Chapter VI
Governance and institutions

Summary

• Governance issues have played a significant role in countries’ progress towards achieving the Millennium Development Goals (MDGs). The effective implementation of policies for achieving MDGs required the appropriate governance structures as well as the overall application of good governance principles.

• Successful policy implementation for development begins with leadership that possesses a clear vision of the desired outcomes and the potential policy pathways for achievement. There are examples of this type of leadership that predate the MDGs but led to progress on these goals later on, as well as efforts by leaders prompted more directly by the MDGs.

• Policy coherence and coordination within governments are important for development policy in general, especially in resource-constrained contexts. National policy coordination has been a relevant factor in achieving MDGs in some countries, although lack of capacity has limited this in others. The use of information and communication technology has facilitated coordination and accountability as well as service delivery.

• Decentralization has been a necessity in view of government capacity constraints; it has been a critical mechanism for engaging communities and ensuring more transparent governance. This in turn has facilitated MDG achievements—for example, through improving service delivery in education and health, and raising gender awareness and coverage.

• In situations where governments lack the resources to provide key services for target populations, partnerships with a variety of non-governmental actors at global, national and local levels have proven a relevant avenue both for enabling achievement of the MDGs and improving governance.

• Good governance requires accountability, which necessitates effective monitoring and evaluation. The use of supreme audit institutions has been an important factor in tracking progress and ensuring efficient use of resources across all levels of government. More broadly, monitoring and evaluation systems have improved accountability while increasing coordination and coherence across governments.
Introduction

The departments, ministries, groups or governments that implement economic, social and environmental policies—like those reviewed in the previous chapters—are as important for achieving development goals as the policies themselves. There is evidence that developing countries that started MDG implementation with good policies and institutions have done better in achieving these goals (Go and Quijada, 2011). Institutions go beyond national Governments, although Governments play a fundamental role in integrating and working with all relevant institutions. The Millennium Declaration recognized that success in meeting development goals depends, inter alia, on good governance within each country. This chapter reviews the roles of national governance and institutions as critical enablers to achieving development goals, focusing on MDG efforts since 2000, as much as the available evidence permits. The review serves to draw lessons for the implementation of the 2030 Agenda for Sustainable Development, which will seek to build effective, accountable and inclusive institutions at all levels (for example, as proposed in Sustainable Development Goal (SDG) 16).

National governance, the main focus of this chapter, is broadly defined as the exercise of economic, political and administrative authority to manage a country’s affairs at all levels, and it comprises mechanisms, processes and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences (United Nations Development Programme, 1997b). Specific forms of governance practices vary widely across countries and are shaped by each country’s political, social and economic contexts, but good governance in general comprises the rule of law, effective institutions, transparency and accountability in the management of public affairs, respect for human rights, and the participation of all citizens in the decisions that affect their lives.\(^1\) Good governance also requires effective political leadership that promotes strategic vision and broad consensus on policies and procedures that are needed to foster peace, stability and development.\(^2\)

Although the MDGs mainly embodied goals and targets in the area of human development, this chapter hopes to demonstrate how the implementation of the MDG agenda underscores the importance of governance and institutions—not only within countries but also between them—for the achievement of the goals. The focus is on national governance and institutions because, in general, this Survey focuses on implementation of policies in countries. Nonetheless, the role of critical global and regional actors that have facilitated development policy implementation is duly acknowledged. For example, the chapter describes the role of global partnerships that have enabled national policy implementation, although the issue of how such global partnerships feature as part of larger efforts for promoting better governance at the global level is beyond the scope of the chapter.

The following section discusses the critical role of good governance and effective institutions, beginning with the need for clear leadership and strategic vision for development. This is followed by a discussion on policy coordination at the national and local government levels and decentralized delivery of services, which are all critical for good governance and policy implementation. Partnerships with non-governmental actors are discussed next,

---

Chapter VI. Governance and institutions

with a focus not only on partnerships within countries, but also on global partnerships and initiatives that have brought about a number of actors enabling policy implementation at the country level. This is followed by a section on accountability, monitoring and evaluation. The chapter concludes with a summary of key lessons and discusses their implications for the implementation of the 2030 Agenda for Sustainable Development.

The role of good governance and effective institutions

An effective governance structure must be in place as a foundation for the implementation of development policy. The degree to which good governance played a role in poverty reduction over the period since the MDGs were adopted is debatable (Kwon and Kim, 2014). Even so, there are important factors in implementing policies that are necessary for achieving any development goal, some of which are introduced in this section. For example, leadership that is accountable and possesses a clear idea of development objectives is a necessity. In order for these objectives to be met while avoiding detrimental trade-offs or overlaps, policies must be properly integrated into the existing governance structures. Policy coherence and coordination are particularly important aspects of effective development policies when operating in a resource-constrained environment. This has occurred through the implementation of national programmes that take into account or absorb existing ministerial operations or consolidate and coordinate the various disparate operations into a more coherent whole. Information and communications technologies (ICT) has become an important enabling factor for this type of coordination and oversight. Furthermore, effective policy implementation and service provision for these types of programmes has benefited from decentralization, which has proven to be an important way of properly providing for differentiated segments of the population. Proper implementation of decentralization requires that good governance structures are in place in order to ensure that local units can best target and serve those in need while, at the same time, operating responsively to both local populations and to larger government operations. These important factors of governance are discussed in the subsequent sections on partnerships with non-governmental actors and accountability, monitoring and evaluation.

Other important factors such as partnerships with non-governmental actors and the necessity of monitoring and evaluation for ensuring accountability and efficiency are discussed below. All of these aspects of governance, while not necessarily unique to the period after the MDGs were adopted, were all equally important to the implementation of policies affecting the achievement of the MDGs.

