Arabia - National Transformation Program Saudi Vision 2030; Spain - National Program of Reforms 2014, Slovakia).⁶² Countries that do not have an integrated or regular national risk assessment may implement advanced risk analysis tools and assessment models overall or in various sectors, particularly finance and the environment. For example, South Korea has a sophisticated data-based system to communicate information on risk and issue warnings on potential disasters.⁶³ Other countries have evolved comprehensive legal and regulatory frameworks for risk management in public administration. Bangladesh includes risk management under its National Good Governance program and National Integrity Strategy 2018. Serbia has an extensive legal framework for emergency and disaster risk management.⁶⁴

Countries that run national risk assessments or have integrated risk management platforms often have one or more units, offices, departments or inter-ministerial commissions or working groups reporting to the President, vice-President or Prime Minister's Office (19 countries were found to have such arrangements), either directly or indirectly through specific ministries or departments or through a National Security Council.

The needs for integrated approaches to risk management have translated into a range of institutional approaches at the national level. Several countries have established National Risk Boards, which are permanent or ad hoc committees that analyse and assess synergies and trade-offs among risks and make recommendations to the Government. Such Boards exist in the Netherlands, Singapore, the United States and the United Kingdom, among others.⁶⁶ The United Kingdom has recently introduced the position of Minister for Government Resilience and Efficiency.⁶⁷ Morocco has been reported to consider establishing a National Chief Risk Officer position.⁶⁸

All countries, regardless of the institution(s) in charge of performing a national risk assessment, also have intersectoral and cross-agency working groups, committees, commissions and taskforces involved in processes of risk management. The nature and depth of involvement of non-state actors in the design and implementation of national risk assessments varies from country to country.

The Ministry of the Interior is a commonly found lead institution for the production of national risk assessments (Bahrain, Cyprus, Estonia, Finland, Germany, Hungary, Republic of Korea, Morocco, Portugal, Saudi Arabia, Serbia). In other countries, this task belongs to the Ministry of Defence, Public Safety, Civil protection, or equivalent (Argentina, Canada, Denmark, Kyrgyzstan, New Zealand, Senegal, Sweden, Switzerland, Togo). In Norway, the national risk assessment is managed by the Ministry of Justice.

Box 4.5. The variety of national risk assessments

National risk assessments (NRAs) are a relatively new phenomenon, which has gained traction in the past five years, even though some countries have been undertaking similar exercises since the beginning of the 2000s. Often, national risk assessments are undertaken periodically, anywhere from every six months to every three or more years.

NRAs are very diverse. Depending on the context of countries, they include different sets of risks, with some types of risk covered only in some countries (such as nuclear threats, financial crises, and climate change). Some assessments plans cover transboundary and cross-cutting risks while others do not. Many include vulnerability and capability assessments, including a focus on longer term resilience building.

Some NRAs are quantitative and forward looking, while others are more qualitative and rely on analysis of the country's history. The scope of future risk analysis within national risk assessments also differs, ranging from six months or a year to 30 to 100 years.

In some countries, the assessments are confidential; in others, the level of confidentiality in the design, implementation and dissemination of results to a variety of stakeholders (including the broader public) varies.

Source: Authors' elaboration based on OECD, 2018.⁶⁵

Box 4.6. Lead government agency for risk management: Public Safety Canada

Public Safety Canada was created in 2003 to ensure coordination across all federal departments and agencies to protect Canadians against threats ranging from terrorism, cyberattacks, nuclear weapons to crime and gang violence and natural hazards and environmental disasters. Public Safety Canada has an Interdependent Risk Assessment Working Group, which meets regularly to review risks through a common set of principles. In addition, risk management is conducted throughout the federal government in accordance with the Treasury Board Framework for the Management of Risk, which is currently under review, the International Standard 31000 and the Canadian Standards Association Implementation Guide to CAN/CSA-ISO 31000: Risk Management Principles and Guidelines (SCC-CCN 2018).

Source: Standards Council of Canada (2018).

Numerous practitioners and scholars have advocated for the creation of a national Chief Risk Officer position in government.⁶⁹ In Singapore, the two Deputy Prime Ministers handle respectively national security and financial risks. In Japan, the Deputy Prime Minister oversees all types of risks. As a whole though, very few countries seem to have a Chief Risk Officer.

Many countries have combinations of the above institutions. New Zealand, for instance, recently introduced a National Risk Unit in the department of the Prime Minister and Cabinet to manage security risk. This is in addition to the country's Domestic and External Security Coordination Group under the Prime Minister's Office, to risk management activities carried out in its Department of the Environment for climate change and environmental hazards, and to the implementation of the national emergency management policy by its Department of Internal Affairs.⁷⁰

4.3.4. National examples of risk management in public administration

This section illustrates how risk management is institutionalised in public administration in various countries. The goal is to illustrate a variety of techniques and tools employed in managing diverse risk types in different SDG or nexus areas.

Incorporating gender perspectives in risk management

Risk is seldom contained in silos, nor should its management be. In particular, social risks of various nature tend to compound with economic and environmental risk. For instance, the United Nations Commission on the Elimination of Discrimination against Women (CEDAW), in its General Recommendation No. 37 on Gender-related dimensions of disaster risk reduction in the context of climate change of February 2018, recognises that

Box 4.7. Liberia's National Disaster Risk Management Policy

Adopted in 2012, Liberia's National Disaster Risk Management Policy adopts a cross-cutting, all-hazards approach. It considers likelihood and vulnerability analyses, exposure assessment, capacity development and resilience building objectives across as diverse sectors as health, education, food, energy, transportation, housing, infrastructure, construction, finance, cultural heritage, water and sanitation, land management, marine and coastal ecosystems.

Gender and Disaster Risk Management constitutes one of the four policy principles undergirding the Policy. It mandates all government activities to proactively and consciously include women and vulnerable groups in disaster risk management, specifically by (i) strengthening their security in crisis, (ii) expanding their participation and leadership roles in emergency response operations, conflict prevention and post-disaster reconstruction, (iii) promoting gender equality through gender-disaggregated data, needs assessment and impact analysis, (iv) ensuring gender responsive recovery, and (v) promoting social change through disaster risk management capability building.

The Policy also embraces gender as part of its five key policy areas supporting all policy principles. Development of gender sensitive national disaster management policies, involvement and empowerment of women along with other groups that might otherwise be sidelined in disaster risk decision-making, including in Disaster Risk Assessment Teams, and mainstreaming of gender in disaster risk reduction activities in urban and rural settings are some of the ways in which priority areas of the Policy shape the institutional basis of Liberia's gender-sensitive disaster risk management. Across sectors and risks, women and female-headed households are made active actors of the design, implementation, monitoring and evaluation of risk management systems and processes.

Source: Author's elaboration.

situations of crisis exacerbate pre-existing gender inequalities and also compound intersecting forms of discrimination against women (article 2). The Recommendation offers guidance in this regard, building on international law.⁷¹ In particular, the guidance underlines the imperative to uphold women's human rights at all stages of disaster risk management, including prevention, mitigation, response, recovery and adaptation (article 16); and also refers to areas of the SDGs that have strong linkages with gender equality, climate change and disaster reduction (article 22).

Illustrating this, Liberia, listed as a country in fragile situation by the World Bank⁷², presents an interesting case in creating interlinkages between gender empowerment and disaster risk management in post-conflict settings. Following a long civil war and conflict that came to an end in 2003, Liberia was then swept in 2013 by the Ebola virus.⁷³ Liberian public institutions have been under constant strain to keep delivering services during emergency. Liberia's National Disaster Management Policy, adopted in 2012, emphasises women's full participation in the development and management of all disaster risk management policy and action⁷⁴.

Mobilising technology and data for national risk management

Technology is a critical enabler of risk management, across all types of risk. Information and knowledge management

technologies support all stages of the risk cycle, from analysis to prevention to reconstruction to monitoring. Technologies used to manage risk in one sector can spread to risk management in other sectors. Depending on a country's context, the use of specific technologies may start in a sector where risk is deemed most critical (for instance, food risk management in Ethiopia). At other times, national and sub-national hazard assessment and civil protection strategies can emerge symbiotically based on a gradual expansion of data management and information and communication technologies (for example, Mexico's National and sub-national Atlas of Risks).

Advanced technology is used to manage risks associated with malicious use of technology itself. Emerging digital and cybersecurity risks are a case in point. In September 2018, the United States Government established the National Risk Management Centre (NRMCC), as a subcomponent of the National Protection and Programs Directorate of the Department of Homeland Security. NRMCC has evolved out of the former Office of Cyber and Infrastructure Analysis. Its mandate is to advance the understanding of emerging cyber-physical risks. The NRMCC plays a key role in the Department's work to implement Presidential Policy Directive 21, which calls for integrated analysis of critical infrastructure, and Executive Order 13636, which identifies critical infrastructure where cyber incidents could have catastrophic impacts on public health and safety, the economy and national security.⁷⁵

Box 4.8. Ethiopia's Food Security Early Warning System

The second most populous nation in Africa and fastest growing economy in the region, Ethiopia aims to reach lower-middle-income status by 2025. With Ethiopia's introduction of the Productive Safety Net Programme (PSNP, 2005) as part of its National Food Security Programme (2004), the government has experienced a paradigmatic shift from reactive crisis management to proactive risk management.

PSNP is the largest social protection programme in Sub-Saharan Africa outside of South Africa. It serves over 7.8 million Ethiopians in 319 woredas (third-level administrative district) across 8 regions. At its apex is a risk financing mechanism which includes a food security early warning tool, LEAP (Livelihood, Early Assessment and Protection) developed in 2008 by the Government of Ethiopia in cooperation with the World Food Programme.

LEAP converts satellite and agro-meteorological data into crop or rangeland production estimates and derives livelihood protection requirements. It quantifies the financial resources needed to scale up PSNP in case of a major drought. It uses satellites, through GEONETCast, a global network of satellite-based data dissemination systems. It integrates climate risk management frameworks with risk transfer mechanisms.

LEAP complements early warning systems implemented by the National Disaster Risk Management Commission. Leading institutions are assigned to specific hazards at all administration levels. Lead sectoral risk managers are appointed in the Ministry of Agriculture, Environment and Forestry, Health, Water, Irrigation and Energy, Federal Affairs, Transport, Mines, Defence, Urban Development, Housing, Construction, Education, and City administration.

Source: <http://www.dppc.gov.et/Pages/leap.html>.

Box 4.9. Mexico's National Atlas of Risks

Mexico's National Programme of Civil Protection, SINAPROC (2014-2018) integrates municipal, regional, national level risk data; and offers prizes in risk management and civil protection.

Mexico uses an elaborate National Atlas of Risks to visualize risks across the nation. Developed and implemented in partnership by the National Center of Disaster Prevention, National Seismology Service, the Earth Observation Laboratory, and the National Oceanic and Atmospheric Administration (NOAA), the Atlas includes hazard maps by type of risk (geological, hydrometeorological, chemical-technological, sanitary-ecological, space, and socio-organizational), as defined by the General Law on Civil Protection.

The Risk Atlas offers historical maps to see the evolution of risk and progression in the effectiveness of risk response through time and across localities. The system allows a probability assessment including tools for scenario building. It lets the user define the exposed area to see its approximate population, the number of centers of work, health, hotels, banks, airports, dams, livestock, crops, and a host of other variables related to risk and vulnerabilities. The National Institute of Statistics, Geography and Information (INEGI) provides the data.

The Atlas and the interactive maps are not only about environmental and natural risks. Public service disruptions, accidents, critical infrastructure related hazards, terrorism and related threats are also covered. It provides an additional visualization tool to illustrate publicly declared emergencies and disasters.

Source: <http://www.atlasnacionalderiesgos.gob.mx/>

Managing environmental risk at national and regional levels

Risk-based decision making is increasingly used in environmental management, and risk-based regulation has emerged as a tool of natural resource management (e.g. for allocation of water abstraction licences, urban planning and construction controls, flood risk management, air and water pollution control, waste management, mining and hydrological fracking, etc.). Both disaster and emergency management and climate risk management imply cross-cutting risk analysis connecting several sectors, within and beyond ecosystem management.⁷⁶

At the national level, the Netherlands' Delta Commission Plan⁷⁷ and New Zealand's Coastal Hazards and Climate Change Guidance for local government are advanced examples of flood risk management methodologies⁷⁸. Similar risk-based decision-making processes exist in Asia, including in Bangladesh, Thailand, Vietnam, and other countries. Notable examples of disaster and emergency management successfully including climate risk assessment and spilling over to comprehensive and integrated national risk management programs come from Bangladesh and Indonesia (see Box 4.10).

Box 4.10. Indonesia's integrated disaster risk management framework

Indonesia, South-east Asia's largest economy, sits on the Pacific Ring of Fire, a string of volcanoes and sites of seismic activity around the edges of the Pacific Ocean. The country is also prone to other natural disasters such as landslides, flood and forest fires. The country has a comprehensive national disaster risk plan based on a robust legal framework and whole-of-government and whole-of-society approaches in its implementation. Led by the National Agency for Disaster Management (BNPB), the plan includes many types of risks (natural, environmental, social, technological, but not economic/financial) and uses a variety of tools including systematic data collection/analysis such as DIBI (Database of Disaster Management), LAPOR! mobile application (complaint, alarm and alert system), REPORT!, and the National Public Service Complaint Management System (SP4N).

BNPB is a ministerial-level independent agency legally mandated to coordinate all contingency, preparedness, mitigation, prevention, disaster management training and disaster risk reduction, assessment and mapping, including in the 'pre-disaster' phase. BNPB includes representatives from the Department of Home Affairs; Social Affairs; Public Works; Health; Finance; Transportation; Energy and Mineral Resources; National Police; and Army. Indonesia has also recently adopted its National Disaster Risk Financing Strategy for financial protection against natural disasters. Local governments affected by natural disasters can draw on a national fund. The central government may reinsure risks with either global or local insurance players.

Source: Authors' elaboration.

From a regional perspective, the UNDP's Pacific Risk Resilience Programme triangulates climate risk management with disaster risk reduction and national sustainable development planning.⁷⁹ The African Risk Capacity (ARC) assists Member States to improve their capacities to better plan, prepare and respond to extreme weather events, natural disasters and epidemics. The Caribbean Catastrophe Risk Insurance Facility is the world's first multi-country risk pool to have successfully developed parametric policies to limit the financial impact of hurricanes and earthquakes.

4.3.5. Connections between risk management and the institutional principles of SDG 16

The institutional principles of SDG 16 examined in this report all are highly relevant to risk management in public administration. The connections are multiple, and apply at different stages of the risk cycle (see Figure 4.2).

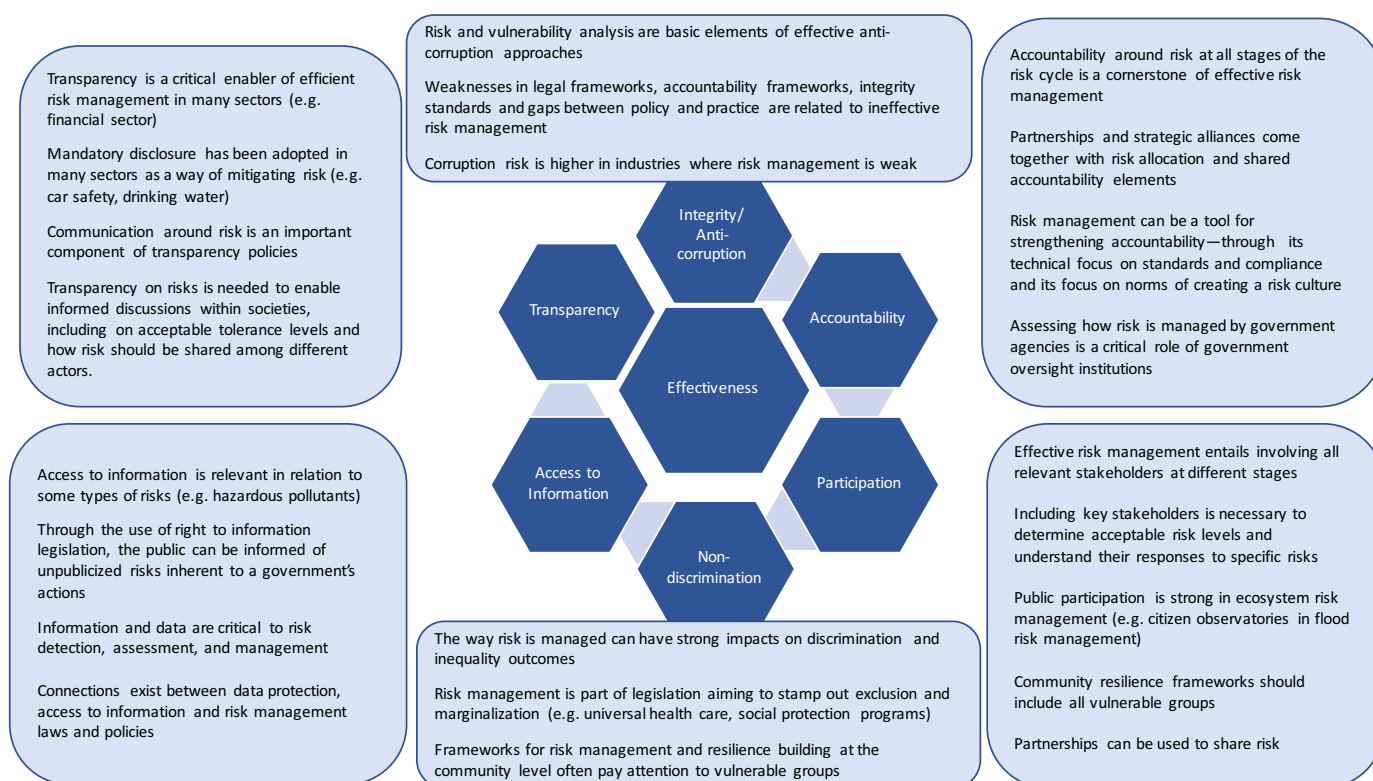
Transparency is a critical enabler of efficient risk management in many sectors, with the financial sector being perhaps the most prominent example. Mandatory disclosure has been adopted in many sectors as a way of mitigating risk (e.g. car safety, drinking

water). Communication around risk is an important component of transparency policies, and has received increasing attention from governments in recent years. Transparency on risks is also critical in order to enable informed discussions within societies, including about acceptable tolerance levels and how risk should be shared among different actors. There can be tensions between transparency and risk management. For instance, it has long been noted that the management of national security risks often requires some level of secrecy.⁸⁰ Focusing on health, information of a confidential level may make risk management easier, but may conflict with privacy issues.⁸¹

Regarding access to information specifically, it is relevant in relation to some types of risks (e.g. hazardous pollutants) that affect citizens directly. More broadly, through the use of right to information legislation, the public can be informed of unpublicized risks inherent to a government's actions. In a layman's sense, information and data are critical to risk detection, assessment, and management. Connections exist between data protection, access to information and risk management laws and policies. Also, privacy issues are connected with reputational and other types of risk.