Accountable leadership and strategic vision for development

Transformational and accountable political leadership, which is responsive to the needs and aspirations of its citizens, is one of the most critical determinants of good governance. Responsive and responsible leadership can foster good governance, build capable institutions, enhance accountability and transparency and deliver peace, stability and development, as seen in many regions of the world. The strategic vision of a country’s leadership, translated into national plans and development strategies, can help mobilize

---

3 This section draws extensively from Sánchez, Julca and Winkel (2015a), which provides more detailed examples and analysis with regard to governance and institutions for development goals.
resources and partnerships among all actors—other political leaders, public administration, non-governmental actors and private sectors. Successful leadership can broaden voice, participation and accountability, diffuse discontent and promote social cohesion. It can also facilitate policy coherence and coordination and ensure that actions at all levels of government are fully aligned to pursue broader development objectives.

There is evidence that strong and unequivocal commitment to development from top leadership was critical for prompting countries to adopt the MDGs (as discussed in chap. I) and to subsequently implement policies that eventually resulted in progress towards achieving these goals, even with limited resources. Brazil, China and Rwanda—as well as a number of other countries not discussed here—provide useful examples of steps by leadership that subsequently contributed to making progress towards achieving the MDGs.

In 2003, the new political leadership in Brazil identified combating hunger and poverty as the most critical development priority. The Extraordinary Ministry for Food Security (MESA), within the office of the President, was created, and budget allocations to MESA were second only to health and education. Further resources were required to eliminate hunger, nonetheless. A fund for combating poverty was established to mobilize resources from private sources. Civil society organizations (CSOs), including churches, were mobilized to operate community kitchens or volunteer foodstuffs and labour to serve town residents, especially children, while the Government contributed funding. These efforts were complemented with a monthly income transfer to poor families, under the auspices of the Bolsa Família programme (Graziano Da Silva, Del Grossi and De França, eds., 2011)—which was introduced in chapter III. Good leadership is also important for the ensuing success and financial sustainability of these efforts after their introduction. Bolsa Família has so far proven to be sustainable—which is also observed to be the case of other pioneering cash transfers programmes in Latin America. Data from Brazil’s Government show that expenditures related to Bolsa Família went up to represent 0.49 per cent of gross domestic product (GDP) in 2014, from 0.28 in 2004, and approximately 14 million families are currently benefiting from the programme. The strong commitment of the political leadership not only reduced hunger significantly but also contributed to other achievements such as higher school attendance rates.

Similarly, the strong economic performance in China during the past thirty years not only reduced poverty in the country, but also contributed to the global achievement of MDG 1, as China alone reduced poverty by 600 million in the past three decades. A major impetus for this success was a series of reforms initiated by the political leadership in the late 1970s and early 1980s, well before the MDGs were adopted, but with effects that spread well into the period when the achievement of the goals was pursued. Beginning in 1978, the “reform and opening” dismantled the communes and introduced the Household Responsibility System, leading to massive increases in agricultural output. This was also supported by reforms in village governance, farm output prices and input availabilities (Ravallion, 2009). The Chinese leadership undertook measures to develop closer relations with major developed countries and gradually strengthened trade ties through the “open-door” policies of the early 1980s, ensuring that reforms were well designed and that leaders followed through on them (Du, 2006). This required both a long-term vision, political stability and the ability to carry out reforms over an extended period.

In Rwanda, the political leadership at the highest level voiced support for women’s empowerment and mainstreamed women in leadership positions beginning in 1994 (Debusscher and Ansoms, 2013). The leadership prompted efforts at all levels of government
that contributed to the goal of promoting gender equality and empowering women (MDG 3). Not only has Rwanda achieved gender parity in literacy and enrolment rates at the primary level, but the number of women in politics and decision-making positions sharply increased over the last decades. In 1998, the newly created Ministry of Gender and Family Promotion conducted elections for Women’s Councils that were an important step towards boosting representation, including increasing the number of women in parliament. Efforts also included a constitutional requirement that women occupy at least 30 per cent of decision-making posts. Women currently hold almost 64 per cent of the seats in Rwanda’s Parliament, the highest percentage of women in parliament in the world. Since 2003, about two thirds of the cabinet members have also been women.

**Policy coherence and coordination**

Effective coordination and coherence of policies are critical for promoting good governance and ensuring successful implementation of development projects and programmes. Policy coherence requires “the systematic promotion of mutually reinforcing policies across government departments and agencies creating synergies towards achieving the defined objective” (Organization for Economic Cooperation and Development, 2001, box 13). Based on concrete examples associated with efforts towards the achievement of the MDGs, previous chapters have pointed out that policy coherence is necessary for minimizing undesirable trade-offs and maximizing potential synergies from implementing economic, social and environmental policies. On the other hand, policy coordination generally means an interactive process of communication and decision-making among various agencies to align actions and resources with a view to realizing a common goal (ibid.). That is, policy coherence can only be achieved through good policy coordination.

Coordination between sectoral ministries, on the one hand, and planning and financing authorities, on the other, has often been a formidable challenge for many developing countries. A number of countries adopted national development strategies and Poverty Reduction Strategy Papers (PRSPs), but it is not clear to what extent these strategies helped to ensure a certain degree of policy coherence in pursuing their development goals. The translation of national development strategies and plans into public expenditure programmes within a coherent multi-year macroeconomic and fiscal framework, in particular, has required effective coordination, not least because public financial management itself is very challenging. As discussed in chapter II, a number of countries introduced medium-term expenditure frameworks (MTEF) to improve fiscal performance and to enhance coherence between budget and development outputs and outcomes, including for some MDGs. While MTEFs generally improved allocative efficiency, which ensured greater alignment between allocation and expenditures and reduced volatility in sectoral allocation of budgets, they did not necessarily increase coherence or reduce duplication. More generally, only a handful of developing countries have succeeded in executing development policies within a budgetary framework since the MDGs were adopted. Weak public financial management systems—including lack of effective internal financial controls and external and independent oversight from legislative bodies and supreme audit institutions—continue to pose a governance challenge that undermines national development efforts.

Absent an indicator that can measure policy coordination, it is critical to review examples of effective coordination at the national level that produced good outcomes that appear to have facilitated making progress towards achievement of the MDGs. Good
coordination starts with line ministries. For example, Bangladesh has been on track to
meet the targets for reducing infant mortality and improving maternal health through
implementation of a National Health Policy and strengthened coordination between the
Planning Commission, the Ministry of Health and Family Welfare, and the Ministry of
Women and Children Affairs. At the same time, coordination with other actors beyond
political leaders and central Governments is critical. For example, while the success of
Brazil’s Bolsa Familia programme is partly attributed to strong leadership, as noted above,
effective coordination between the national Government and municipal authorities and
CSOs also played a fundamental role. The Ministry of Social Development signed formal
joint management agreements with each municipality to clarify responsibilities and to
establish minimum standards for implementation. It also provided performance-based
financial incentives to the municipal authorities to enhance effectiveness.

National level coordination has been particularly important for accelerating progress
on MDG 6—combating HIV/AIDS, malaria and other diseases—in many sub-Saharan
African countries. The United Republic of Tanzania, for example, took significant steps
to integrate and coordinate programmes across different levels of government through the
National Multi-Sector Strategic Framework for HIV/AIDS (NMSF) coordinated by the
United Republic of Tanzania Commission for AIDS (Tanzania Commission for AIDS,
2013). At the parliamentary level, there is collaboration between the Parliamentary Standing
Committee responsible for HIV/AIDS and Drug Abuse and other sector-specific committees
that oversee and govern strategies that impact on the NMSF, such as Finance and economic
affairs, Industry and trade, Health and social welfare, Community development, Gender
and children, and Agriculture. In support of the Cabinet, the Inter-Ministerial Technical
Committee oversees and governs all ministries, departments and agencies to ensure proper
collaborative efforts across all types of projects, not just those related to HIV/AIDS. In
order for the NMSF to operate as expected, it also had to rely on local governments, the
private sector and CSOs.

Efforts to achieve policy coordination and coherence are not only constrained by the
number of actors that need to be involved and coordinated, but also by the capacities of
public administration, particularly to deliver basic public services. The shortage in delivering
public services stems from several factors, some of which have been described in previous
chapters in the context of education, health and sanitation service delivery. Weak human
and institutional capacity plays a critical role, particularly in formulating and executing
investment projects. Furthermore, service delivery is also affected by low implementation of
the development budgets in many developing countries where Governments have no capacity
to fully spend their budgeted expenditures. Evidence from a study covering 118 countries
shows that countries with small populations, particularly the small island developing States
(SIDS) in the Pacific, possess serious deficits of technical skills for fulfilling all functions
associated with public financial management (Haque, Knight and Jayasuriya, 2012). Poor
pay and compensation and the associated prevalence of corruption in public service also
affect the service delivery that is necessary for achieving development goals.

Notwithstanding the challenges in policy coordination, many developing countries
have taken advantage of ICT, as well as monitoring and evaluation frameworks, to improve
the delivery of basic public services, particularly in areas of public utilities and social
protection. The 2014 UN E-Government Survey found that “Several governments across

---

4 For more details, see Bangladesh (2009).
the world are adopting whole-of-government or collaborative approaches through the promotion of horizontal and/or vertical initiatives, greatly aided by modern technologies” (United Nations, 2014c, p. 77). Chapter IV of the E-Government Survey noted the example of Oman, whose move from manual records to IT-based Mother and Child programmes resulted in impressive reductions of maternal and child mortality. Public sector innovations in e-government—digital interactions between governments and people—stand out prominently as they are contributing to making public administration more efficient, accountable and transparent. E-government platforms are also facilitating inter-agency coordination of policies and programmes. During the period after the MDGs were adopted, e-governments also contributed to promoting social inclusion, through improving access to information about government services and employment opportunities and facilitating delivery of public services. The rapid increase in the proliferation of mobile-cellular subscriptions and the related increase in mobile broadband subscriptions—in line with the goals for MDG target 8.F (see annex)—could be an important platform for future e-government efforts. In addition, all 193 United Nations Member States had central government websites as of 2014 (United Nations, 2014d).

**Local governments and decentralized delivery of services**

Decentralization can be a critical element of good governance and development when it becomes a necessity for a government to be able to serve an underserved population from a close proximity. In such a particular context, compared to a centralized system of governance, a local government is likely to be more efficient and equitable in delivering basic services and more accountable to the people. Many of the examples presented in previous chapters on social policies implemented by local governments corroborate this observation. During the past three decades, a majority of the countries adopted some form of decentralization—leading to one or more tiers of local governments—seeking to make their governance structures more legitimate, efficient and accountable. A World Bank study on 182 countries finds that 26 per cent of the countries have one tier of local government, 46 per cent have two tiers, while 23 per cent and 6 per cent have three and four tiers, respectively (Ivanyna and Shah, 2012). Evidence from the provision of Nigeria’s Conditional Grant Scheme by means of partnerships between local, subnational and national governments has shown that local and state governments are better positioned to implement development projects, and the federal Government may better concentrate on planning, coordination and monitoring and evaluation (Zamba and Oboh, 2013).

Growing decentralization has proven to be important in some countries both for engaging communities and for enabling more transparent governance for implementing programmes that have eventually supported progress towards achieving the MDGs. The MDG progress reports of Bangladesh, for example, reiterate the fact that elections at the subdistrict level have strengthened local governance in the country. The nature of the relationship between citizens and governments has changed as a result, creating a more enabling environment for implementation of development policies at the local level. In Indonesia, directly elected district officials have become more responsive to local needs, at least in the health sector (Skoufias and others, 2014).

---

5 See Bangladesh (2009).
Studies show that decentralization of decision-making, empowerment of schools and communities, and promotion of greater local-level accountability have contributed to the increase in enrolment, thus facilitating the achievement of MDG 2 in countries like Ethiopia, Ghana, Kenya, Malawi and Mozambique (United Nations Children's Fund and World Bank, 2009). A process of participatory planning coordinated by the Minister of Education and territorial authorities in Cote d'Ivoire led to the development of an action plan in 2009 including the installation of infrastructure and equipment in preschools and primary and secondary schools throughout the country (United Nations Development Group, 2010). Subsequently, the net enrolment ratio for girls increased from 56.3 per cent in 2009 to 75.4 per cent in 2013—according to United Nations MDG statistics.