Figure 4.2.

Examples of linkages between risk management in public administration and institutional principles of SDG 16



Source: Authors' elaboration.

Accountability around risk at all stages of the risk cycle is a cornerstone of effective risk management. Questions in this regard include who is responsible for risk identification and mitigation, how the risk is shared among the stakeholders, as well as how the consequences of risk materialization (including financial crises, natural disasters, or social unrest) are addressed. Partnerships and strategic alliances come together with risk allocation and shared accountability elements. Through its technical focus on standards and compliance and its focus on creating a risk culture, risk management can be a tool for strengthening accountability. Risk management frameworks are often understood as supporting broader accountability and performance frameworks for the public sector.⁸² Integrated risk management can be undertaken with the specific purpose of increasing transparency and accountability in public administration and strengthening ethics in the public sector.⁸³ Lastly, one of the most critical roles of government oversight institutions, which are cornerstones of accountability, is to examine how risk is managed by government agencies. This encompasses, among other types of risks, the effectiveness of government provision of guarantees or insurance products in a various range of activities, including public-private partnerships.

Participation is critical to risk identification, analysis and management in some sectors, for instance for floods and other natural disasters and ecosystem management (e.g. citizen observatories in flood risk management⁸⁴). Depending on the case, participation may be of a general nature (e.g. at the community level), or concern populations at risk for specific risks.

The way risk is managed can have strong impacts on discrimination and inequality outcomes, from the community level to the national level to the global level. Risk management is part of legislation aiming to stamp out exclusion and marginalization. For example, programs of universal access to health care address health-related risk while also addressing discrimination; targeted social protection programs take fragilities of various natures into account. Emergency response

and disaster risk management have a strong “leave no one behind” approach built in them. Frameworks for risk management and resilience building at the community level often pay attention to all vulnerable groups.

Lastly, the notions of risks and vulnerability are also central to effective anti-corruption approaches, as highlighted in chapter 2 of this report. Weaknesses in legal frameworks, accountability frameworks, integrity standards and gaps between policy and practice can all be seen as manifestations of ineffective risk management. At another level, corruption risk is higher in industries where risk management techniques are lax (e.g. extractive industries). Techniques of risk management have been adapted to the analysis of corruption risk and vulnerabilities. For instance, risk heat maps are used to highlight corruption vulnerabilities; the so-called “three lines of defense model” used in risk management is also an anti-corruption tool.⁸⁵

The importance of the institutional principles of SDG 16 varies across sectors and issues. For example, mandated transparency has played a key role in the regulation of risks in the financial sector; in other sectors, it has featured less prominently in risk management approaches and practices. Conversely, public participation may not be critical to managing prudential risk, but is central in other SDG areas.

4.3.6. Challenges to risk management in public administration

Risk management in public administration faces a range of challenges. This section highlights some prominent challenges highlighted by experts consulted for this chapter.

A first class of challenges pointed by experts is linked with top-down, technocratic risk management practices, which tend to put heavy emphasis on technical aspects such as modelling, foresight and innovation, including software development, to the detriment of social or local dimensions. To mitigate this, experts point to the usefulness of bottom-up, rights-based,

Box 4.11. Common enablers of effective risk management in public administration

Three success criteria across all stages and common to all risk management processes are:

- (i) high-level ownership of risk management by the senior leadership and governing bodies towards fomenting credibility and legitimacy,
- (ii) horizontal and vertical policy integration across departments and agencies of government at different levels, and engagement with non-state actors through inclusive online and offline platforms; and
- (iii) effective risk communication channels and methods to stave off cognitive biases such as groupthink, priming, confirmation bias, denial and “kicking the can” and allowing open forums to discuss issues freely without fear of retribution.

These cross-cutting criteria can be helpful in aligning incentives with objectives pursued by risk management, while stimulating whole-of-government and whole-of-society risk management.

Source: Authors' elaboration.

community-driven, and vulnerability-focused initiatives with focus on capability and resilience⁸⁶.

Insufficient coordination, collaboration and integration among national and subnational governments, public institutions, the private sector and other stakeholders is another common challenge. Lack of shared methodologies for assessing risks is often an impediment to the comparability of risks and for the design of coherent policy responses.⁸⁷ Multi-risk committees and all-hazards approaches to risk management have been attempted in this regard, within the framework of networked governance and joint approaches to SDG implementation,⁸⁸ particularly for critical risk areas such as infrastructure, for instance electricity transmission grids.⁸⁹ Interoperability and effective sharing of tasks and responsibilities between levels of government are paramount to effective risk management.⁹⁰

Siloed approaches to risk management can treat risk as a mere compliance issue rather than as a cross-cutting policy that needs to be integrated in development policy-making⁹¹. Trade-offs and synergies of different risk management policies and initiatives (e.g. intersecting and compounding risks, transboundary risks or risks displacing one another) can be overlooked⁹². Duplications and inefficiencies may occur when too many risk management institutions with overlapping mandates exist. Examples of fragmentation include corruption risk assessments and institutional risk assessment being run as separate exercises⁹³. Experts underline that integration at the top and ownership by the center of government, including the executive, the legislative and the judiciary, are pivotal to fostering a risk culture.⁹⁴ Risk management should be seen in a strategic way, and should extend to strategic and performance risk management.

Another common challenge is linked to the politicisation of certain sectors, especially in contexts where risk prevention and preparedness may not produce immediate and tangible results (for example, climate change) and electoral cycles promote short-termism.⁹⁵ Dynamic adaptive policy pathways based on community engagement with focus on long-term resilience rather than short-term risk perspectives, are suggested as possible solutions by experts.⁹⁶ In the context of conflict risk, measuring and valuing the benefits of prevention and relating them to the costs of post-conflict recovery and rehabilitation is also needed.⁹⁷ At the national level, in late 2016 New Zealand set up a Climate Change Adaptation technical working group. In 2018 the working group recommended a National Risk Assessment and National Adaptation Plan that are both reported upon independently, potentially through the proposed Climate Commission.⁹⁸

Lack of funding, financing opportunities, investment and resource mobilisation means and capacities are common challenges. In some cases, the involvement of the private sector and the use of public-private initiatives may help in transferring and managing risks. In India, regional governments have public-

private cells within them to advise about mutual accountability sharing arrangements for joint ventures.⁹⁹

At the level of individual organizations in public administration, insufficient awareness, weak technical skills and knowledge gaps over coping methods and other risk management techniques are another challenge. Experts point to the need for awareness-raising, education and continuous training on risk, risk management and the SDGs not only for practitioners, but also for educators and people.¹⁰⁰

Project-level deficiencies in implementation of risk management frameworks include opaque organisational goals; confusion between unwanted outcomes and risks; lack of clear indicators for goals or risks; inadequate methods for monitoring and assessing risks; unclear risk thresholds and action triggers; weak uptake of risk management by senior management and operational personnel; and ineffective risk communication strategies. This is in spite of the existence of a wide variety of national, regional and international standards, guidelines, recommendations and directives on risk management (see Box 4.3 above).

Lack of adequate data is a ubiquitous challenge in risk management. Several issues are involved. First, it is difficult to find granular data disaggregated enough to measure and protect against different types of risks. Germany, for instance, has taken steps to gather geocoded data at the municipal level. Second, even when present, data may not be adequately analyzed due to lack of adequate technology, which is often expensive. Inadequate data analysis skills in public administration are often a compounding challenge, even as data analytics is emerging as a significant component of risk management.¹⁰¹ In addition, data, even when existing and adequate for risk management purposes, may not be interoperable due to institutional silos, even though interagency and intersectoral communication and exchange of information are critical to integrated risk management.

4.4. Conclusion

Risk and related concepts permeate the 2030 Agenda and the Sustainable Development Goals. This reflects a changing paradigm in development circles, and the recognition of the critical importance of incorporating risk considerations into sustainable development strategies, plans and policies, as well as into the culture of public institutions that support their implementation. Public administration has a critical role to play in managing risk across the whole Agenda, as risk manager or regulator, or in other roles. Its performance in this regard critically depends on the engagement of and support from political leadership. Because of their risk-oriented formulation, the SDGs provide a conducive framework for advancing risk management at both political and administrative levels.

This chapter provides an initial exploration of the issue of risk management in public administration in the context of the SDGs. As risk management becomes prominent in development management, public institutions have to not only adopt risk management approaches and tools, but also adapt their cultures and ways of operating in order to embed risks considerations in their daily business. Public institutions and public administration processes to manage risk have evolved over time, driven both by overarching paradigm changes in government and by the development of knowledge and practice of risk management in different fields.

Developments in risk-related practices in different sectors have occurred largely independently from one sector to another. For example, rules and practices relating to the management of systemic risk in finance has had very little to do with developments in natural disaster management. The rise in prominence of risk considerations in public administration has also proceeded at a different pace in different sectors. In some sectors, risks management has been integrated in core functions and practices of public administration for decades (for instance, in the way Central Banks manage systemic risk in the financial sector). In other sectors such as natural disasters and climate change, risk considerations have become central tenets of the mainstream paradigms over the past two or three decades. Relatively new risks such as cybersecurity have gained in importance in recent years and have elicited increasingly sophisticated responses in public administration. In yet other sectors and SDG areas, risk management may not be firmly embedded in the ways public administration thinks of its missions and in the way it delivers its functions on a daily basis.

Therefore, as a whole, risk management at the national level is still primarily done on a sectoral basis, with the high-level government agencies in charge of given areas assuming a lead role for risk management in those. The analysis shows the influence of international and regional institutions in promoting and influencing the adoption of national risk management frameworks in specific sectors.

Yet, risks across SDG areas can also intersect, and they frequently impact one another. For this reason, going beyond managing risks in a siloed fashion is emerging as a trend. In particular, several emerging economies and developing countries have adopted innovative approaches to integrated risk management. They coordinate and integrate their risk management strategies and decision-making processes horizontally across various ministries, departments and agencies, with some of them establishing cross-cutting commissions. An increasing number of countries also integrate their risk management activities vertically by engaging subnational governments. Some countries also involve non-state actors, including civil society, experts and the private sector, in all or parts of their national risk assessment and management exercises.

Assessments of multiple risks has become common, with a growing number of countries having instituted national risks assessment processes. These processes vary significantly across countries in scope, in how forward-looking they are, and in how they connect to other institutional processes of risk management. The coordination of risk management in public administration across a wide range of sectors is still relatively new. Few countries have created a position of Chief Risk Officer, or equivalent, with a role of coordination of government response across a broad range of risks. These trends seem to point to a recognition of the importance of, and potential for, addressing risk in more holistic ways. Because of their breadth of scope, the Sustainable Development Goals can provide a convenient framework for integrated approaches to risk management in public administration.

The chapter shows the high relevance of the institutional principles of SDG 16 to risk management in public administration. The connections are multiple, and apply at different stages of the risk cycle. The importance of specific principles varies across sectors and risks. Transparency is a critical enabler of efficient risk management in many sectors, with the financial sector being perhaps the most prominent example. Communication around risk is an important component of transparency policies, and has received increasing attention from governments in recent years. Transparency on risks is also critical in order to enable informed discussions within societies, including about acceptable tolerance levels and how risk should be shared among different actors.

Accountability around risk is a cornerstone of effective risk management. Questions in this regard include who is responsible for risk identification and mitigation, as well as how the consequences of risk materialization (including financial crises, natural disasters, or social unrest) are addressed. Participation is also critical to risk identification, analysis and management, for instance for floods and other natural disasters. The way risk is managed can also have strong impacts on discrimination and inequality outcomes, from the community level to the global level. Lastly, the notions of risks and vulnerability are also central to effective anti-corruption approaches, as highlighted in chapter 2 of this report.

Further exploration of the topic of risk management in public administration in future editions of the report could focus on risk management practices inside public institutions in different SDG areas. Relevant issues in this regard include the management of change in the culture and norms of public institutions; needs in terms of training and capacity building; and communication around risk.

Endnotes

- 1 In those disciplines, there is a basic distinction between uncertainty and risk. Risk is a form of uncertainty that is amenable to quantification. A risk is characterized by a probabilistic distribution of possible states of the world, as well as by the distributions of impacts (e.g. losses) under each state.
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- 15 For instance, so-called "heat maps" are used in sectors as diverse as anti-corruption and environmental management.
- 16 Wucker, A., *The Gray Rhino: How to Recognize and Act on the Obvious Dangers We Ignore*, New York: St. Martin's Press, 2016.
- 17 Specialized risk perspectives may yield different SDG target categorizations and counts. For instance, regarding disaster risk management, UNDP (2018) cites the SDG targets 1.5, 11.A, 13.1, 13.3, 15.4 in addition to some that are listed here.
- 18 For example, frameworks to analyze environmental issues such as the Drivers, Pressures, State, Impacts, Response (DPSIR) framework, used in the Global Environment Outlook reports produced by UNEP, show such linkages and enable an integrated approach to risks analysis.
- 19 For instance, the precautionary principle (or approach) that governs government actions in many contexts is not based on economic considerations, and sometimes results into policies that are very different from policies derived from cost minimization. See OECD, 2014, *Boosting resilience through innovative risk governance*, OECD Publishing, Paris.
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- 22 UNECE, 2018, contribution to the World Public Sector Report 2019.
- 23 Alter, R., 2018, contribution to the World Public Sector Report 2019.
- 24 For example, the notion of specific vulnerability was at the heart of the recognition in Agenda 21 of small island developing States (SIDS) as a special category of countries in terms of challenges to achieving sustainable development. See United Nations, 1992, *Agenda 21: Programme of Action for Sustainable Development*, New York.
- 25 For example, the perception of health threats posed by genetically modified organisms is very different in Europe and in the USA. Fung, A., M. Graham, D. Weil, 2007, *Full disclosure: The perils and promise of transparency*, Cambridge University Press, Cambridge, USA.
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- 58 For more, see <http://www.foresight-platform.eu/>
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CHAPTER 5:

INSTITUTIONS FOR GENDER EQUALITY

5.1. Introduction

Sustainable Development Goal (SDG) 5 of the 2030 Agenda calls for the achievement of gender equality and the empowerment of all women and girls. Gender equality is a standalone Goal and is integral to achieving all the SDGs. Conversely, progress on other SDGs impacts gender equality outcomes.

Governments make commitments to gender equality and the empowerment of women through the adoption of global agreements, in particular the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) and the Beijing Declaration and Platform for Action (BPfA). These are translated into constitutions, anti-discrimination legislation and policies, plans and strategies, including gender action plans and strategies.