Uganda passed the Local Government Act in 1997, which led to the adoption of the National Fiscal Decentralization Policy and the creation of the District Development Programme (DDP) to achieve greater efficiency in service provision at the local level. DDPs implemented targeted, gender-sensitive policy frameworks, which enabled the poor to communicate their needs to local governments and influence the allocation of resources to sectors that had greater growth, human development and poverty reduction potential. The decentralization process also reduced the information costs of identifying the poor and the transaction costs of designing interventions for poverty reduction, health and education. A study by Boko and Baliaoune-Lutz (2009) for Uganda found that there is a negative correlation (-0.17) between intergovernmental transfers (driven by decentralization) and the Human Poverty Index and a positive correlation (0.46) between intergovernmental transfers and the Human Development Index. This suggests that decentralization can lead to a greater reduction of poverty (United Nations Development Group, 2010). Since the Local Government Act was signed in 1997, poverty has decreased by 30.8 per cent nationwide in Uganda, with a 30.5 per cent reduction in rural areas (ibid.).

Decentralization has also been a helpful mechanism for addressing the huge gap in the delivery of services between rural and urban areas, and for unlocking MDG progress at local levels. It has been found to have a much more positive effect on rural provision of water and sanitation than other factors, such as increasing sectoral aid or reducing corruption, according to a cross-country panel regression study for a large number of sub-Saharan countries (Wolf, 2009). In Central Java, decentralized plans prompted by the MDG Acceleration Framework (MAF) have been implemented to address, specifically, the apparent plateauing of the maternal mortality rate that this populous Indonesian province saw over the last few years as well as the wide variation of this rate across districts and towns of the province (United Nations Development Programme, 2013).

While decentralization can facilitate service delivery at the local level, it can also pose new challenges to coordination and resource mobilization. Securing a fiscal envelope for implementation of policies and programmes at the local level, in particular, is more cumbersome than securing it at the central government level. The efficiency of intergovernmental transfers is essential for development results, as well as the mobilization of resources by decentralized government agencies themselves. In spite of the challenges, there are encouraging examples of coordination in this regard. A recent report on Ethiopia shows that while intergovernmental fiscal transfers fund basic service delivery at the district level (woreda), some districts manage to raise their own revenues, including through development partners (World Bank, 2014b). This is done through the Promotion of Basic Services programme, which not only provides development-partner resources for service provision, but also supports a variety of measures designed to improve service quality as well...
as local government capacity, which are critical for success. The programme also supports the direct voice of citizens by emphasizing transparency and good governance for the block grants through a variety of measures. The report shows that district-level spending has been a very effective way of enabling progress towards achieving the MDGs in Ethiopia. For example, it shows that a US$ 1 increase in district health spending per capita is associated with increases in the contraceptive prevalence rate of 6.4 per cent, in the percentage of births delivered by skilled birth attendants of 11.3 per cent, and in coverage of antenatal care by 3.6 per cent. Child and maternal mortality rates can be reduced as a result. With regard to education, an increase of US$ 1 per capita in district-level education spending is associated with a 3.6 per cent increase in the net primary enrolment rate within that district.

Success of decentralization also often depends on the capacity and motivation of leadership at the local level. Lack of planning and administrative capacity among public servants at the local level can lead to wasteful use of scarce resources. Weak public financial management, lack of accountability and ineffective oversight mechanisms can also breed inefficiencies and corruption in local governments. Political and fiscal decentralization are often stymied by excessive dependence on transfers from central governments and the chronic inability of local governments to raise resources locally. For decentralization to succeed and facilitate the efficient delivery of public services, capacity-building of local governments for planning, public financial management and local resource mobilization needs to be a priority. Local governments also need effective oversight and external audits to ensure their accountability and prevent corruption.

### Partnerships with non-governmental actors

Forging partnerships with non-governmental actors at national and subnational levels has become an imperative to promote good governance that is necessary for pursuing development objectives. Given the capacity and resource constraints in government, CSOs and non-governmental organizations (NGOs) have emerged as critical actors in the development processes, contributing directly and indirectly to the process of poverty reduction and attainment of other MDG targets associated especially with health, education and gender. Partnerships between government and non-governmental actors, mostly at the national level, have proved critical in enhancing the voice and participation of citizens and promoting a rights-based approach to development. Global partnerships, on the other hand, have become necessary mechanisms for supporting policy implementation in countries, particularly in the least developed countries.

### CSOs and NGOs as critical partners for development

In the past few decades, CSOs and NGOs have increasingly participated in national development efforts as (i) partners and stakeholders in the design and implementation of development strategies; (ii) providers of services, particularly in health, education and microfinance sectors; and (iii) watchdogs to ensure government fulfilment of commitments (Ghaus-Pasha, 2004). In many countries, the absence of effective governance—or at least the perception that governments are unable or unwilling to respond to citizens’ needs and be transparent in their decision-making processes—has led to a larger developmental role for CSOs and NGOs. Civil society and communities have found it necessary to develop the ability to build consensus, advocate for their own interests, or partner with the government...
and have helped to improve both governance and service delivery

(and the private sector) to pursue these interests. A number of initiatives and results at the country level, both national and subnational, reveal that effective and well-managed development policies and strategies have been supported by partners at all levels, including CSOs and NGOs that work with local governments.