Even as women and girls have gained ground in terms of rights and participation in social, political and economic life, they are still disproportionately impacted by inequality, discriminatory norms and social practices. Inequality continues to deprive women of basic rights and opportunities, including¹ access to basic services, ownership or control of productive resources such as land, and labor market opportunities. In about 90 countries, women spend roughly three times as many hours in unpaid domestic and care work as men.² It has also been estimated that, globally, 2.5 billion women have weaker legal rights than men and 723 million women and girls are victims of gender-based violence.³

Governments have a key role in accelerating progress toward gender equality and the empowerment of women and girls. They can enact laws and implement policies to eliminate structural barriers to gender equality and foster economic and social development. Governments can also promote transparency and access to information to unveil barriers to equality and enable women to act based on the knowledge of their rights. They can stem or prevent corrupt practices that constrain women's access to public services and introduce accountability mechanisms to engage women and girls in decisions that affect their lives. The array of instruments that governments have used to foster gender equality is vast, and ranges from constitutional and legal approaches to regulatory frameworks to reform within organizations to the use of instruments such as gender-responsive planning and budgeting to broader attempts at shifting social norms.

This chapter analyses how public institutions can promote gender equality and the empowerment of women and girls. It documents various institutional mechanisms, tools and instruments used by countries to this end. The chapter is not exhaustive but rather examines how institutional principles of Sustainable Development Goal 16 (non-discrimination, accountability, anti-corruption, transparency and participation) have informed the design and implementation of various

institutional arrangements for advancing gender equality. As noted in the introduction to this report, these principles do not by themselves suffice to define institutions that “work well” for society. Rather, they are used (together with other principles recalled in the 2030 Agenda such as leaving no one behind, concern for future generations, and balance between the economic, social and environmental dimensions) to inform institutional approaches that aim to support societal goals – in the case of this chapter, the targets under SDG 5 as well as all other SDG targets that have a gender component.

The chapter is built as follows. Section 5.2 looks at gender-responsive institutions at the national level. Section 5.3 examines six SDG targets that have strong gender components through the lens of institutional principles of SDG 16. Section 5.4 provides key messages in relation to institutions for gender equality and empowerment.

5.2. Gender-responsive institutions at the national level

This section addresses institutional mechanisms and approaches to promote gender equality and women's empowerment at the national level, through the lens of the institutional principles of SDG16: non-discriminatory laws and policies; access to information and transparency; accountability; anti-corruption; and inclusive and participatory decision making.

5.2.1. Gender mainstreaming and institutional mechanisms

The Beijing Platform for Action (BPfA) identified national machineries for the advancement of women⁴ as critical for gender equality. It called for these to be located at the highest level of government, to be adequately resourced, and to influence the development of all government policies.⁵ As of 2015, 193 countries had established institutional mechanisms⁶ with the core mandate to coordinate, facilitate and monitor government policies on gender equality and women's empowerment. The 2030 Agenda reaffirms the role of these national mechanisms and commits to strengthening gender equality institutions at national, regional and global levels.⁷

Several assessments of national mechanisms have identified a lack of human and financial resources that limit their ability to fulfil their mandate.⁸ As of 2014, 28 European Union Member States had established governmental gender equality bodies, however no substantial progress had been observed in relation to their mandate.⁹ Similarly, in Africa,¹⁰ Latin America and the Caribbean, South-East and Eastern Europe, the Caucasus and Central Asia and Western Asia¹¹, resource constraints negatively affect institutional and programmatic stability and have a bearing on the performance, internal capacities and efficiency of these mechanisms to carry out their mandate¹² (Box 5.1).

Box 5.1. National mechanisms in Latin America and the Caribbean

According to ECLAC's Division for Gender Affairs, the establishment of the mechanisms for the promotion of gender equality and empowerment of women and girls has been uneven in the Latin American and the Caribbean region. Their institutional level varies from one country to another and the progress made has been accompanied by setbacks, often depending on changes in national administration. Some mechanisms have been established by law and others by presidential decree, giving them differing levels of political and social legitimacy. Analyses of these institutions indicate that their power to propose and develop public policy is closely related to their position in the executive branch and budgetary allocation.

The hierarchical level achieved by these mechanisms affects the mainstreaming of policies that need the entire array of stakeholders to be implemented efficiently and successfully. Their position in the State's organizational structure shapes the agency's ability to engage different public agencies and affects a mechanism's negotiating power in terms of decision-making.

As of July 2018, in Latin America, for 50% of the mechanisms for the promotion of gender equality and the empowerment of women and girls, the head of those institutions held ministerial rank; 25% were accountable to a ministry; and 25% were attached to the Office of the President or reported directly to it. In the Caribbean, most mechanisms (84%) are were accountable to a ministry¹³.

Source: ECLAC, contribution to the World Public Sector Report 2019.

Despite these challenges, national mechanisms for the promotion of gender equality and the empowerment of women and girls have spearheaded the development of action plans on gender equality, ending violence against women, peace and security as well as coordinated gender mainstreaming in national development plans. They have provided analysis and assessment, capacity development and training, and demanded action for deeper institutionalization of gender mainstreaming. National mechanisms have been successful in mobilizing political will and facilitating institutional change for more gender responsive public sector.¹⁴ They engage a wide spectrum of institutional stakeholders at national and subnational levels and collaborate with a range of partners to fulfill their mandates.¹⁵ Through mainstreaming gender in sectoral ministries and public agencies, they serve to transform public policy values and the behavior of public institutions.¹⁶

While public administration is the central instrument for the implementation of SDGs and national policies and programmes, gender mainstreaming enables countries to undertake the institutional reforms needed to reorient public policies towards gender equality. Gender mainstreaming has been promoted through equality plans that chart responsibilities across different sectors and arms of government, making equality targets parts of sectoral goals. Mexico, for example, has made strides in strengthening its approach to gender equality by developing laws, policies and programmes requiring gender equality to be part of all government action. The National Development Plan calls for the "gender perspective" to be integrated in all public policies as part of a "transversal strategy" that applies across all departments of federal and state government. As a corollary to the 2013-18 National Development Plan, Mexico adopted its National Programme for Equality and Non-Discrimination. However, despite the robust legal and regulatory framework,

and the commitment of ministries to implementing the National Programme, solid gender analyses are not always conducted as part of the policy cycle.¹⁷

Public institutions in several countries have implemented institutional reforms to promote gender mainstreaming. For example, in 2018 the General Police Inspectorate of the Ministry of Internal Affairs of Moldova carried out a self-assessment using a benchmarking framework.¹⁸ The existence of a gender responsive management framework, mechanisms to design, monitor and implement gender policies and laws, as well as the appropriate level of funding allocated to gender equality, were among the key assessed areas. Based on the assessment, the Inspectorate identified areas for improvement, including the need for a gender analysis of the Inspectorate's budget.

Inter-ministerial task forces and other coordination bodies can spearhead and coordinate the work of national mechanisms to mainstream gender across government by supporting opportunities for the exchange of information, experience and good practices as well as coordinated action. In Brazil in the first decade of the 21st century, the national mechanism for the promotion of gender equality and the empowerment of women and girls coordinated representatives from women's organizations, non-governmental organizations, academia and research institutes, and a wide variety of wider civil society, to participate together with governmental representatives in councils and commissions created for drafting legislation, preparing national action plans and monitoring activities.¹⁹ This approach has been credited by UN Women with multiple benefits, including *"generating substantive ideas for the elaboration of national plans that truly respond to women's needs and aspirations, building the capacity and power of civil society, and contributed to greater transparency in governmental action."*²⁰

Mainstreaming gender equality across all government agencies presents challenges, even in countries with a long history of promoting gender equality at the highest level and dedicating significant resources to this endeavor (Box 5.2).

Strong engagement between national mechanisms for the promotion of gender equality and the empowerment of women and girls and civil society can enhance knowledge sharing, capacity development and accountability for gender mainstreaming. Civil society, particularly women's organizations, gender advocates and political champions can also influence policymaking. National mechanisms bring together civil society organizations, researchers and government institutions to engage in policy and legislative drafting processes as well as efforts to establish multi-stakeholder steering committees on sectoral or thematic issues.

The establishment of national mechanisms for the promotion of gender equality and the empowerment of women and girls at the highest possible level of government, particularly under the responsibility of a cabinet minister or located within the Office of the President, together with the development of gender equality laws and national gender strategies and action plans, provide the overall framework for guiding and institutionalizing gender equality. The political will to achieve gender equality is reflected in the level of political and decision-making authority vested in these national mechanisms, and in the clear mandates as well as adequate human and financial resource allocations that are commensurate with their requirements and expectations. Strategic alliances, partnerships and collaborations with civil society and other stakeholders are also important for mobilizing political will and increasing the public's understanding of national gender equality agendas.

5.2.2. Non-discrimination: Gender equality laws and policies

Discriminatory laws persist across the world despite a significant body of research highlighting the negative impact of laws that directly and indirectly discriminate against women and girls. As of 2016, an estimated 90 per cent of countries had at least one discriminatory law in their legal frameworks.²² Discrimination in law may include different standards for women and men in applying for a passport, choosing employment, transferring nationality to a child or foreign spouse, participating in court proceedings, receiving inheritance and deciding when and whom to marry. Several countries also lack laws to protect women and girls from domestic violence, marital rape, sexual harassment, human trafficking and gender-related killing.²³ As a result, more than 2.5 billion women and girls globally are affected by discriminatory laws and lack of legal protections.²⁴

Governments have taken steps to repeal discriminatory laws and adopt laws that address women's and girls' needs. For example, in the economic sphere the World Bank's Women, Business and the Law 2018 report captures 87 changes towards legal gender equality across 65 countries since 2016. These include lifting prohibitions on women's ability to work in male dominated employment sectors such as mining, and enabling women to open a bank account and register a business.²⁵

Governments have also adopted gender-responsive legislation and policy frameworks to address gender-based violence from a holistic perspective. In Tunisia, in addition to a constitutional provision, violence against women is addressed by a national law from 2017 that eliminated a loophole allowing rapists to avoid jail by marrying their victims, and introduced a national strategy for implementation.²⁶ Legislation in Benin addresses

Box 5.2. Challenges to mainstreaming gender equality in government's work: the case of Sweden

Sweden is widely considered as one of the most advanced countries in terms of achieving gender equality. Since 1994, gender mainstreaming has been the main strategy for implementing gender equality policies in the country, meaning that work to achieve the gender equality policy objectives should be conducted within all policy areas. During the period 2007-2014, the government set aside SEK 2.6 billion (around USD 300 million) for a society-wide gender equality initiative, with resources allocated to projects led by about 50 government agencies, municipalities and county councils, and non-profit organizations. In 2015, Sweden's National Audit Office published an audit of the initiative. The audit found that while the massive injection of resources had raised the legitimacy of gender equality as a policy objective, the delivery of the initiative had faced several challenges. The audit found that the choice of measures and projects supported by the initiative was insufficiently informed by the government's gender mainstreaming strategy. Many projects were insufficiently integrated into government agencies' regular planning and other administrative processes, putting their sustainability at risk. The audit noted that officials in government agencies could have been better prepared and trained on gender mainstreaming before resources were released for projects under the initiative. The audit pointed that, as the initiative unfolded, the legal framework governing the relationship of government agencies had changed and that under the new regime, gender equality mandates have not been systematically included in the remit of all agencies. Lastly, the audit also found that the Government had not sufficiently used data and information produced through the initiative to draw lessons that could inform future gender equality policies. The audit recommended the creation of an institutional structure to strengthen the country's gender mainstreaming strategy.

Source: Sweden's national audit office.²¹

violence against women through provisions for investigation, prosecution, punishment of perpetrators and protection and support services for survivors.²⁷ Swiss law holds cantons responsible for establishing counselling centres to offer support to victims and training personnel and police to be responsive to victims of domestic violence.²⁸ In China, a Civil Code on sexual harassment in the workplace will come into force in 2020. In Lebanon, repeal of an article in the penal code and drafting of a new law²⁹ both aim to increase legislative protections for those who experience gender-based violence. (See box 5.3).

Furthermore, a growing number of countries have enacted or reformed legislation to raise the minimum age of marriage to 18 and to introduce punitive measures for non-compliance³⁰ and female genital mutilation.³¹ Approaches to end harmful practices have engaged indigenous communities in Latin America, local community and religious leaders in Africa and migrants in Europe in implementing strengthened laws and attitudinal change programmes. However, challenges remain regarding law enforcement and ineffective implementation of policies and interventions, particularly when legal reform is not supported by awareness-raising, prevention efforts, the provision of services and adequate funding.³²

Some countries have introduced a comprehensive set of legislation. For example, the Equality Law of Spain, adopted in 2007, established mandatory actions and policies, such as the Strategic Equal Opportunities Plans, the creation of an Inter-Ministerial Commission on Equality, the inclusion of gender impact reports for every law or national plan, as well as regular reports on the effectiveness of the law. The law also focused on the promotion of women, in terms of effective equality for women and men in all aspects of the media and the presence of women on corporate governing boards.³³ The Law focuses

on the right to work, the right to political participation and the right to accede to and pursue a career in the public sector. The number of women elected steadily increased through legal provisions which oblige political parties to include at least 40 per cent of women on every list for every election.³⁴

SDG Indicator 5.1.1, defined as ‘whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex’, seeks to establish global data on legal frameworks that promote, enforce and monitor gender equality. The indicator measures progress in four areas: overarching legal frameworks and public life; violence against women; employment and economic benefits; and marriage and family. Preliminary data suggests that despite progress on legal reform, gaps in legal protection for women remain in all areas.

Strong public sector institutions working in a coordinated manner, including parliaments, law reform commissions and ministries of justice, are key for developing robust frameworks to advance gender equality.³⁵ Despite some progress in addressing gaps in legal protections afforded to women, studies across the globe show that justice institutions are not fully responding to the needs of women and girls.³⁶ The lack of gender parity in justice institutions has been identified as a critical gap in this regard. In some contexts, the increased presence of women in law and order and judicial institutions has contributed to greater reporting of sexual assault, to creating more conducive environments for women in courts and to positive changes in the outcomes of sexual violence cases.³⁷ In Liberia, for instance, after an all-women police unit was deployed by the UN mission in 2007, recruitment of women into the police force increased, which contributed to a rise in reporting of gender-based violence. This shows the importance of ensuring

Box 5.3. Penal code legislation in Lebanon

In 2017, a nationwide campaign by the ABAAD Resource Centre for Gender Equality contributed to the abolition of Article 522 of the Lebanese Penal code, which allowed men who had been convicted of sexual assault, abduction, or statutory rape against a woman to avoid a penalty of no less than five years of hard labour if a valid contract of marriage could be provided. This campaign, which was supported by the Minister for Women's Affairs, mobilized public awareness to spur social norms change to adequately respond to sexual violence. Besides the repeal of Article 522, the campaign led to:

- Enhanced coordination mechanisms between humanitarian actors, local service providers and government agencies (such as the Ministry of Social Affairs, the Ministry of Public Health, and the Ministry of Interior and Municipalities) to coordinate and strengthen prevention and response instruments for sexual and gender-based violence. National Standard Operating Procedures were developed to guide local and national organizations and bodies working in this domain in Lebanon.
- Increase in the quality of services, in particular clinical care for sexual violence, and access to safe spaces.
- Change in attitude and perceptions, which resulted in an increase in the number of survivors seeking help.

One of the key lessons learned is the importance of effective collaboration and partnership among national mechanisms for the promotion of gender equality and the empowerment of women and girls, government agencies as well as civil society.

Source: ABAAD, contribution to the World Public Sector Report.

gender parity across the justice chain by increasing the number of female judges, police, prosecutors and other front-line justice sector officials, especially at the decision-making level.³⁸

Women's participation in legal reform processes has contributed to the inclusion of specific provisions in constitutions and laws enhancing responsiveness to the needs of women and preventing discrimination, harassment and violence. Such participation has enabled justice institutions and women themselves to pursue appropriate remedies. For example, women's groups encouraged and supported Morocco's National Human Rights Council to challenge Moroccan inheritance law and ensure equality before the law for women and girls. In Northern Ireland, the participation of the Northern Ireland Women's Coalition is credited with the inclusion of both women-specific and violence survivor-specific provisions in the final text of the 1990s Good Friday Agreement.³⁹ In South Africa, the National Strategic Plan for Sexually Transmitted Infections (STIs) and HIV and AIDS 2007–2011 included recommendations made by women's rights groups and activists from different sectors, making it more inclusive of and responsive to women's realities, needs and risks.⁴⁰

5.2.3. Transparency and access to information

Transparency and access to information are essential for women and women's organizations to "scrutinize the quality of public services and policy decisions that affect their lives".⁴¹ Fiscal and budget transparency have been critical not only to track expenditures for gender equality; they have also spurred positive changes in broader policies and efforts focused on the right to information. In India, the fight of women's organizations for establishing the right to access information about public budgets and public spending led to a movement that successfully fought for the Constitutional amendment that created the Right to Information Law in the country.⁴² The Group of Women in Parliament from El Salvador and the Legal Commission for Women Equity of Colombia have promoted transparency to make agendas and achievements on legislation and actions for the promotion of gender equality publicly accessible through the government website.⁴³

Public reporting has also helped governments to enhance transparency by tracking and sharing information on public spending on gender issues. Brazil, Costa Rica, the Dominican Republic, Paraguay and Puerto Rico systematically report public spending on gender equality issues.⁴⁴ Public reporting has allowed women's groups and other stakeholders to monitor whether funds have been allocated to promote national gender equality priorities. However, more concerted efforts are needed to continue to strengthen transparency of budget information. In 2016, data reported by 81 countries showed that while 72 per cent of those had systems to track gender resource allocations, only 47 per cent were making this data publicly available.⁴⁵

Not all efforts to enhance transparency and promote access to information have been successful or have achieved the intended results. This is often due to education, cultural and other socio-economic barriers that prevent women and grassroots organizations from reaping the benefits of enhanced transparency. Thus, in many contexts, the success of transparency frameworks is linked to the coexistence of other policy instruments that promote gender equality. Such frameworks have a greater impact when they are part of and are supported by a broader and coherent institutional gender-responsive agenda.

Information and communication technologies (ICT) have helped to boost transparency and access to information. ICT-based information management systems facilitate the retrieval and analysis of information, including sex-disaggregated data. Yet, open data initiatives by governments and civil society have often overlooked how data, for example on health and crime, can be made publicly available and used to meet the needs of women and girls.⁴⁶

Access to information has also benefited from advances in the generation and dissemination of data disaggregated by sex and gender statistics in the past two decades, with approximately 105 countries reporting to be monitoring and collecting national gender statistics.⁴⁷ Some countries have established national gender equality observatories and gender teams at the local and national levels that lead the collection of statistics disaggregated by sex and develop national gender indicators. National data collection has also focused on collecting information about specific groups, such as rural women, women with disabilities and women living with HIV.⁴⁸

Although many countries have endeavoured to strengthen national collection and use of gender statistics, the lack of resources and technical capacity creates gaps in the availability of existing indicators and data to capture gender equality and women's rights for different demographic and social groups. Global, regional and national monitoring frameworks need to adapt to produce robust and integrated evidence bases of policy and programmatic lessons that can spur progress, support advocacy and promote accountability for gender equality. Monitoring of strategic gender indicators through the UN Minimum Set of Gender Indicators, identified by the Inter-Agency and Expert Group on Gender Statistics and adopted by the UN Statistical Commission as a guide for national production and international compilation of gender statistics⁴⁹ as well as through observatories such as the Observatory on Gender Equality in Latin America and the Caribbean has helped to measure progress towards the achievement of SDG 5 and other SDGs.⁵⁰

Box 5.4. Initiatives to support enhanced production and use of gender statistics

Several important initiatives such as the Evidence and Data for Gender Equality (EDGE) project by the United Nations Statistics Division and UN Women, the STEM and Gender Advancement (SAGA) project by UNESCO-UIS and more recently Data2X, Equal Measures 2030 and UN Women's Making Every Woman and Girl Count flagship programme initiative have been developed to help address these challenges. Many of these initiatives are designed to provide direct technical and financial support to countries, based on priorities that recipient countries have identified. UN Women's Making Every Woman and Girl Count programme seeks to bring about a radical shift in how gender statistics are used, created and promoted at the global, regional and country level. The programme supports 12 countries in three broad areas by: (1) helping to promote a supportive policy environment to prioritize gender data and effective monitoring of the SDGs; (2) supporting efforts to improve the regular production of gender statistics, including building the technical capacity of the national statistical systems and providing financial support to improve data collection; and (3) improving access to data to inform policy advocacy through solutions such as open access, dissemination tools, and user-producer dialogues.⁵¹

Source: UN Women, 2018.

5.2.4. Accountability

Accountability of governance institutions to the public is critical for effective implementation of the SDGs. A well-functioning public sector should support gender equality as a standard against which public sector performance is assessed and measured.⁵² One such approach, gender-responsive budgeting, allows fiscal authorities to structure tax and spending policies to promote gender equality and foster accountability (see chapter 3 for a discussion of gender budgeting in the context of addressing discrimination). It uses a range of analytical tools to assess budget performance against stated gender equality objectives. Gender budgeting identifies critical gender gaps and produces data on the potential impact of policies and programmes on women and men. Such analysis supports the targeting of available resources to address gender inequalities, improving the efficiency and equity of the overall budget process.

Gender budgeting strengthens systems of accountability by linking public spending with the achievement of gender objectives. It supports legislative and policy implementation, and strengthens systems for tracking gaps between budget allocations and actual expenditures. More than 100 countries have implemented some form of gender budgeting to date, and evidence has emerged on its contribution to positive impacts for women and girls. For example, since 2003, countries with gender budgeting have made more progress on the Gender Development Index, a measure of overall gender equality, than countries without gender budgeting. In India, states with gender budgeting efforts have made more progress on gender equality in primary school enrolment than states without.⁵³

At the institutional level, ministries of finance and economy are the main drivers of gender budgeting. They set guidelines and instructions in the form of budget statements or call circulars and approve budget proposals. Successful gender budgeting has built in accountability mechanisms across the planning

and budgeting cycle (see box 5.5) and hinges on effective coordination across the range of institutional actors.

National mechanisms for the promotion of gender equality and the empowerment of women and girls can ensure a coordinated, integrated approach by mainstreaming gender across the planning and budgeting cycle and bringing in critical actors like Parliaments and civil society. In Bangladesh, the Ministry of Finance leads gender responsive budgeting efforts in close coordination with the Ministry of Women and Children Affairs, which creates a strong accountability mechanism to monitor results.⁵⁴

Accountability mechanisms such as gender budget committees or gender working groups can facilitate coordination across ministries and can facilitate the engagement of sector ministries national mechanisms, Parliaments and civil society. In Nepal, a committee including ministries of finance and sector ministries coordinates sectoral gender budgeting efforts across the whole of government. In Serbia, a coalition of government ministries, parliament and women's organizations work together to include gender in the budget objectives and programmes of 47 government institutions.⁵⁵ In Morocco, strong institutional coordination, coupled with political will, resulted in the adoption of the 2015 Organic Budget Law which requires that all budget processes define objectives and measure performance on gender allocations and expenditure.

Active engagement of national mechanisms for the promotion of gender equality and the empowerment of women and girls in assessing government plans, policies and budgets can contribute to better services delivery outcomes for women and girls, especially at the local level. For example, in Tajikistan, District Task Forces established throughout the country and covered by the public budget provided free legal aid to over 11,000 people in 2013, among which 77 percent were women.⁵⁶

Box 5.5. Gender-budgeting tools at different stages of the budget cycle

Formulation stage: Most of the mechanisms adopted by countries are concentrated at this stage of the cycle. Some of the more common mechanisms include: incorporating instructions to report on gender into budget call circulars; gender budget statements; and gender-related provision in budget or planning documents.

Legislative/enactment stage: This is the stage when the budget is submitted to the parliament for debate, questioning and enactment. This stage provides several entry points for gender responsive budgeting, including raising gender concerns through parliamentary questions and debates, modification of parliamentary rules, and introduction of mechanisms such as a Women's Caucus to ensure gender equality concerns are discussed and debated.

Implementation stage: This is the stage when expenditure and performance can be monitored through short-term reports. Ensuring sex-disaggregated data is collected and reported in the mid-year/in-year reports can be a useful mechanism at this stage to ensure that funds are being spent as per allocation, that there is no under-spending, and that the short-term deliverables or outputs are being achieved as per the gender action plan.

Audit stage: Centre-staging gender in public audits ensures that the interrogation is not purely at the level of allocations. Institutional mechanisms at the audit stage can include introducing gender analysis/gender markers into the formal audit process.

Source: UN Women, 2016. Gender Responsive Budgeting in Asia Pacific Region: A Status Report.

Multi-stakeholder approaches have been particularly effective in creating space for civil society engagement. In Rwanda, the active and consistent engagement of the Rwandan Women's Parliamentary Group was critical for advancing gender budgeting and increasing investments in education and health services for women and girls. Further, gender assessments conducted by independent oversight agencies and civil society can improve resource tracking and delivery of gender responsive services.⁵⁷

Audits, both at the strategic level of government policy and at the level of individual programmes and entities, support gender mainstreaming. Audits of public service delivery programmes done by supreme audit institutions, including social audits, have proven useful in monitoring public spending and exposing corruption in service delivery, as analysed in Chapters 1, 2 and 3 of this report. At the policy level, supreme audit institutions can assess how governments deliver on their gender commitments. This is done both by assessing the performance of individual institutions, and by examining performance against national indicators and relating those to actions taken by the government in the area of gender equality. In the Latin America region, three supreme audit institutions (Chile, Costa Rica and Puerto Rico) conducted a coordinated audit on gender equality in 2014.⁵⁸ The coordinated audit examined specific programmes and functions related to gender equality at the national level, and developed a common Gender Equity Index with a number of comparable indicators linked with education, health and employment to assess progress in the three countries over the period 2009-13. The lessons learned from the audit have informed ongoing work by supreme audit institutions around the world to audit the implementation of the SDGs, including

a coordinated audit on the preparation of governments to implement SDG 5 in Latin America.⁵⁹ Specific guidance on how to audit gender equality in the context of the SDGs has also been developed to support the auditors' work in auditing SDG 5 or examining gender equality in other SDG areas.⁶⁰

Studies show that women's presence influences institutional performance. For example, parliaments with greater numbers of women have been found to perform oversight functions more effectively, and public perceptions of parliament may be more positive when more women are represented.⁶¹ Women's participation in oversight bodies has been found to strengthen the gender-responsiveness of public accountability institutions.⁶²

Lack of capacity among civil society actors, lack of transparency on public finances, and ineffective audit mechanisms can weaken gender-responsive budgeting efforts. Audit institutions should have mechanisms with "teeth" to ensure that approved budget allocations are executed as planned. In South Korea, in line with the National Finance Law, gender audit performance reports are prepared annually and submitted to the national audit board, enabling evaluation of the impact of the budget on women and men.⁶³ Uganda issues gender and equity certificates to all government entities that meet the gender requirement in their annual budget proposals. Entities that fail to do so do not obtain the certificate and must resubmit proposals.⁶⁴

A key innovation in recent years is the development of budget tracking systems that generate real time data allowing efficient and transparent monitoring of allocations. In 2012 in Ecuador,

the Ministry of Finance began implementing a public online budget execution tracking system to provide a comprehensive inventory of gender projects and budget allocations. Tracking budget allocations and making data public is a critical dimension of fiscal transparency and accountability. SDG Indicator 5.c.1 seeks to assess whether a tracking system is in place and whether budget data is made available to the public in a timely, accessible and user-friendly manner. Preliminary analysis has found that countries are developing tracking systems but are not sufficiently assessing the outcome and impact of budget allocations.⁶⁵

5.2.5. Anti-corruption

Men and women perceive, experience and are impacted by corruption differently.⁶⁶ The definition of corruption as “misuse of entrusted power for private gain” does not cover the full extent of women’s experiences with corruption.⁶⁷ Some common forms of corruption affecting women, such as sextortion, are often excluded from legal definitions and under-addressed by anti-corruption efforts. Anticorruption measures should acknowledge these forms of corruption and provide mitigating responses.⁶⁸

Gendered impact of corruption

Gender matters for understanding the negative consequences of corruption. There are areas with high corruption risks where women are the majority and become more exposed to corruption.⁶⁹ Women as primary caregivers are more likely than men to experience corruption in their daily interactions with public officials when accessing public services, for example in the health and the water and sanitation sectors.⁷⁰ The relationship between corruption and higher female

mortality rates has also been well documented. Research by Transparency International in 2014 revealed that the number of mothers dying during birth is higher in countries where there is a higher incidence of bribery.⁷¹

The evidence shows that the gendered impact of corruption is related to women’s disadvantages regarding societal gender roles, inequality and discrimination, which result in greater vulnerability to corruption.⁷² For instance, corruption in public procurement results in higher prices and lowers the quality of services. As women are likely to have less income, the relative impact is greater for them than for men.⁷³ Also, due to gender inequalities in access to labour markets, many women cannot afford to pay bribes for necessary basic services, which make them more likely victims of certain forms of corruption such as sexual extortion.⁷⁴ More directly, the diversion of funds in financial schemes set by governments to promote women’s economic empowerment negatively impacts women, as such funds may have been their only hope to access capital.⁷⁵

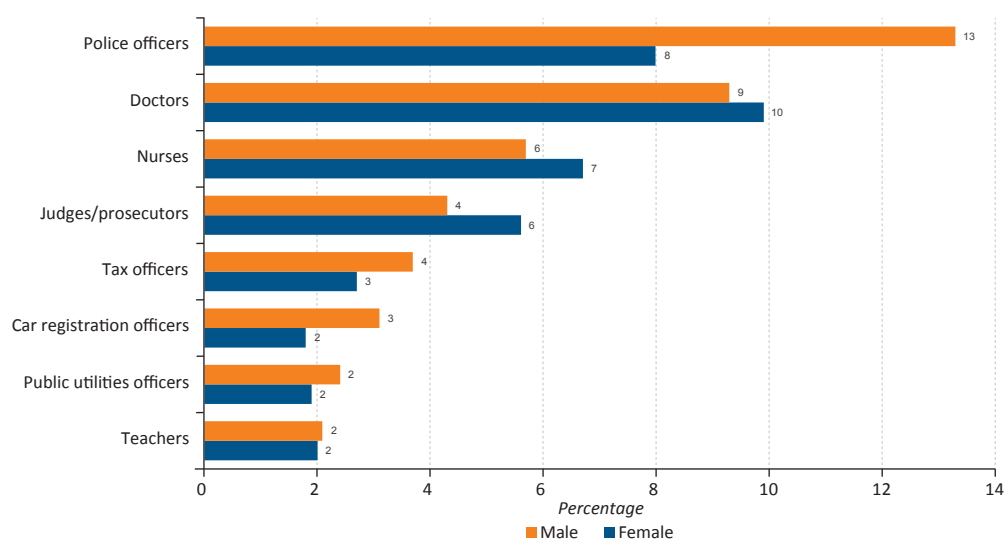
Moreover, the negative impacts of corruption contribute to perpetuating gender discrimination and inequality. Where corruption creates barriers for women to access safe water, for example, the time they spend in collecting water cannot be dedicated to other activities (such as study or income generation) that would contribute to empower women and address existing inequalities.⁷⁶

Gender statistics

A systematic analysis of gender differences in the experience and impact of corruption would help generate better gender-responsive anti-corruption policies. This could entail identifying sectors and procedures to which men and women have

Figure 5.1.

Prevalence of bribery by sex and by selected public officials, western Balkans



Source: UNODC, 2010.

different exposure, as well as different attitudes of men and women about accepting and reporting corruption.

Survey research suggests lower tolerance of women towards corruption in democratic settings.⁷⁷ In terms of accepting bribes, experimental research suggests that there are no differences between men and women, yet women are less likely to accept a bribe when there is a perceived risk of sanction. There are gender differences in offering bribes, as men are more likely to offer bribes. Both men and women tend to offer higher bribes to men.

Gender-differentiated patterns are observed in the interaction with public officials. Figure 5.1 offers an example of analysis of the prevalence of corruption by gender, based on interactions with public officials in the western Balkans.⁷⁸

According to surveys conducted by UNODC in Afghanistan, Nigeria and the western Balkans, among other countries, pressure to pay bribes is often experienced differently by male and female respondents. For example, men pay bribes significantly more often than women do when in contact with police officers in Nigeria and the western Balkans, but this is not the case in Afghanistan. On the other hand, women reported paying bribes more often than men when in contact with tax and revenue officials in Afghanistan, but not in the western Balkans and Nigeria.⁷⁹

Understanding the gendered impacts of corruption requires additional empirical evidence and research, as well as the collection of gender statistics on corruption and its impacts. The design of anticorruption interventions should rely on a better analysis of differences in gender exposure and vulnerability to corruption, while gender programmes would also benefit from integrating an anti-corruption perspective.⁸⁰ Moreover, monitoring should also capture the gender dynamics of corruption, recognising different manifestations of corruption that impact men and women differently, and gender-sensitizing corruption indicators and monitoring and oversight mechanisms of international and national instruments against corruption.⁸¹

Addressing the gender dimensions of corruption

Few anti-corruption policies have been oriented towards addressing in a systematic manner the forms of corruption that affect women the most.⁸³ The UNDP/ Huairou Commission study identifies several interventions to address gender-based corruption. These include: enacting gender responsive anti-corruption legislation; expanding the definition of corruption to include the range of women's experiences including physical and sexual abuse and abuse of power in relation to basic services; involving women in the development of national anti-corruption programmes and policies; having appropriate recourse measures and mechanisms; and creating spaces to report corruption such as women-led citizen monitoring groups, women's desks and anonymous reporting lines.⁸⁴

Other measures⁸⁵ that can be taken to mitigate the gendered impact of corruption and address corruption and gender inequality are awareness raising on the differential impact of corruption; collecting sex disaggregated data related to corruption; mainstreaming gender into anti-corruption programmes; providing capacity building and institutional support to women leaders; promoting gender responsive budgeting (see chapter 3 of this report); designing gender sensitive reporting mechanisms,⁸⁶ and integrating women in the labour force of public services. For example, the presence of women in public agencies that provide services and oversight bodies can help identify their priorities.⁸⁷

Promoting women's participation in public and political life is another way to address corruption and gender inequality. A recent cross-country study of 125 countries found a robust and negative causal connection between women's presence in parliament and local politics, and corruption.⁸⁸ Also, recent research for 20 EU countries confirms that female representation in locally elected assemblies contributes to reducing both petty and grand corruption.⁸⁹ As the share of females in locally elected councils increases, the level of both types of corruption decreases. These effects are differentiated across sectors. While female representation decreases the level of corruption

Box 5.6. Capturing the gender dimension of corruption: data needs

The gender dimension of corruption can be captured by collecting specific sex-disaggregated data, for instance, through sample surveys. This requires incorporating gender concerns and the gender perspective into the objectives of the survey and into the planning and design of the questionnaire. The ensuing step is to include gender-sensitive questions and disaggregating all relevant questions by sex (both for respondents and public officials). Before the survey is launched, interviewers and staff are to be trained on gender-related measurement issues and context-affected gender stereotypes. Gender diversity is also encouraged in the selection of interviewers.