The partnerships with CSOs and NGOs have contributed not only to improving governance, but also to enhancing the effectiveness and outreach of service delivery to marginalized groups or groups who live in very remote areas. In Egypt, a partnership among the Ministry of Education, international organizations, NGOs and small companies and workshops—under the auspices of the National Council for Childhood and Motherhood—successfully provided mobile schooling to street and working children. While the commitment of the Ministry of Education to diversify the education delivery mechanisms was a key to its success, partnership with NGOs facilitated the development of curricula that met the specific needs of street children and ensured quality and flexibility in the delivery mechanism (DeStefano and others, 2007; United Nations Development Group, 2010).\(^6\)

Bhutan has successfully carried out several community-based nutrition initiatives, including promotion of school agriculture and household kitchen gardens, and enhancing livestock rearing and food production. At the same time, there has been widespread introduction of community schools across the country, for which the Government has provided the building materials and recurrent costs of teacher salaries and textbooks/stationery expenditures. Community schools in Bangladesh, Bhutan, Indonesia and other countries have considerably reduced walking distances to schools, addressing parental concerns for access, well-being and safety of girl students (Dundar and others, 2014). In the case of Indonesia, there is evidence that school committees holding democratic elections for members has proved to be an effective way to get parents more involved in their children’s schoolwork (World Bank, 2012b).

The Committee to Promote Women in Politics (CPWP), a coalition of seven NGOs in Cambodia, developed a non-partisan training and support network to increase women’s participation in politics. Effective partnerships between the Government of Cambodia, the national parliament and CPWP contributed to significantly increasing women’s representation in the parliament since the MDGs were adopted. Cambodia’s partnership for promoting gender equity contributed to strengthening the capacity of key government partners, including the Ministry of Women’s Affairs (MoWA), to mainstream gender in national development plans and strategies. The partnership between MoWA and NGOs also managed to establish gender mainstreaming action groups in line ministries to facilitate a common approach to gender mainstreaming and accelerating the realization of MDG 3. Similarly, establishment of a broad alliance that engaged relevant government ministries, women members of Parliament, gender experts and most active women’s NGOs from all regions of the country contributed to making Kyrgyzstan a leader among Central Asian countries in women’s representation in Parliament. Cambodia and Kyrgyzstan are among the developing countries that have significantly increased the proportion of women in national parliaments (figure VI.1).

\(^6\) It is difficult to say exactly what has happened with these initiatives after the Arab Spring. A UNESCO report on out-of-school children in the Arab Region seems to imply that these types of programmes are still ongoing, and while it refers to the Arab Spring, it does not specifically suggest that it has disrupted various programmes to get children into schools (United Nations Children’s Fund, Middle East and North Africa Region, 2014).
In a number of countries, Governments often needed to rely on the private sector to achieve necessary improvements in service delivery, especially in critical social areas such as education and health. For example, private providers play a significant role in the health sector in Africa, serving all income levels across sub-Saharan Africa’s health systems. A comprehensive World Bank study identifies dialogues and exchange of information, regulatory frameworks and financing mechanisms among the critical elements of successful partnerships between the government and private health sector providers in sub-Saharan Africa (World Bank, 2011b). On the other hand, public action has been necessary to supplement private expenditure to attain desirable quantities of services in education and health in Armenia, Cambodia, Ethiopia and Mongolia (Khan, 2005).

There is also growing evidence that public-private partnerships can work effectively to unlock progress towards development objectives at the subnational level. For example, MAF action plans have led to an improvement in economic outcomes for women in Cambodia and for people with disabilities in Costa Rica, with the private sector acting as a crucial partner of the public sector in both countries (United Nations Development Programme, 2013).

Partnerships for development cooperation

One of the legacies of the MDG agenda is the global partnership for development as defined in MDG 8 (see chap. I). At the same time, a number of different types of partnerships more closely associated with development cooperation also emerged or expanded in the last few decades and contributed to the achievement of human development, including the MDGs. Some of these partnerships involve multi-stakeholders, including Governments, multilateral and regional institutions, foundations, CSOs and for-profit enterprises.

The United Nations Secretary-General has undertaken a number of such initiatives in recent years to focus the attention of public policymakers and private actors around
the world on mobilizing additional resources for action on some specific MDG targets. The initiatives include Every Woman Every Child, Sustainable Energy for All, the Global Education First Initiative, Zero Hunger Challenge, the Scaling Up Nutrition Movement, and the Call to Action on Sanitation. These initiatives are highly focused collections of voluntary partnerships serving to encourage multi-stakeholder collaboration on individual projects and programmes.

The Every Woman Every Child Initiative, launched during the United Nations MDG Summit in September 2010, is an unprecedented global movement involving more than 300 partners to mobilize international and national action by Governments, multilateral organizations, the private sector and civil society to address the major health challenges facing women and children around the world. The movement puts into action the Global Strategy for Women’s and Children’s Health, which presents a road map on how to enhance financing, strengthen policy and improve service on the ground for the most vulnerable women and children. More than $40 billion was pledged at the 2010 launch, and numerous partners have made additional and critical financial, policy and service delivery commitments. A number of actions have been taken to support countries' implementation of their plans to improve women's and children's health. This has led to considerable increases in some indicators, such as coverage of births by a skilled birth attendant, which increased by over 20 per cent between 2010 and 2015 in Bangladesh, Bolivia, the Lao People’s Democratic Republic and Uganda, among others (Every Woman Every Child, 2015).

On a much smaller scale, Girl Up, launched by the United Nations Foundation in September 2010, has evolved into both an advocacy and a fundraising campaign. The Girl Up campaign has mobilized about $2.7 million for adolescent girl empowerment programmes managed and implemented by United Nations agencies in Ethiopia, Guatemala, Liberia and Malawi. In addition to contributions from individuals, the Girl Up campaign has been supported by the Bill and Melinda Gates Foundation, Levi Strauss, Johnson & Johnson, American Express and Caterpillar Inc., among others (United Nations, General Assembly, 2014b). Efforts by this campaign have helped to pass a law in Malawi which raised the legal age of marriage from 15 to 18, and have provided educational materials in indigenous languages to girls in underserved regions in Guatemala.