Such a gender-responsive approach - followed in Indonesia by the "I am a woman against corruption" (Saya Perempuan Antikorupsi) movement led by the country's Corruption Eradication Commission - helped in collecting disaggregated corruption data that was then used to measure progress made on reducing corruption and bribery (SDG 16.5).

Source: see footnote.⁸²

in health and education, it has no effect on bribes paid to law enforcement agencies. However, research warns that women representatives are an heterogeneous group and these effects are not only related to representatives being women, but to their role as politicians and the anti-corruption agendas they support.

Women in many contexts often have limited access to information, which is essential to scrutinize the quality of public services and policy decisions. Therefore, practical measures to increase transparency, participation and accountability in public services and citizens' understanding of complex administrative procedures can help women avoid corruption. This includes simple measures such as posting outside of local government offices and service delivery centres the prices of public services such as the cost of getting a land title, a birth certificate, or hospital waiting lists, so that women cannot be asked for more than they should pay.⁹⁰ Other examples include providing information on how to apply for a subsidy, a low-income latrine or housing loan, so that women are not tricked into paying bribes or illegal fees that they should not pay. These measures should also consider how to better involve women in service delivery to avoid existing gender biases, implementing participatory monitoring of service delivery and increasing gender awareness and responsiveness of service delivery.⁹¹

Women participation in anti-corruption campaigns and advocacy can help advance systemic change by promoting legal changes, and working with partners to strengthen enforcement and implementation of reforms. Anti-corruption mobilization by women takes different forms. In some contexts, women have more difficulty demanding accountability and seeking redress for corruption.⁹² For example, women in Africa often face gender-specific impediments to engaging in anti-

corruption activities, including social norms regarding their roles, economic marginalization, as well as social expectations.⁹³

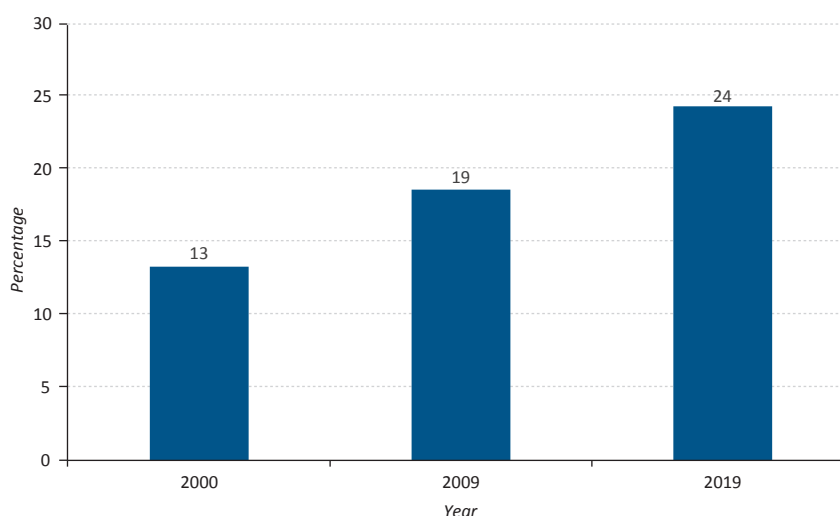
5.2.6. Inclusive, representative and participatory decision-making institutions

In most countries around the world, progress towards equality between women and men in decision-making has been slow. Women still hold only a minority of decision-making positions in public and private institutions.⁹⁴ The World Economic Forum 2018 Global Gender Gap Report found that, across the four sub-indices of gender equality, the largest gap is on political empowerment.⁹⁵ At all levels of decision-making, from the head of state to the executive to the parliament, women remain under-represented. Globally, just 6.6 percent of heads of state are women, while women hold 21 percent of cabinet-level positions.⁹⁶ OECD analysis shows that not only the political context, but also informal appointment rules affect women's representation at top decision-making government positions.⁹⁷ The percentage of women in both houses of national parliaments stands at 24 percent globally (see Figure 5.2).⁹⁸ According to the Inter-Parliamentary Union, as of January 2019, women hold at least 30 per cent of parliamentary seats (single/lower house) in 50 countries, and less than 10 per cent in 27 countries.⁹⁹ Women also remain underrepresented in other sectors, including in senior judicial positions.¹⁰⁰

There are several barriers to women's political participation. Gender norms and stereotypes are often a deterrent to the selection of women candidates and pose obstacles to women throughout the electoral process. To compensate for this, several countries have adopted temporary special measures¹⁰¹ such as gender quotas, which can significantly improve women's chances of being elected.

Figure 5.2.

Proportion of seats held by women in national parliaments since 2000



Source: IPU, 2019.

Half of the countries of the world use some type of gender quota to elect their parliament.¹⁰² In Tunisia, for example, constitutional reforms and legislated measures to ensure women's representation in decision-making led to sizable gains,¹⁰³ with women holding 36 percent of parliamentary seats¹⁰⁴ and 47 percent of local government seats as of 2018.¹⁰⁵ In 2004, Slovenia issued a decree mandating gender-balanced representation in the composition of public bodies at senior management level. Within four years it had reached a 50/50 ratio in the highest management of the national administration.¹⁰⁶ In Mexico, both legislated and voluntary political party quotas¹⁰⁷ have expanded the presence of women in decision-making, with women holding 48 percent and 49 percent of seats in both chambers of parliament, respectively.¹⁰⁸

The effectiveness of quotas largely depends on their design and the country's electoral system.¹⁰⁹ When applied to an electoral system using proportional representation, and supported by other measures such as advocacy, training and gender-sensitive legal reform, quotas can be effective at increasing women's political representation.¹¹⁰ The existence of electoral quotas at national level and sub-national levels do not necessarily correlate; for example, India uses sub-national quotas which range from 33 to 50 per cent reserved seats,¹¹¹ but has no national quota and women comprise only 13 per cent of the national parliament.¹¹² Moreover, quota requirements are not always implemented.¹¹³

Although parliaments with greater presence of women have been found to prioritize issues related to gender equality,¹¹⁴ a higher proportion of women legislators is not, per se, a guarantee that gender-sensitive legislation will be enacted. A study of bills submitted to the Argentine Congress between 1983 and 2007 showed that more women's rights bills were introduced when women held a greater share of seats in both chambers. However, the approval rates of these bills declined.¹¹⁵ That may be, in part, because once in office, women face challenges reaching parliamentary leadership positions or fulfilling their duties within the institution itself.¹¹⁶ This can be tackled, among other measures, by encouraging institutions to support and promote women leaders, including parliaments, as well as political parties and electoral management bodies.¹¹⁷ Peer cooperation and support among elected women through the creation of women's caucuses, gender-sensitive legislation and debate, leadership and skills development, women's participation in committee work, engagement of male champions, and the creation of gender-sensitive policies and infrastructure are among the critical elements of gender-sensitive parliaments, for example.¹¹⁸ The publication *Guidelines for Women's Caucuses* provides a practical tool for women seeking to create a women's parliamentary caucus or improve an existing caucus.¹¹⁹ The Inter-Parliamentary Union has developed a series of tools to promote gender

sensitive parliaments, including a Plan of Action for a gender sensitive parliament.¹²⁰ It encourages parliaments to initiate and implement gender sensitive actions that can help reform the institution of parliament and address persistent challenges hampering women's full participation, such as harassment and intimidation.

In the electoral sphere, many electoral management bodies (EMBs) have been encouraging the participation of women across various points in the electoral cycle and within their own internal organization. UN Women and UNDP's publication *Inclusive Electoral Processes* provides hundreds of examples of how EMBs are integrating a gender perspective into their institutions and ensuring a gender mainstreaming perspective in the conduct of elections. In Albania, for example, the Law on Gender Equality in Society (2008) and the Electoral Code mandate that all public sector institutions – including the members of the 89 Commissions of Electoral Administration Zones – must have at least 30 percent of each gender among its members and staff at the national and local levels.¹²¹ Although many electoral management bodies have endeavored to make electoral processes more inclusive by encouraging the participation of women voters, candidates, observers and in election administration,¹²² women are unrepresented in election management and party leadership overall,¹²³ and many women aspirants struggle to receive support and funding from political parties for their campaigns.

Violence against women in politics – a form of gender-based violence against women¹²⁴ – is a global phenomenon, which negatively impacts on the work of political institutions and violates the political rights of women.¹²⁵ Legislative authorities and political parties can address violence against women in politics by, among others, adopting codes of conduct, reporting mechanisms and zero tolerance policies for sexual harassment and intimidation.¹²⁶ Engaging legislators, parliamentary networks and men and boys in advocacy efforts to prevent and respond to violence is key to implementing such measures.¹²⁷

An important strategy to promote gender equality has been the collaboration between women legislators and women's organizations and movements in the design of laws and public policies. In some countries, women's organizations, non-governmental organizations and research institutes have contributed significantly to drafting legislation, preparing national action plans and monitoring their implementation. In several contexts, grassroots women's groups have initiated and engaged in dialogues between communities and local authorities to influence policies, plans and programmes to address women's priorities (see section 5.3 below). The outcomes of such approaches have been positive where there was an investment to ensure that the dialogues were held on an ongoing basis, rather than as one-off events.¹²⁸

5.3. Institutional approaches in selected SDG target areas

Many SDG targets explicitly refer to women, girls or gender equality (for example, target 6.2 on universal access to sanitation and hygiene). Other targets which do not explicitly reference gender include strong gender dimensions. For example, target 6.1 on access to safe and affordable, drinking water for all may not explicitly reference gender but policies and actions in this area often include attention to gender-differential access to safe water, which is translated into institutional design and practices.

Considering both the explicit and implicit focus on gender equality across SDG targets, the Inter-Agency and Expert Group on Gender Statistics (IAEG-GS),¹²⁹ identified 80 SDG indicators relevant for data collection. These indicators relate to 14 out of the 17 SDGs.¹³⁰ Other mappings that link the SDGs with gender equality have been produced to guide analytical and operational work, including by the Economic Commission for Latin America and The Caribbean.¹³¹ It is not the aim of this chapter to cover in depth the whole scope of gender issues across all SDGs. Instead, this section aims to illustrate through

examples how the institutional principles of SDG 16 have informed institutional and operational approaches to gender mainstreaming in different sectors. The following six SDG target areas are explored in more detail below:

- Agricultural productivity and access to land (as part of target 2.3)
- Equal access to education and vocational training (target 4.5)
- Adequate and equitable sanitation and hygiene (target 6.2)
- Equal pay for work of equal value (target 8.5)
- Mobility and migration policies (target 10.7)
- Safe, affordable, accessible and sustainable transport systems (target 11.2)

Five of these are specifically mentioned in CEDAW.¹³² In addition, the issue of migration policies was selected in view of the heightened and intersecting vulnerabilities faced by women migrants and the importance of leveraging the opportunities that migration offers to women as actors of sustainable development, both in their countries of origin and of destination. Target 7.1 on access to energy was also reviewed and revealed weak mainstreaming of gender dimensions in national policy frameworks (Box 5.7).

Box 5.7. Challenges to mainstreaming gender in energy access

Target 7.1 aims to ensure universal access to affordable, reliable and modern energy services by 2030. It has long been recognized that this target has a strong gender component.¹³³ International development institutions have integrated gender into their programmes and practice for the energy sector, including guidelines and toolkits. For example, the Asian Development Bank has developed a gender toolkit for energy.¹³⁴

In spite of this, gender mainstreaming is less common in the energy sector than in other areas analysed in this report. Only a fraction of national energy frameworks around the globe include references to gender or women and propose actions to address gender gaps in the sector. In 2017, an analysis of 192 energy policies, plans or strategies from 137 developed and developing countries found that only one-third of these frameworks included gender considerations. In developing countries, where target 7.1 is most relevant, frameworks mentioned gender in 73 percent of cases in sub-Saharan Africa and 46 percent of cases in Asia and the Pacific, but less than 10 per cent did so in Latin America and Middle East and North Africa.¹³⁵ Another study on 15 countries of East and Southern Africa found that gender was “well integrated” in national energy policies of two countries, and “integrated” in another 7 countries. In two countries, the policy did not mention gender.¹³⁶

An analysis of gender audits for the energy sector conducted by the Energia network in 20 countries of Africa and Asia over the past 15 years concluded that there had been “no alterations to legal frameworks that can be attributed to ENERGIA’s audits”, and that it had “not been possible to identify any budget allocations in the energy sector as a consequence of ENERGIA activities”. However, the study concluded that in some countries, changes in energy sector policies toward better reflection of the gender dimension could be traced back to the audits.¹³⁷

The need to mainstream gender in energy policies has been supported by international, regional and sub-regional organizations. For example, in 2015 members of the Economic Community Of West African States (ECOWAS) endorsed the Policy for Gender Mainstreaming in Energy Access. Among its key objectives, the policy aims to address gender barriers in expanding energy access. The framework promotes a better understanding of energy and gender considerations at all levels of society. It also undertakes to establish monitoring and accountability frameworks to “provide policy-makers with instrumental and human rights-based indicators and rigorous arguments to align energy interventions with principles of gender equality”.¹³⁸ In June 2017, ECOWAS adopted a Directive that mandates Member States to adopt legislation that requires the use of gender assessments and gender management plans for energy projects likely to have significant gendered impacts.¹³⁹

Source: See footnotes.

5.3.1. Agricultural productivity and access to land

SDG target 2.3 commits to “by 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and nonfarm employment”.

Despite their contribution to global agricultural production, rural women often have inadequate access to productive resources and are trapped in domestic and subsistence-type activities (e.g. collecting water or firewood,) that lower their productivity. Rural women often have little control over the proceeds of their labour due to inadequate access to productive resources, markets, and technology. In addition, rural women and girls are “disproportionately affected by poverty, inequality, exclusion and the effects of climate change.”¹⁴⁰ Providing access to physical assets and resources for production can empower women economically and increase their participation in economic decision-making processes at the household and community levels. Experts also emphasize that securing women’s tenure rights increases the effectiveness of land policy.¹⁴¹

In recent decades, several national laws have promoted legal guarantees for women’s land rights and strived to change the norms and power structures that prevent them from claiming such rights. Examples include Bolivia (National Service for Agrarian Reform Act of 1996), Honduras (Agrarian Reform Law of 1974) and Paraguay (1992 Constitution).¹⁴² The Bolivian Act guarantees women’s right to distribute, administer, own, and use land independently of their civil status.¹⁴³

Nonetheless, gender-discriminatory practices can undercut legal guarantees.¹⁴⁴ In Turkey, for example, while rights to own

and inherit property are gender neutral, dowry practices and inheritance customs guided by customary norms often prevail. As a result, rural women often lack secure land use rights in practice.¹⁴⁵ Women face multiple barriers that make them less likely to exercise their rights, including cultural norms, fear of reprisal, lack of time and mobility and lack of education¹⁴⁶. Women’s participation in land management decisions faces challenges in several parts of the world.

Institutional responses to these barriers include providing information to and sensitizing women on their entitlements and land ownership rights, assets, and land-based livelihood. Interventions have also included facilitating women’s access to legal services (e.g. through mobile courts in rural areas), legal training of women farmers, and drafting laws based on improved understanding of customary practices.¹⁴⁷ In addition to policy design, gender-specific considerations in law enforcement and policy implementation can help to ensure the effectiveness of institutions and the likelihood that expected gender impacts are produced.¹⁴⁸ Agricultural ministries have played a crucial role in many countries in promoting gender-responsive policies through gender mainstreaming. In Guatemala, for example, in 2015 the Ministry of Agriculture approved a Policy on Gender Equality, which aims to systematically mainstream gender in all areas of its work, including its institutional mechanisms, with special emphasis on integrated rural development and food security and nutrition programmes and processes.¹⁴⁹

Transparency measures can support women’s access to land and productive resources. For example, Ethiopia has established a transparent land registration and certification process that is seen as a step forward in promoting women’s land rights.¹⁵⁰ Institutional responses to corruption include the creation of oversight mechanisms to reduce the likelihood of wrongdoing¹⁵¹ as well as awareness raising among public officials and administrators.¹⁵²

Box 5.8. Women organizing against corruption in land titling in Uganda

In Uganda, the Slum Women’s Initiative for Development (SWID), a collective of local women affected by the lack of land rights, implements transparency and accountability initiatives to improve service delivery and local governance processes through grassroots women’s mobilization, and by monitoring and raising awareness of corruption in land titling processes. Since 2013, SWID’s initiatives have been supported, through seed funding and technical support, by the Huairou Commission and UNDP’s global program on anti-corruption.

SWID’s work initially found resistance from local officials, and challenges related to both official corruption and the lack of information about the procedure to claim land titles. In informational meetings with community members, women in Jinja (Uganda) organized themselves to visit local and district land offices. Members of the groups submitted their documentation collectively to avoid paying bribes. As the benefits of the initiative for the entire community became apparent, the suspicions of local officers began to diminish. Through the initiative, 35 women were able to receive land titles in less than 14 months, and 120 more women have submitted their documentation. Men in the community have also started to see SWID as a resource. Starting in 2014, SWID has expanded its work to other provinces in Uganda.

Source: See footnote.¹⁵³

5.3.2. Equal access to education and vocational training

SDG target 4.5 is to “by 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations.” At the global level, despite progress made, significant disparities continue to exist among countries, country income groups, and regions.¹⁵⁴

Access to and completion of education by girls is hampered by socio-economic barriers, among them gender discriminatory norms in the family such as the prioritizing of boys’ education, child marriage, early childbearing and child labour,¹⁵⁵ gender stereotyping in schools, school-related costs, inadequate transportation and facilities, and safety concerns. They also include lower birth registration rates of girls compared to boys, which can deny them legal identity (see Box 1.7 in chapter 1) and result in the inability to access education among other public services. These barriers, in addition to the impacts of inequality, also have significant development costs.¹⁵⁶

Institutional responses include the construction of more schools and investment in training facilities and services, with availability of water and sanitary facilities that are gender sensitive, particularly in rural and underprivileged areas. Bangladesh, for example, has prioritized safety and sanitation for girls in school infrastructure development.¹⁵⁷ School mapping can improve planning and the targeting of infrastructure to the needs of communities, including boarding and lodging to facilitate girls’ enrolment.¹⁵⁸

Globally, Governments have set specific targets toward achieving parity between girls and boys in universal primary and secondary education. There has been an increase of laws and policies aimed at improving girls’ access to education. A UNESCO publication based on 67 reports from Member States across regions notes that nearly all had constitutional and legislative protections from discrimination in education.¹⁵⁹ National constitutions that have been adopted since the 1995 Beijing Declaration and Platform for Action are more likely than those adopted prior to it to include guarantees of girls’ equality in education. They are also more likely to guarantee free primary education, which particularly benefits girls, who are more likely than boys to be prevented from going to school by families due to financial hardship.¹⁶⁰ Laws and policies supporting secondary education are weaker, and school fees at this level are a significant impediment to access. Regions with the highest reported rates of charging tuition fees are those with the lowest girls’ completion rates.¹⁶¹

Public agencies have adopted measures aimed at strengthening access through both compulsory education and by addressing the socio-cultural challenges that impede it. Chile, Denmark, Egypt and Sweden have strengthened their capacity to identify such challenges in order to inform ministerial policies

and strategies.¹⁶² Laws and programmes that address child marriage and allow for and facilitate continued schooling for pregnant girls and readmission to schools after pregnancy may also help to eliminate discrimination that contributes to girls’ exclusion from education.

Countries also use schemes that provide incentives to families to keep girls in school. Conditional cash transfer programs around the world often include cash transfers when girls reach educational milestones, as well as school feeding programmes. Schemes have also provided free books and supplies and eliminated school fees for girls.¹⁶³ Other measures include family-friendly policies and laws – such as leaves of absence for parents and caregivers to participate in school or education-related activities – as well as flexible work arrangements.

Some countries have taken action to combat gender stereotypes. In Norway, the Gender Equality Act mandates that learning materials be based on gender equality.¹⁶⁴ Germany and Guatemala have promoted gender-sensitive curriculum reform, including the promotion of literacy and numeracy and incentives to access science, technology, engineering, and mathematics (STEM) among girls.¹⁶⁵ Similarly, initiatives can entail gender awareness training and sensitization of teachers, officials and communities to, among other issues, the importance of girls education and detecting and addressing gender and other forms of bias.¹⁶⁶ Such work may be accompanied by standards and measures for supportive learning environments, for example codes of conduct for teachers and inclusion programmes tackling disability, ethnicity, poverty and other dimensions that intersect with gender,¹⁶⁷ for example the provision of instruction in indigenous languages¹⁶⁸ or sign language.¹⁶⁹

Accountability for meeting gender equality goals hinges on government capacity and willingness to generate accurate educational data and indicators aimed at capturing specific gaps – e.g. on girls’ enrolment, attendance and school completion rates. Information on the performance of the education system, including disaggregated data and information on schools, school district policies and procedures, and educational achievement, can help to monitor progress on gender equality in education. In order to assess alignment with national education, development and gender goals, other data such as that on population groups, incomes, health and nutrition, and transportation, is also important.

Gender audits can be a powerful tool to hold national and local governments and educational institutions’ governing bodies to account. In Ethiopia, a gender audit carried out by the Ministry of Education in 2007 recommended further investments in education for girls and women across the country. Based on the recommendations of the audit, the Government established a national Women’s Service Standing Committee as an independent forum to monitor and evaluate the implementation of policies, strategies and guidelines promoting girls’ education.¹⁷⁰

Corruption at the political, administrative (central and local) and school levels in conjunction with gender discrimination can threaten girls' participation in education.¹⁷¹ Tackling the embezzlement of education funds - e.g. allocated to the provision of textbooks - may decrease the probability of girls being kept out of school.

Several countries have introduced mechanisms to allow multiple stakeholders (including parents, children and young people, business leaders and community groups, among others) to engage in school policy processes and decision-making in order to reduce girls' dropout rates and enhance the gender responsiveness of school services. In 2010, an initiative by three municipalities in South Africa, for example, reduced the school dropout rate for girls by 75 per cent in three years through an inclusive approach to reproductive health education aimed at tackling discrimination against girls, teenage pregnancy and HIV infection. The involvement of senior officials of the Departments of Education and Health, school personnel, parents, caregivers and female students was instrumental to the success of this initiative.¹⁷² Another area of intervention concerns school-related safety and addresses forms of gender-based violence in or linked to schools such as rape, bullying, harassment and abuse,¹⁷³ which is prioritized in many countries including Burkina Faso, Egypt, the Netherlands, Spain, Turkey, Venezuela and Zambia.¹⁷⁴

5.3.3. Adequate and equitable sanitation and hygiene

SDG target 6.2 calls for the achievement, by 2030, of "access to adequate and equitable sanitation and hygiene for all and" ending "open defecation, paying special attention to the needs of women and girls and those in vulnerable situations." In many regions, particularly in rural communities, women are responsible for maintaining household hygiene and sanitation as well as water collection. Yet women often face unequal access to sanitation services, especially in rural areas. The provision

of sanitation services and the installation of facilities alone do not guarantee positive outcomes for women and girls. It is important to understand the needs and concerns of women and girls to develop effective service delivery that is responsive to them.

Measures have been taken to tackle barriers to women's engagement in sanitation management in many countries. The State Water and Sanitation authority of Madhya Pradesh, India, established village water and sanitation committees - at least half of whose positions must be filled by women - to decide on the type of technology used by - and the location of - the sanitation facility. The involvement of women in making decisions about water and sanitation management at the village level¹⁷⁵ enabled the application of their knowledge towards increasing the availability, quality and reliability of water sources.¹⁷⁶

Strengthening women's engagement in sanitation and hygiene services can lead to enhanced agency as well as better services, both of which improve gender outcomes. Studies show that promoting women's access to information on hygiene enhances ownership of household sanitation facilities in rural areas.¹⁷⁷ Raising women's awareness of their rights to access government records enables government scrutiny and enhances accountability.¹⁷⁸ Social accountability has produced positive outcomes for the delivery of WASH services and women's empowerment. In Pakistan during 2015 and 2016, social accountability tools (e.g. budget tracking) helped women to implement and monitor sanitation and hygiene development plans and hold relevant stakeholders accountable for addressing gender-responsive concerns and improving service delivery.¹⁷⁹

Countries have started promoting transparency, accountability and participation to address corruption and gender inequality in water and sanitation (see Box 5.10).¹⁸⁰

Box 5.9. Women's engagement in WASH initiatives in Kathmandu Valley, Nepal

In 2013-2014 in Thankot, in the Kathmandu Valley of Nepal, women's groups trained women to administer citizen report cards to monitor government performance in nine areas of service delivery in the WASH sector and a WASH advocacy committee was formed, with support from partner NGOs, to hold awareness-raising workshop for community members on governance and anti-corruption. Nine sub-committees were subsequently formed to monitor local water and sanitation as well as public budgeting, with support from NGO partners ranging from local to international. Through engagement with officials from the village development committee, local political parties, and others, a joint action plan was developed based on the report card recommendations. These efforts have led to greater transparency of the village development committee's budget and information and its establishment of a permanent monitoring committee to prevent corruption, the inclusion of women leaders in government planning meetings and access to capacity-building funds by women in the community. Women participating in focus group discussions reported that fewer family members were experiencing water-borne illness since the start of regular testing of well water. Moreover, the mobilized women reported a greater sense of empowerment through holding governments accountable and being aware of their rights to services. They also reported a lower incidence of petty bribery and better relationships with service providers.

Source: See footnote.¹⁸¹

Box 5.10. Enhancing integrity and women's empowerment in the water sector in the Philippines

Corruption has undermined the quality of water and sanitation services in the Philippines. The control of water services by vested interests has also led to higher costs of water and higher water tariffs, and limited the opportunities of women and other groups (e.g., indigenous people, people living in rural areas) to participate in water service delivery. To address these problems, the SDG Fund supported a two-year project (2015-17) aimed at empowering women and enhancing integrity in the water and sanitation sector. ProWater, which was implemented by international, national, regional and local partners, including both state and non-state actors, mainstreamed gender considerations into all of its tools (e.g. assessment, communications, presentation materials, etc.) and knowledge products, including how it measures access to and the quality of water, sanitation, and hygiene services.

ProWater contributed to the participation of women and girls in decision-making concerning the planning, monitoring, and implementation of safe water and sanitation programmes. Between 2015 and 2017, a total of 3,277 women were engaged in conducting assessments and data validation, sector planning, resource allocation, monitoring and evaluation, sanitation programming, water quality monitoring, water safety planning, community organizing/social preparation activities, and communications and advocacy. 4,126 girls actively participated in group hygiene activities in schools and day care centres, and in the development of community murals in 7 municipalities.

The project enhanced the integrity and governance of the water and sanitation sector, especially at the local level, including by creating five Citizens/Integrity Groups to ensure transparency, participation and accountability around water and sanitation issues. The programme ensured that at least 30 per cent of positions in these governance structures, including the Citizen/Integrity groups, were occupied by women.

Source: See footnote.¹⁸²

5.3.4. Equal pay for work of equal value

At the global level, it is estimated that women earn 24 per cent less than men.¹⁸³ Several factors impact the gender pay gap, including discrimination (see chapter 1).

Gender pay gaps have been addressed with rights-based approaches in the form of non-discriminatory laws and policies, and with measures that promote the adoption and implementation of such laws and regulations. Examples include directives of the European Union, the 1963 Equal Pay Act in the USA, the 2010 Equality Act in the United Kingdom and equal pay legislation in 2007 in Namibia.¹⁸⁴ However, despite the adoption of comprehensive legal mechanisms aimed at equal pay for women, gender pay gaps remain in all regions. In the European Union, for instance, the gender pay gap is approximately 16 per cent.¹⁸⁵

The extensive literature on national models for equal pay reveals the importance of addressing gender equality through multiple institutional angles, including social welfare and gender policies on the one hand and labour market policies on the other.¹⁸⁶ Policies aiming to improve women's career progression opportunities and enabling mothers to remain in, or return to, employment have proven to be effective.¹⁸⁷ Other policy measures include raising the minimum wage. Experts also advocate for updated laws and regulations to address gender stereotypes in the labour market and to protect the rights and interests of female employees, including in emerging industries such as those in information and communication technologies.¹⁸⁸ Different policy mixes and institutional settings

can create different outcomes. In Argentina and Chile, for instance, a study from 2015 found that the Argentinian wage-setting system favoured an equal wage distribution and a narrower pay gap than in Chile, where the minimum wage policy appeared to compress wages at the lower end, lifting women's relative pay, albeit at the apparent expense of a falling median wage and a concentration of minimum wage jobs in the formal sector.¹⁸⁹

In order to promote accountability on equal pay for work of equal value, some countries have introduced mandatory reporting on men's and women's wages in companies. According to a survey of 23 countries published in 2016, Australia, Belgium, some states of Canada, Denmark, Finland, France Italy, and Sweden had legal or regulatory instruments mandating companies employing more than a certain number of employees to publish data on wages disaggregated by sex. In 2017 the United Kingdom adopted a similar instrument, as did Germany in 2018.¹⁹⁰ In Iceland, regulation from 2017 aims at holding the pay management systems of companies and institutions up to official standards (ÍST 85 Standard) via certification, to be conducted by accredited certification bodies through audits.¹⁹¹

The scope of these measures varies across countries. The size threshold for reporting varies from 25 to 250 employees. The measure usually applies to employees only. In some countries, the measure covers both the public and private sectors, while in others the obligation to report only applies to private sector firms. The periodicity of the reports can be annual or longer. Sanctions in case of failure to report also vary across countries,

as do transparency requirements. Depending on the country, results have to be made available to union representatives in the firm; to all employees; to a government agency; or posted on the firm's website when it exists.¹⁹² Transparency requirements are high in the United Kingdom, where the government created a website (<https://gender-pay-gap.service.gov.uk/>) where the pay gap data reports of individual firms are made accessible to the public.

Accountability for equality of pay can be strengthened in several other ways, including through pay audits and through collective bargaining mechanisms and campaigns. In the UK, for example, employment tribunals are legally mandated to order pay audits when a tribunal states that there has been an equal pay breach.¹⁹³ Public monitoring was conducive to reducing gender pay gaps in Australia. Trade unions brought successful lawsuits to companies by requesting an assessment of (primarily) female employees' remunerations, to have them re-evaluated based on workers' performance, responsibility, nature of the work and skills, using the same standards used to evaluate the remuneration of their male counterparts.¹⁹⁴ Pressure on companies can also come from other institutions. In recent years, shareholders in the USA and regulators in the United Kingdom pressured banks to provide access to information on pay gaps.¹⁹⁵ Sweden has opted to make public rankings of the most women-friendly workplaces part of its an approach to promote equality in the workplace.¹⁹⁶ Voluntary approaches have been used in combination with legal instruments (see Box 5.11).

Non-compliance with established regulations and policies, including those on equal remuneration, can be associated with discrimination. Discouraging such practices is normally achieved by sanctioning non-compliant employers. Conversely, in 2000 Portugal adopted the practice of rewarding compliance on equal pay regulation. The Commission for Equality in Labour and Employment (a tripartite body composed by government, employers and workers) awards an "Equality is Quality" prize to compliant employers. The criteria for the award include equal

opportunities in the field of recruitment and pay. The process is based on formal submission of evidence by companies and site visits where management and workers' representatives are interviewed.¹⁹⁸ Promoting mindset change among employers, employees and the general public on equal pay can also be done via establishing tripartite alliances. For example, the Tripartite Alliance for Fair Employment Practices of Singapore operates through a physical centre jointly managed by the government, the employers, and the unions to handle cases and complaints of discrimination at the workplace from a holistic perspective.¹⁹⁹

5.3.5. Mobility and migration policies

SDG target 10.7 reads: "Facilitate orderly, safe, and responsible migration and mobility of people, including through implementation of planned and well-managed migration policies". The Global Compact for Safe, Orderly and Regular Migration, recently adopted by Member States of the United Nations, addresses this issue and outlines a number of associated policies (Box 5.12).²⁰⁰ Such policies can benefit women migrants who often face significant challenges and intersecting vulnerabilities associated with gender-based discrimination, race, disability, among others.²⁰¹ Migrant women and girls often find themselves vulnerable to labour exploitation, including forced labour, abuse and violation of human rights, trafficking and violence. Empowering migrant women and girls hinges on ensuring that migration governance is gender-responsive, addressing the gender-related dimensions of migration, and in particular the experiences, needs and situations of vulnerability of women and girls.