Innovative development financing (IDF) mechanisms have also emerged to complement insufficient traditional official development assistance (ODA). They have been successful in fulfilling their specific purposes, such as incentivizing the commercialization of new vaccines, but they have generated few new resources. The most notable new sources of development finance are the Global Alliance for Vaccines and Immunization (GAVI)

---

7 Some specific actions under this initiative include, for instance, the creation of a Commission on Information and Accountability for Women’s and Children’s Health, co-led by President Kikwete of the United Republic of Tanzania and Prime Minister Harper of Canada; the Commission on Life-saving Commodities for Women and Children, co-led by then President Jonathan of Nigeria and then Prime Minister Stoltenberg of Norway; the India Public-Private Partnership to End Child Diarrheal Deaths; strengthened coordination among UNICEF, UNFPA, WHO, the World Bank, UNAIDS, and UN Women (the H4+).

8 For more details, see the Girl Up official website; most specifically, see https://girlup.org/accomplishments-first-five-years/ and https://girlup.org/impact/challenges-girls-face/education/.

and the Global Fund for AIDS, Tuberculosis and Malaria—to which brief reference was made in chapter IV. The latter has provided financial support in more than 140 countries and supports 7.3 million on antiretroviral therapy for AIDS (United Nations, 2012, p. 75; The Global Fund to Fight AIDS, Tuberculosis and Malaria, 2015). The GAVI initiative reported that its programme has been instrumental in the prevention of 6 million deaths since its launch in 2000 by supporting immunization against a number of deadly diseases (GAVI, 2015). It also reports over 440 million immunized with its support over the same period. Between 2011 and 2015, GAVI has received $7.3 billion in donor support and has committed $8.7 billion through 2017 in support of vaccination efforts in 73 of the poorest countries in the world. The impact of these efforts is significant, but the full long-term socioeconomic impact remains unknown as broad population-level effects are typically neglected in evaluations of vaccination.

In the area of education, the Global Partnership for Education (GPE) covers 59 developing countries, 28 of which are fragile or conflict-affected States. Nearly $4 billion has been allocated for education programmes in these countries, and an additional $28.5 billion has been pledged for education through 2018, mostly through pledges of increased education budgets in the developing countries themselves, but over $2 billion of funds from donor countries have also been promised. On average, investment in education by GPE developing-country partners increased by 10 per cent after joining the partnership (Global Partnership for Education, 2014). As a result, the GPE has been instrumental in supporting the poorest countries to boost enrolment in primary school, reduce the number of out-of-school children, and increase the completion rate of primary school education. The GPE has also been successful in expanding access to pre-primary education and in making education more accessible to girls. It has helped to fund a variety of programmes, such as Cambodia’s School Meals Program, which has increased enrolment and nutritional status, and mobile ger kindergartens in Mongolia, which have helped to increase preschool enrolment in rural areas.10

Despite their success, the fact that these initiatives have vertical funding structures based on specific diseases or interventions creates some unintended consequences, as noted in chapter IV in the context of health systems. Vertical funds do not address health and education financing gaps directly since they are not channelled to overall sectors. The funds may also have adverse impacts on national systems in recipient countries, and contribute to fragmenting the aid architecture by adding new players and mechanisms (United Nations, 2012, p. 115). As suggested in chapter IV, in the case of health, vertical interventions should continue to be harmonized with the horizontal system so that the former do not weaken the latter and instead strengthen it.

Private organizations also provide concessional financing. In 2012, total net private grants from non-governmental organizations and other private voluntary agencies, amounted to $29.8 billion, down from $32 billion in 2011. However, it must be noted that the purpose of these grants and their relationship to development vary greatly. One of the most prominent sources of development financing among the private organizations is the Bill and Melinda Gates Foundation, which reports disbursements of about $2.7 billion in 2011 for development, 34 per cent more than in 2010. About two thirds of these

disbursed funds were directed to Africa. In terms of their purpose, two thirds of the total disbursed funds were extended for health purposes in grants, including reproductive health (Organization for Economic Cooperation and Development, 2013b and 2015).

As a result of the growing importance of South-South development partnerships, international organizations, including United Nations agencies, funds and programmes, have also been strengthening their support for them, and in many cases formed triangular development partnerships. For example, the Food and Agriculture Organization of the United Nations (FAO) has established a broad trust fund framework agreement with China and works with African partners to scale up the impact of South-South cooperation in different economic, social and environmental areas, some of which (e.g., food security and nutrition production, and production and use of renewable energy) have a direct association with making progress towards achievement of the MDGs. FAO has other trust fund agreements with Angola, Chad and Nigeria to provide financial resources to secure Brazilian, Vietnamese and Chinese expertise, respectively. The FAO trust fund agreement with Angola and the Brazilian Agricultural Research Corporation supports FAO services for agricultural research rehabilitation and development. Under a cooperation agreement with the Bolivarian Republic of Venezuela, FAO directs South-South cooperation in the fields of safety, nutrition and food sovereignty and poverty reduction in Latin American and Caribbean countries.

Other examples include a number of innovative and inclusive partnerships developed by the World International Property Organization (WIPO) to promote access to knowledge and technology in the context of South-South cooperation in the field of intellectual property. The UNEP-China-Africa Cooperation on the Environment partnership provides technical support to African countries to scale up a number of solutions that have proven successful in China, such as dry land agriculture and water treatment, along with numerous similar partnerships.

**Accountability, monitoring and evaluation**

There is no good governance without accountability—that is, without the obligation on the part of public officials to report on the use of public resources and answerability for failing to meet stated performance objectives. There is no accountability without effective monitoring and evaluation either. Monitoring and evaluation can ensure the availability of information on interventions, resources utilized and outcomes. They can also facilitate efficient, effective and equitable usage of public resources; prevent waste, leakage and corruption; and hold political leadership and public servants accountable to the citizens that they are supposed to serve. Enhancing accountability in public service is often an incremental process. Specifically, accountability mechanisms and processes need to be strengthened in high risk areas prone to corruption such as public procurement, public works, concessions involving extractive industries, and privatizations, among others that involve large financial flows. Informal practices prone to corruption and the value system within a society are key areas to be analysed.