Non-discriminatory laws and policies at the national level are based on international laws and treaties that protect the rights of migrants and shape labour migration policies. Ecuador, for instance, has made efforts to protect the rights of migrant workers and to integrate them in the Ecuadorian society through legal provisions that enabled institutional arrangements that helped migrant women to find jobs in the

Box 5.11. Promoting equal pay: multi-pronged approach in Switzerland

In 2015, Switzerland launched a large-scale public sector initiative, "Switzerland Advancing Gender Equal Pay (SAGE)". SAGE aims at eliminating the gender pay gap in the whole labour market, with a special focus on the public sector's role of "leading by example". The first pillar of SAGE is the development and promotion of a self-assessment tool, Logib, allowing companies of 50 employees or more to find out whether their practice complies with the requirement of equal pay. The second pillar is a charter for equal pay in the public sector, which calls for regular checks to ensure the respect of equal pay within public administration, in corporations close to the public administration and in public procurement. An increasing number of cantons, cities and communities are signing up to the charter and implementing the commitments (sensitization for legal bases on equal pay; regular evaluation of salaries with the Logib tool; controlling equal pay in procurement and awarding of subsidies and reporting on results to the Federal Office for Gender Equality. The signatories and other stakeholders exchange experiences and best practices at annual conferences. The Initiative won a United Nations Public Service Award in 2018.

Source: UN Public Service Award, 2018.¹⁹⁷

Box 5.12. The gender dimension of the Global Compact for Safe, Orderly and Regular on Migration

The Global Compact for Safe, Orderly and Regular on Migration has a strong gender component. Among 187 measures articulated under the 23 objectives of the Compact, 28 refer to women or gender. The Compact emphasizes the need for gender-responsive measures, including with regards to the provision of information and legal guidance, support and counselling, referral mechanisms, complaint and redress mechanisms, and service delivery more generally. It also highlights the importance of women's empowerment, including economic empowerment, access to labour markets and labour mobility, access to finance, and social protection. It pays special attention to the vulnerabilities and needs of women at risk of becoming victims of trafficking. The Compact also emphasizes measures that address sexual and gender-based violence against migrant women. Lastly, the Compact stresses the need for gender sensitive reviews of policies and processes related to immigration management, including access to personal documentation, birth registration, human rights protection, and border management.²⁰²

Source: Authors' elaboration.

country. Since 2013, the government of Costa Rica has a law to protect victims of human trafficking, including women and girls, and punish perpetrators; it has also created a dedicated institution to support that goal.²⁰³ Strong legislative frameworks need to be supported by awareness-raising programmes and institutional changes to ensure compliance with new laws (e.g., through training, incentives, and provision of information).²⁰⁴

Some countries have created one-stop-shops for providing unified and interlinked services to migrants and refugees. In Portugal, the High Commission for Migrations, the public institution that coordinates policy-making on migration at the national level, has established national and local support centres to promote the integration of migrants into Portuguese society and public life. Specialized services that are relevant to women migrants comprise social integration income, family allowance, prenatal allowance, retirement and disability pension among others. The model has been replicated in Belgium, Germany, Czech Republic and Poland.²⁰⁵ Local authorities have a key role to play to keep public fora open to migrants to enhance diversity in planning and decision-making processes and help to inform local service planning.²⁰⁶ For instance, local administrations in North Rhine-Westphalia in Germany have created one-stop integration points for migrants and refugees that bring together municipalities, local job centres, welfare offices, and representatives of employers' associations, to facilitate administrative acts and integration measures.²⁰⁷

Another approach is that of integrating and mainstreaming labour migration issues in national employment, gender equality, labour market and development policies. Among other aims, this can help address the issue of downward occupational mobility for migrant women.²⁰⁸ Barriers to women's occupational mobility can be addressed through policies and regulations that protect skill-portability among countries²⁰⁹ or skill development in fields such as financial literacy, formal remittance transfer systems, as well as on managing financial assets, investments and business.²¹⁰

As is the case in other areas, transparency policies and the provision of information to actual and potential migrants have been increasingly used by governments. For example, migrant women can benefit from information on regulations on domestic violence, discrimination and human rights abuse. Government websites provide gender-responsive information on rights, public services procedures, international protection and remedies, laws, and other regulations. Denmark's 'ny i danmark' website, for example, provides access to policies relevant to the granting of visas under the family reunification programme.²¹¹ South Africa, the Philippines and Moldova have set up online information portals on migration, and proactively communicate information to migrant men and women.²¹² Yet, often, information provided to migrants in public reception centres is not gender-specific and is given by staff without gender-responsiveness training. The Philippines has invested in capacity building on gender-responsive service delivery, targeting key government migration agencies both at the national and local levels.²¹³

Civil society organizations, including women's rights organizations that serve typically marginalized groups in host communities, can help incorporate the needs of migrant women and girls in national development plans and other national policies. These groups can demand accountability for public commitments to advance gender equality for migrant women and girls.²¹⁴ Mexico, Moldova and the Philippines have piloted approaches in support of advocacy organisations working on the protection of women migrant workers' rights.²¹⁵ Action by the public sector can also be complemented by community outreach activities by female migrant networks and associations.²¹⁶

Migration, and particularly irregular migration, can be facilitated by corruption (e.g., bribing border guards to cross borders illegally).²¹⁷ Migrant women have specific vulnerabilities to corruption (Box 5.13).²¹⁸

Box 5.13. Gender, corruption and migration

A recent study on the gender dimensions of corruption in migration, based on desk literature review and interviews with 43 stakeholders and female migrants, found that the risk for female migrants to encounter corruption is highest during transit. Bribes can be demanded to allow both regular and irregular migrants to continue their journey. Women who do not possess any financial resources are likely to experience 'sextortion'. Since women who are travelling alone are especially vulnerable, many women are willing to pay for protection, either with financial resources or with their body.

Migrant women who experienced sextortion and other forms of gender-based violence during migration often have to deal with psychological trauma, sexually transmitted diseases and unwanted pregnancies. Evidence suggests that migrant women are often aware of these risks and try to take preventative measures (e.g. contraception), but are nevertheless willing to take the risk and migrate. Although less frequently, female migrants also encounter corruption in destination countries, mostly linked to police corruption and fraud in the allocation of resources.

The study shows that women experience different levels of vulnerability in different phases of their journey. Vulnerabilities to corruption depend on the individual and cultural background of the women as well as different institutional factors in the origin, transit and destination country. Irregular migrants and those less educated often have higher vulnerability to exploitation and are more likely to be subject to demands by corrupt officials. Also, patriarchal structures in the origin countries often make women more vulnerable to being forced into trafficking networks.

Source: See footnote.²¹⁹

5.3.6. Safe, affordable, accessible and sustainable transport systems

SDG target 11.2²²⁰ directly addresses the issue of the responsiveness of transport systems to the needs of women and girls. Transport plays a crucial role in connecting women to goods and services as well as social and economic opportunities.²²¹ Effective transport can, for example, reduce the travel burdens for women and increase their time for education and productive activities, which leads to economic empowerment.²²² Often, women have dissimilar transport needs and patterns from those of men. Yet, public transport systems are often skewed towards serving long journeys and distant destinations mostly used by men, as opposed to short distance requirements typical of women's mobility patterns.²²³ Importantly, women are much more vulnerable than men to sexual harassment while using transport services. In major Latin American cities, for example, six in ten women report that they have been physically harassed while using transport systems.²²⁴

Public institutions have a key role in addressing biases and improving transport services from a gender perspective. The gender dimension is increasingly mainstreamed both in transport policy-making and at the level of programmes and projects. At the policy level, reports from the World Bank dating from the beginning of the 2000s documented the incorporation of gender considerations in transport policy and strategic documents in developing countries, including Senegal and Uganda.²²⁵ At the planning level, the inclusion of the gender dimension in transport planning has been called for since the mid-1990s at least,²²⁶ and progress has been achieved in this regard. However, under-representation of women in transport planning is still a concern in developed and developing countries alike.²²⁷

At the programme and project levels, major donors and international financial institutions have produced toolkits and guidance documents on gender in transport. Such documents put emphasis on establishing men's and women's needs and priorities and transport patterns; on documenting gender-related barriers that exist in relation to transport; and on gender-responsive design of transport infrastructure and services. They also highlight the need for women's participation in all stages of transport projects, including monitoring.²²⁸

Engagement of women and other stakeholders has led to more gender-responsive public transport services. In China, the inclusion of women in a working group for an urban transport project in Liaoning Province helped to address safety concerns, increase frequency of bus services and led to transport route reconceptualization (e.g. to include streetlights, pedestrian paths, etc.) and the procurement process of road construction programmes.²²⁹ In Kathmandu, Nepal, transport operators collaborated with local authorities to provide a more gender-responsive transport service by integrating women into policy-making positions.²³⁰ South Korea introduced the "Pink light technology", which enables pregnant women to receive real time information on priority sitting areas through an electronic device when entering the public transport system.²³¹

Policies to address violence against women in public transport have taken a variety of approaches, including reporting tools based on mobile technologies that victims of aggression can use (Box 5.14). One approach to combat sexual aggression and harassment has been the development of women-only transport solutions, so-called "pink transport", including women-only subways, buses and train cars. Such initiatives are currently ongoing in at least 15 developing and developed countries.

Box 5.14. Facilitating reporting to address violence against women in public transport

In India, the mobile application “SafetiPin” was designed to make communities and cities safer by providing safety-related information collected by users and trained auditors. It is based on a Women’s Safety Audit, which is a participatory tool for collecting and assessing information about perceptions of urban safety in public spaces, with a focus on immediate surroundings of metro stations.²³² In 2016, the transport authority of London issued an “Action for Equality” plan, which sets out commitments to promoting equality for customers, staff and stakeholders. The plan also includes a system to measure progress on a yearly basis. The related “Report It to Stop It” campaign encouraged reporting of sexual assaults, resulting in a 35 per cent increase in reports.²³³ In Kigali, Rwanda, local authorities provided toll free numbers for victims to report any case or incident of sexual harassment while using the public transport system.²³⁴

Source: see footnotes.

They vary from country to country, from policies implemented only during rush hour to women-only cars in rapid service trains. Critics emphasize that these solutions, while contributing to solving acute safety concerns, do not address sexist gender norms and could contribute to reinforcing differences between sexes rather than addressing root causes of sexual harassment.²³⁵

5.4. Key messages on effective gender-responsive institutions

This chapter has examined gender-responsive institutions through the lens of the institutional principles promoted by SDG 16. The analysis shows the relevance of those principles both at the national level and at the level of select targets across the Sustainable Development Goals. The following points emerge from the analysis.

Strong public sector institutions, working in a coordinated manner, are a prerequisite for the design of robust legal frameworks to advance gender equality. National mechanisms for the promotion of gender equality and the empowerment of women and girls, parliaments, law reform commissions, ministries of justice and other institutions are all needed to promote gender equality, and should have the means to effectively fulfil their respective mandates.

National mechanisms for the promotion of gender equality and the empowerment of women and girls, if resourced adequately and given authority, can overcome fragmentation and siloed approaches as they coordinate cross-sectoral policy development and implementation and support greater policy coherence for gender equality and women’s empowerment. They engage a wide spectrum of institutional stakeholders at national and subnational levels and collaborate with a range of partners to fulfil their mandates. Through mainstreaming gender in sectoral ministries and public agencies, they serve to transform public policy values and the culture, implementation actions, and responsiveness of public institutions. They have

spearheaded the development of national action plans on gender equality, ending violence against women, peace and security as well as coordinated gender mainstreaming in national development plans. Through gender analysis and assessment, capacity development and training, they have demanded action for more effective institutionalization of gender mainstreaming.

Gender equality laws and policies are an essential tool to address gender discrimination. Despite the significant body of laws that promote gender equality in most countries, more than 2.5 billion women and girls globally are affected by discriminatory laws and lack of legal protections leaving them without the legal basis to claim their rights. Enforcement remains an issue in many contexts. Women’s participation in legal reform processes has contributed to the inclusion of specific provisions in constitutions and laws enhancing responsiveness to the needs of women and preventing discrimination, harassment and violence.

Transparency and access to information are essential in order to assess the impact of government policy decisions on gender and to scrutinize the quality and responsiveness of public services to women’s needs. Transparency frameworks and initiatives are most effective when embedded in an enabling environment of broad-based policies that promote gender equality. In this context, open data and public reporting, including on budgets and spending, need to ensure that information is made available in ways that are accessible to all women and girls. Information and communication technologies (ICT) have helped to boost transparency and access to information. ICT-based information management systems facilitate the retrieval and analysis of information, including sex-disaggregated data. Access to information has benefited from advances on the generation and dissemination of data disaggregated by sex and gender statistics in the past two decades, with approximately 105 countries reporting to be monitoring and collecting national gender statistics.

Accountability of institutions of governance to the public is critical for effective implementation of the SDGs. Gender-

responsive accountability includes gender equality as a standard against which public sector performance is assessed and measured. Gender-responsive budgeting, an example of fiscal accountability, allows finance institutions to structure tax and spending policies to promote gender equality. National mechanisms for the promotion of gender equality and the empowerment of women and girls can facilitate the engagement of sector ministries, parliaments and civil society on gender responsive budgeting. Multi-stakeholder approaches have been particularly effective in pushing ministries forward and opening space for greater civil society dialogue and influence. Parliamentary oversight and audit bodies play a major role in this. Gender assessments and specifically gender audits on how public resources were actually allocated, conducted by independent oversight agencies and civil society, can improve resource tracking and delivery of gender responsive services.

Poor women are disproportionately impacted by corruption, which covers a wide range of exploitative practices linked to poor delivery of services and poor leadership. Definitions and indices of corruption often do not include the multidimensional nature and impact of corruption. Tackling corruption requires the integration of gender into corruption measurement tools and collection of sex disaggregated data to identify gender differentiated patterns of corruption. Other important channels for addressing corruption in the context of SDG 5 include: anti-corruption legislation; expanding the definition of corruption to include the range of women's experiences; adoption of gender-responsive anti-corruption programs and policies; access to recourse measures and mechanisms; and safe spaces to report corruption.

Women remain under-represented at all levels of public decision-making, in all branches and at all levels of government. Gender norms and stereotypes are often a deterrent to the selection of women candidates and pose obstacles to women throughout the electoral process. Several countries have adopted temporary special measures such as gender quotas, which can significantly improve women's chances of being elected. Parliaments with greater presence of women have been found to prioritize issues related to gender equality. However a higher proportion of women legislators is not, per se, a guarantee that gender-sensitive legislation will be enacted. Political institutions should support and promote women leaders in parliaments, as well as political parties and electoral management bodies. Efforts must be made to ensure gender parity across other public institutions, including the justice system. It is also important to address the issue of violence against women in politics, which is a global phenomenon.

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ANNEXES

Annex 1.1. Examples of anti-corruption interventions in specific sectors

Type of intervention	Education	Health	Water	Fisheries
1. People-centred approaches: building networks and coalitions of supporters; awareness raising and education	<ul style="list-style-type: none"> • Advocacy and awareness raising campaigns. • Anti-corruption education (in education or about the education sector). • Public awareness of grants to schools. • Access to information training. 	<ul style="list-style-type: none"> • Public education campaign to educate consumers about how to identify counterfeit products. 	<ul style="list-style-type: none"> • Awareness raising campaigns about corruption in the water sector. • Mobilized coalitions of organisations for advocacy and networking in anti-corruption in the water sector. 	<ul style="list-style-type: none"> • Network-building, awareness-raising and policy engagement.
2. Functional approaches: improving institutions, rules and procedures; public financial management, systems and controls	<ul style="list-style-type: none"> • Strengthening PFM and public expenditure management. • Use of a third party for disbursement of school grants. • Decentralized transfer of textbook grants. • Disbursement of grants through bank accounts. • Formula-based allocation method for school grants. • Audit institutions. • Independent bodies in charge of teachers' examination and appointments. • ICT-based systems such as educational management information systems and teacher management information systems. • Computerization and automatization of admission processes and examination administration. • Software to fight plagiarism. • Ensure that closing date of all procurement bids is adhered to, all bids recorded, and all awards and adjudication decisions made by the procurement committee or tender board. • Integrity pacts between Ministry of Education and textbook publishers. • Training and capacity building of head teachers in school management and finance. • Internal audits, particularly at local level. 	<ul style="list-style-type: none"> • Introducing or improving internal control mechanisms at the facility level. • Wage increases (providers). • Performance based financing (providers). • Standardise job descriptions (providers). • Monitor job performance (providers). • Enforce transparent rules, behaviour standards and merit-based promotion policies. • Set up a well-resourced independent drug agency. • Ensure that closing date of all procurement bids is adhered to, all bids recorded, and all awards and adjudication decisions made by the procurement committee or tender board. • Prequalify suppliers of drugs and equipment. • Use international guidelines for health supply procurement practices. • Provide technical assistance and training of procurement officers. • Implement physical facility protection and security measures (e.g., screening of employees). • Mandate and enforce separation of work force and functions. • Implement PEFA framework (health sector indicators). • Improve internal control through better oversight and streamlined processes. • Implement performance-based budgeting. • Simplify reporting systems. • Ensure training of core staff in relevant areas (financial management, risk management, etc.). • Audit institutions or anti-fraud units. 	<ul style="list-style-type: none"> • Performance benchmarking. • Integrity pacts between government agencies and companies. • Strengthening procedures and reducing discretion in financial transfers and transactions. • Computer-based administration of water service delivery. • Audit institutions. 	