**Corruption as a failure of governance**

Corruption poses one of the most important governance challenges. Combating it has become an urgent priority as countries strive to mobilize more public and private resources and ensure
their equitable and efficient use in pursuing development goals. There is compelling evidence that corruption undermines development. It is also the case that underdevelopment breeds corruption. While increasing the cost of doing business, corruption discourages investment and reduces economic growth. It can also increase inequality and political instability. Corruption also distorts prices and reduces access to public services, including access to education and health care (Bardhan, 1997). It can also include shirking or absenteeism by public servants, who steal time from the Government rather than money, and provide poor or inadequate services.

Given that corruption is largely unobservable, there is no reliable estimate of the cost of corruption. Illicit financial flows, resulting from both corrupt practices and criminal activities, provide some estimates of corruption worldwide. Global Financial Integrity (2013), a non-profit research and advocacy group, estimates that proceeds of bribery and theft by government officials account for nearly 5 per cent of illicit flows globally; others have claimed that corruption proceeds account for a much larger share of illicit financial flows. The United Nations Office on Drugs and Crime (2014) estimates the illicit financial flows at 2-5 per cent of global, or between $1.91 trillion and $3.64 trillion in 2014. By this estimate, proceeds from bribery ranged between $95.5 and $182 billion, with at least half of these proceeds coming from developing countries. As such, developing countries lose between $50 and $100 billion a year in corruption—an amount as high as ODA flows, with a huge impact on (preventing) development. This, of course, excludes the corruption proceeds that stay in the country.

Transparency International—a global watchdog on corruption—presents analyses of the cost of corruption for social indicators that are also used to monitor MDG progress. A Transparency International study covering 50 developing countries finds a clear, positive correlation between increased corruption and the reduced quality and quantity of education. Additional research from 42 countries suggests that a lower literacy rate among 15- to 24-year-olds is associated with the increased practice of paying bribes. A seven-country Transparency International study in Africa shows that 44 per cent of parents surveyed paid illegal fees to send their children to school. It is also estimated that corruption raises the price of connecting a household to a water network by as much as 30 to 45 per cent.

Transparency International’s Corruption Perceptions Index (CPI) provides a useful tool for examining possible associations between corruption and MDGs. This index ranks countries on a scale from 100 (very clean) to 0 (highly corrupt), and covers a number of different sectors that are pertinent to the MDGs—poverty and development, education, health, water and others. One should expect a positive correlation between CPI and MDG outcomes related to human development. It appears that the higher the CPI scores in countries (that is, the less the perception of corruption for the country), the more boys and girls complete primary education, fewer mothers die, and more people have access to improved drinking water sources (figures VI.2 to VI.4). The CPI is found to be more strongly correlated with the water sector indicator compared with education and water indicators, suggesting that corruption could spread more easily through the operations, projects and funding of the water sector, a hypothesis that is not evaluated in this Survey.

Institutional arrangements and practices for accountability

Different institutional arrangements and practices, both formal and informal, exist to ensure accountability and transparency in governance. They include parliamentary oversight...
standing committees/ad hoc inquiries at the legislative level, statutory bodies such as supreme audit institutions (SAIs) that report directly to the parliament, internal and external audit requirements in individual government agencies, independent anti-corruption commissions, monitoring and evaluation frameworks at project and programme levels, citizens’ forums and non-governmental watchdogs and independent media. Development cooperation and ODA commitments can also include accountability mechanisms, requiring Governments
to conduct periodic review, monitoring and evaluation and provide assessment on use and effectiveness of development assistance. Governments can also be held accountable to international treaties—such as the United Nations Convention Against Corruption—to promote good governance.

In view of the challenges corruption imposes on governance and development, countries have taken action to reduce it with different degrees of success. Georgia has taken a number of steps to combat corruption, including prosecuting high ranking officials, enacting anti-corruption legislation and implementing a complete overhaul of the police force following the Rose revolution in 2003 (Chêne, 2015). As a result of these and other steps, the country has moved from being perceived as one of the most corrupt countries in the Transparency International CPI, tied for 124th place (out of 133) in 2003 to 50th (out of 175) in 2014. Another example is Bangladesh, whose Government formed the Anti-Corruption Commission in 2004. In 2007, the Commission began an active partnership with Transparency International Bangladesh to jointly undertake various anticorruption programmes. Bangladesh also acceded to the United Nations Convention against Corruption in 2007. These initiatives have helped improve Bangladesh’s relative rank in the CPI over the last few years and promoted good governance. Bangladesh has improved from 162nd (out of 179) on the CPI in 2007 to 145th (out of 174) in 2014. There have been important steps in passing relevant Acts, such as the Right to Information Act in 2009, the Civil Service Act in 2010 and the Whistle-blower Protection Act in 2011, although considerable efforts will still be necessary to improve enforcement of these and other Acts (Zaman, Das and Islam, 2011).

National parliaments can ensure accountability of the executive branch, directly through budgetary oversight and indirectly through establishing and empowering SAIs. Independent SAIs can promote efficient, accountable, effective and transparent public administration and governance to facilitate the realization of development goals. During

...including supreme audit institutions...
the period after the MDGs were adopted, SAIs strengthened and broadened citizen engagement in a number of countries to increase awareness and accountability. United Nations, Department of Economic and Social Affairs (2013) identifies three good examples of SAIs in Mexico, Indonesia and China. Mexico has established hotlines to collect anonymous information from the public regarding alleged irregularities in order to take these inputs into account in their annual audit planning programmes. With a view to rebuilding and maintaining public trust, the SAI in Indonesia devised and implemented public relations and communication strategies in the early 2000s and began campaigns to increase public awareness about its reports and issues in accountability. SAI China conducts the Leaders’ Accountability Audit, a special audit that assesses leaders’ performance and ensures citizen participation in the planning, execution and reporting stages of audit work. The efficacy of an audit is often undermined by capacity constraints in both SAIs and parliamentary committees that oversee public expenditures. Absence of the rule of law, political interference and circumscribed autonomy of SAIs also impede the effectiveness of audit and accountability mechanism.