Type of intervention	Education	Health	Water	Fisheries
3. Transparency approaches: disclosure of information, including through ICTs	<ul style="list-style-type: none"> Budget transparency. Systems to improve validity and timeliness of information about schools within national education management information systems to ensure grants match schools' needs. Transparency boards at the school level (e.g., to disclose financial information). Open discussion on procurement criteria and bidding documents. Transparency in the selection process of the National Advisory Committee members. Publication of specific descriptions of staff recruitment procedures, postings, and transfer standards. 	<ul style="list-style-type: none"> Formalise user fees with exemptions schemes for the poor. Ensure that regulatory agency publicly provides justification for decisions. Ensure registration and marketing approval procedures are applied uniformly, are current for all suppliers, and publicly available through government website. Ensure clear policy on quantification methodology for drug and equipment supplies. Publish all procurement tender bids and results of contract awards online. Use electronic procurement systems if possible. Apply and enforce IMF's code of good practices on fiscal transparency. Use national health accounts. 	<ul style="list-style-type: none"> Formalise user fees with subsidy schemes for the poor Ensure that regulatory agency publicly provides justification for decisions. 	<ul style="list-style-type: none"> Public registry of national fisheries laws, regulations and official policy documents Public online registry of authorised large-scale vessels, as well as information on their payments and recorded catches Information on the small-scale sector, including the numbers of fishers, their catches and financial transfers. Information on the post-harvest sector and fish trade Information on law enforcement efforts, including a description of efforts to ensure compliance by fishers and a record of offences in the sector. Information on government transfers and fisheries subsidies. Information on official development assistance regarding public sector projects related to fisheries and marine conservation. Beneficial ownership transparency.
4. Integrity approaches: values, ethical regimes, motivation, interests and commitment	<ul style="list-style-type: none"> Code of conducts for education personnel. 	<ul style="list-style-type: none"> Introducing and enforcing code of conduct for public officials and professionals that specifies expectations and requires public officials to disclose assets. Staff of regulatory agency involved in registration and market approval decisions sign a conflict of interest document that is publicly available. Role of professional bodies. 	<ul style="list-style-type: none"> Promotion of ethics and integrity in public organisations. Promotion of ethical business values in the private water sector. Public service charter. 	

Type of intervention	Education	Health	Water	Fisheries
5. Monitoring approaches: strengthen oversight and independence	<ul style="list-style-type: none"> Community based monitoring of school-building projects, book delivery, teachers' presence, etc. Community oversight of school finances. Independent monitoring of disbursement of scholarships and school grants. External bodies to supervise university admissions and entry examinations. Monitoring teachers' presence in schools to address absenteeism. Public expenditure tracking surveys, service delivery and other surveys. School management committees responsible for oversight of school planning, budgeting and finances. Community scorecards and citizen report to monitor education. Local community participation in monitoring education budgets and expenditures at local and national levels. Enforcement of school building standards through inspection teams and communities. Streamlining and strengthening of professional education agencies (e.g., examination boards, education quality inspection agencies, curriculum board). Citizen oversight of book procurement. 	<ul style="list-style-type: none"> Conduct external reviews including unannounced visits to health facilities and evaluation of services by clients and beneficiaries. Set up a body to manage conflicts of interest. Implement and sustain ongoing market surveillance of drugs. Monitor prices of supplies. Check process against international benchmarks. Mandate regular reporting of key procurement performance indicators. Commission expert committee with oversight over all procurement of drugs and supplies. Keep track of shipments of drugs and equipment through ICT-based systems. Electronic monitoring of transport vehicles and checking of inventory. Implement public expenditure reviews and PETS to validate service delivery and financing (e.g., of drugs). Run regular risk analyses for transportation and delivery. Create health boards responsible for distribution and regular monitoring of stocks at the facility level. Citizen scorecards and social audits or checking health service delivery. Use quantitative service delivery surveys to assess efficiency of public spending and associated incentive structure. Involve civil society in monitoring drug delivery systems. Promote and enhance budget monitoring by NGOs. 	<ul style="list-style-type: none"> Social audits. Monitoring construction of water works and rehabilitation projects. Citizen report cards and community scorecards to assess water utilities. Community monitoring of sanitation projects. 	<ul style="list-style-type: none"> Traceability mechanisms and protocols. Electronic or video monitoring technology in vessels.
6. Civil society and media: creating space for external voices	<ul style="list-style-type: none"> Use of media in information dissemination. 	<ul style="list-style-type: none"> Increase public participation in the budget process. 	<ul style="list-style-type: none"> Participation of user representatives in boards of water provider utilities. Free and independent media outlets. Direct participation of citizens in water planning and oversight. Irrigation management transfer to water users' associations. 	<ul style="list-style-type: none"> Civil society monitoring and influencing decisions on trade, investments in fisheries reforms, including promoting economic, political and social rights for small-scale fishers and fish processors.

Type of intervention	Education	Health	Water	Fisheries
7. Whistleblowing approaches: reporting mechanisms and safety for people who speak up	<ul style="list-style-type: none"> Whistle-blower/independent complaint procedures. 	<ul style="list-style-type: none"> Secure anti-corruption hotline for citizens and professionals. 	<ul style="list-style-type: none"> Whistle-blower/independent complaint procedures. Anti-corruption hotline. 	
8. Justice & rule of law approaches: improving laws, regulations, investigation, prosecution	<ul style="list-style-type: none"> Specific provisions in anti-corruption laws. Criminal sanctions and disciplinary measures. Commissions on enquiry into education corruption. 	<ul style="list-style-type: none"> Prosecuting or establishing administrative sanctions for individual breaches. Legislation that makes managers legally responsible for actions of subordinates. 		<ul style="list-style-type: none"> Fishery conservation and management laws and regulations. Penalties, fines, disqualification and removal of subsidies from vessels involved in illegal fishing. Administrative sanctions (e.g., suspended licenses).
9. Incentives and economic theory approaches: aligning stakeholders and economics	<ul style="list-style-type: none"> Salary penalties for non-attendance of teachers. 			<ul style="list-style-type: none"> Larger fishing quotas, more days at sea, access to restricted areas, etc. for vessels that return protected species to the sea.

Sources: Curbing corruption, 2018, "Education sector review", <https://curbingcorruption.com/sector/education/>; Curbing corruption, 2018, "Health sector review", <https://curbingcorruption.com/sector/health/>; Curbing corruption, 2018, "Fisheries sector review", <https://curbingcorruption.com/sector/fisheries/>.

Annex 2.1. Budget and planning in support of the implementation of the Sustainable Development Goals (SDGs): results from external SDG audits

Supreme Audit Institutions (SAIs) are national institutions that ensure the sound use of public resources. Their missions go beyond oversight of the public budget and government accounts and increasingly extend to the evaluation of the performance of policies and programmes.

In 2016, the INTOSAI Development Initiative (IDI) launched a programme on Auditing SDGs that has been one of the drivers of these efforts. A guidance on auditing preparedness for SDG implementation was developed to ensure a common approach.¹ Over 70 SAIs have conducted audits of preparedness for SDG implementation under the programme. The audit questions included issues related to planning, budgeting and the mobilization of resources for SDG implementation.

Results from SDG audits show that across different regions, levels of development and national contexts, SAIs have identified very similar challenges in how governments have prepared for implementing the SDGs, including regarding their planning and budget processes.

In Indonesia,² the audit found that the budget formulation and resource allocation have been aligned to the SDGs, but that budget execution and monitoring are still done in silos.

In the Pacific,³ the audits of preparedness found a disconnect between the National Development Plans/SDG goals and targets and the national budgeting processes. Most national budgets are output based and respond to budget proposals submitted by line agencies on an annual basis, without considering the integrated approach required by the SDGs.

In Tanzania,⁴ ministries, regional secretariats, and local governments are required to align their annual plans and budgets to the national development plan and SDGs. However, the audit found that such alignment had not taken place across the board, and particularly at the local level. This was due to several reasons, including delay in issuing the guidelines for preparations of annual plans and budgets, unclear directives to sectors and local governments on what priority SDG targets should be considered and in which year, and lack of information as to when the strategic plans should be reviewed and how to localize the SDGs, among others.

Jamaica⁵ is in transition towards a medium-term result based budget, which would support the implementation of the SDGs more effectively. However, the audit found that the processes required for this transition, including issuing guidance through a

budget manual, have not been timely completed. Also, the audit found weaknesses in the planning and budgeting documents of public entities (e.g., no associated costs for activities, and lack of feedback mechanisms from the ministry of finance) as well as cases of non-compliance with the budget law's requirement of submitting a planning document. This affects the capacity to allocate resources strategically and on a long-term basis for priority projects in support of SDG implementation.

The Palestinian National Authority has linked the SDGs to specific annual programs and budgets in most of the sectoral plans.⁶ However, the audit found that the National Policy agenda, as the reference document for setting priorities and policies, did not include specific information about the financial means necessary to implement the SDGs. There is a financial gap in the budget to implement sectoral and cross-sectoral plans.

Latin American SAIs found lack of long-term planning for the implementation of the 2030 Agenda in most countries. For example, in Brazil, the National Commission for the SDGs has an action plan for 2017-2019 but lacks a long-term action strategy.⁷ As for the budget, the audit in Costa Rica found a limited participation of the Ministry of Finance in the definition of the budgetary priorities for the process of implementing the SDGs.⁸ A good practice was identified in Mexico,⁹ where a project linked the 2018 budget programs of the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food and the Secretariat of Environment and Natural Resources to sub-targets and indicators of target 2.4. Although there was no definition on how the national and sectoral medium and long-term plans would incorporate these sub-targets and indicators, this would place the country on the road to aligning government actions to the target.

In Spain,¹⁰ the budget 2016-19 has not been aligned with the SDGs nor public resources specifically linked to support SDG implementation. Budget alignment to the SDGs is considered as part the government's action plan for implementation of the 2030 Agenda but will not be effective until 2021. However, the order for the formulation of the 2019 budget includes (article 1) guidance and some criteria for resource allocation that are aligned with the SDGs. In contrast with the national level, some regional and local governments have already progressed in aligning local budgets with the SDGs.

Canada's audit¹¹ did not assess budget alignment or mobilization of resources for SDG implementation, but focused on planning as one of the key steps in the preparation process. The audit found that despite the existence of initiatives that could form the basis of Canada's set of national targets (e.g., the 2016-2019 Federal Sustainable Development Strategy), the federal government had not identified and prioritised a comprehensive set of national targets to implement the SDGs. Also, the audit reported that the federal government had

no national implementation plan for the 2030 Agenda that included national targets, and the policies and programs to achieve them.

The Austrian Court of Audit¹² recommended to set up a national steering body for the implementation of the 2030 Agenda to manage a coherent, nationwide implementation, integrating the SDGs mandatorily into the budget outcome targets of the federal government, and encouraged the government to periodically report on progress at the United Nations High Level Political Forum.

In the Netherlands,¹³ the Court of Audit observed that public accountability with respect to implementing SDG plans and the resources spent by central government and the ministries involved could be improved by examining how the SDGs could be included in the regular budget and accountability cycles. Also, the Court noted that each minister could set out their responsibility for one or more SDGs (or their associated targets), and the planned efforts aimed at achieving them, in the ministerial budget.

In their audits of SDG preparedness, all SAIs emphasized that there should be no separate budget for implementing the SDGs (apart from the specific costs related to creating collaboration structures, new institutional mechanisms, etc.). This was particularly highlighted by the SAIs of Costa Rica, Spain and Bogota (Colombia), which have audited the preparation of governments to implement SDG 5.¹⁴ They highlighted that all sector expenditures should be aligned with the (national) objectives and priorities in line with the SDGs.

Other capacities are also critical for supporting budgeting and planning processes to effectively implement the SDGs. In the Pacific region,¹⁵ the audits have found that governments have focused their attention on the identification of the necessary financial resources (including ODA), but less attention has been paid to the human resources needed for SDG implementation and to addressing existing capacity constraints within line ministries. This has implications for SDG budgeting as well. For example, in the Solomon Islands, the audit found significant capacity deficits in line agencies for budgeting, planning and project management. Similar problems of articulation between the SDG national priorities and the required means of implementation exist in other countries. In Georgia and Jamaica, for example, the audit found problems of articulation between human resources, budget processes, and the capacities required to produce reliable statistical data. In Tanzania, the audit found similar problems in relation to SDG awareness efforts and monitoring and evaluation at the local level.¹⁶

Endnotes

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- 2 SAI Indonesia 2018, “Sharing Experiences on auditing policy coherence and integration,” Presentation at UNDESA-IDI SAI Leadership & Stakeholder Meeting, New York, July.
- 3 PASAI, 2018, “Advancing SDG implementation, follow-up and review in SIDS—sharing experiences across regions. The Pacific experience,” Presentation prepared by C Kelly and J Mesepitu for the UNDESA-IDI SAI Leadership & Stakeholder Meeting, New York, July 2018.
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- 5 http://www.intosai.org/fileadmin/downloads/downloads/1_about_us/SDGs_and_SAIs/id782_SDGs_Jamaica_EN.pdf
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- 7 Tribunal de Contas da União 2017, “Relatório de auditoria coordenada na preparação do governo federal para a implementação dos objetivos de desenvolvimento sustentável – Fase nacional”, Brasília, TCU.
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- 10 Tribunal de Cuentas de España 2018, “Anteproyecto de informe de fiscalización operativa de la preparación para la implementación de los objetivos de desarrollo sostenible, con enfoque de género (ODS5)”, Madrid.
- 11 http://www.oag-bvg.gc.ca/internet/English/parl_cesd_201804_02_e_42993.html
- 12 http://www.intosai.org/fileadmin/downloads/downloads/1_about_us/SDGs_and_SAIs/id782_SDGs_Austria_short_EN.pdf
- 13 <https://english.rekenkamer.nl/binaries/rekenkamer-english/documents/parliamentary-papers/2017/09/13/the-dutch-government%E2%80%99s-preparations-aimed-at-achieving-the-sustainable-development-goals/English+version+SDGs+letter.pdf>
- 14 UNDESA and IDI, 2018, 2018, report of the SAI leadership and stakeholder meeting, New York, 19-20 July, Department of Economic and Social Affairs, available at <http://workspace.unpan.org/sites/Internet/Documents/UNPAN98666.pdf>.
- 15 PASAI 2018, “Advancing SDG implementation, follow-up and review in SIDS—sharing experiences across regions. The Pacific experience,” Presentation prepared by C Kelly and J Mesepitu for the UNDESA-IDI SAI Leadership & Stakeholder Meeting, New York, July 2018.
- 16 http://www.intosai.org/fileadmin/downloads/downloads/1_about_us/SDGs_and_SAIs/id782_SDGs_Tansania_EN.pdf

The 2030 Agenda and the Sustainable Development Goals (SDGs) prominently feature institutions, both as a cross-cutting issue in many of the goals and as a standalone goal (SDG 16). The World Public Sector Report 2019 looks at national-level developments in relation to several concepts highlighted in the targets of Goal 16, which are viewed as institutional principles: access to information, transparency, accountability, anti-corruption, inclusiveness of decision-making processes, and non-discrimination. The report surveys global trends in these areas, documenting both the availability of information on those trends and the status of knowledge about the effectiveness of related policies and institutional arrangements in different national contexts. It also demonstrates how the institutional principles of SDG 16 have been informing the development of institutions in various areas, including gender equality and women's empowerment (SDG 5). The report further examines two critical instruments that can support effective public institutions and public administration for the SDGs, namely national budget processes and risk management. The World Public Sector Report 2019 aims to inform the first review of SDG 16 at the United Nations high-level political forum on sustainable development in July 2019, and to contribute to future efforts to monitor progress on SDG 16. By reviewing key challenges and opportunities for public institutions in the context of the implementation of the 2030 Agenda at the national level, the report also aims to inform efforts by all countries to create effective institutions to deliver the Sustainable Development Goals.

ISBN: 978-92-1-123209-7
eISBN: 978-92-1-004140-9