Complementing parliamentary oversight and audits and effective monitoring and evaluation systems can enhance accountability, good governance and development effectiveness. Many developing-country Governments strengthened their monitoring and evaluation systems during the MDG implementation phase. A majority of countries showed improvement in their overall statistical capacity between 2005 and 2014 (84 out of 148 for which data were available at the World Bank’s Statistical Capacity Indicators Database). MDG monitoring, in particular, has contributed to improving statistical capacity and data availability, laying out the foundations of a comprehensive statistical architecture to facilitate not only MDG achievements, but also to achieve SDGs and implement the 2030 Agenda for Sustainable Development, as noted in chapter I.

Lopez-Acevedo, Krause and Mackay, eds. (2012) present examples of countries where strengthened monitoring and evaluation systems produced encouraging results. These systems are typically implemented by different agents (i.e., individual agencies, entire sectors, or the Government as a whole) and provide information about the performance of government policies, programmes, and projects at the national, sector, and subnational levels. Mexico’s system, known as Sistema de Evaluación del Desempeño, starting in 2000, required all line ministries, planning and evaluation units, budget offices, public administrators, and the legislative branch of Government to participate in the evaluation process. The necessary push towards systematic evaluation was provided by a budget law that required federal programmes involving subsidies, cash or in-kind transfers, and some infrastructure, health, and education services to carry out annual external evaluations. The system possesses three key components: performance indicator monitoring, evaluation and feedback mechanisms.

Chile’s Management Control and Evaluation System (Sistema de Evaluación y Control de Gestión) is internationally regarded as an example of how monitoring and evaluation can be successfully put into practice. This system originated in a series of reform efforts initiated in the 1990s, where the “first generation” tools were developed and put in place in 2000-2010. The range of monitoring and evaluation tools is as large and as comprehensive as Mexico’s, although the Chilean system aims at reaching out to citizens more comprehensively through management reports. Good results of the systems in both countries include, inter alia, a “measurement-oriented culture” across central Government,
ministries and agencies, and the use of data produced by the various tools to inform budgetary and other policy and management decisions.

Another example is Indonesia’s Minimum Service Standards (MSS), a measurement for evaluation of the local government performance in the implementation of obligatory functions related to basic services. The combination of obligatory functions and the development of government capacity to cost and implement MSS in regions, aims to provide access for citizens at the minimum level of quality at a given time. This initiative of the Government of Indonesia, implemented by the Directorate General of Regional Development of the Ministry of Home Affairs, has been in effect since 2000, in cooperation with the Decentralization Support Facility administered by the World Bank (World Bank, 2011c). The analysis of factors underlying the successful implementation of MSS and possible relationships with the achievement of MDGs is among the objectives of this programme.

A strong focus on capacity development is a necessary precondition for successful implementation of monitoring and evaluation systems. The institutional capacity-building required to implement these systems and improve service delivery often relies on capacity assessments, which have frequently been undertaken through collaboration between the United Nations Development Programme and country ministries. These assessments were important for the implementation of all MDG-related programmes, including monitoring and evaluation measures (United Nations Development Programme, 2008). They have also been instrumental in strengthening developing countries’ ability to assess data capacity and improve it for monitoring purposes. The nature of these assessments has necessitated broader participation of national constituents as well as addressing accountability issues within democratic practice. There are also other multilateral initiatives such as the African Peer Review Mechanism that promote multi-stakeholder dialogue and mutual adherence as part of the monitoring and reporting on the MDGs in Africa (Sanga, 2011). At the same time, capacity development efforts for improving monitoring and evaluation should aim at enhancing transparency and effectiveness in service delivery. It will be critical for most developing countries to foster a constructive engagement between end users and the providers (and financing organizations). This has been found to be a key component in models of scaling up key public services for MDG implementation, especially in health (Subramanian and others, 2011).

Poor incentives, compensation and benefits, both cash and non-cash, for civil servants often serve as a binding constraint to curbing corruption and to achieving development results. A multi-country study shows that “pay flexibility” improves public sector performance and changes managerial behaviour strikingly (World Bank, 2014c). Pay flexibility ensures performance-related pay (PRP), which allows pay to differ for apparently similar workers doing the same job across agencies, career groups and geographical locations by linking a portion of pay to the achievement of performance targets. It can work with, rather than instead of, long-term career incentives. The same study points to a large and growing empirical literature on PRP in education that finds positive results in developing countries. As noted in chapter IV, there is evidence that paying providers based on their performance helps to improve health outcomes at a relatively minimal cost per patient. While the arguments for pay flexibility and incentive wages are clear, the relationship between public compensation policy and corruption can be quite complex and non-linear.
Lessons and implications for the upcoming agenda

Lessons about the role of governance and institutions during the period in which the MDGs were pursued have emerged from the review of this chapter and, in various ways, they corroborate findings of previous chapters. These lessons have implications for the 2030 Agenda for Sustainable Development. In fact, the proposed SDGs seek to build effective, accountable and inclusive institutions at all levels as part of the means to pursue sustainable development. Six lessons learned are as follows.

First, the role of good governance and effective institutions was pivotal for ensuring a more adequate delivery of basic public services critical for making progress towards achievement of the MDGs. Nonetheless, going forward it will be important to keep in mind that specific forms of governance practice have varied widely across countries and are determined by the political, social, and economic contexts of individual countries.

Second, effective, responsive and responsible political leadership, with long-term strategic vision for development, will be of paramount importance in achieving sustainable development goals. Examples from Brazil, China and Rwanda show that political commitment and leadership is needed for galvanizing political will, transforming vision into national strategies, mobilizing scarce resources, coalescing broad partnerships, coordinating actions, and motivating and ensuring accountability for the results.

Third, effective coordination of policies and strategies at the national level and their coherent implementation at national, subnational and local levels will be crucial for the integration of economic, social and environmental policies as countries pursue sustainable development goals. The experiences of Bangladesh, Brazil and the United Republic of Tanzania show that effective coordination of policies and processes can deliver concrete development outcomes that, in the case of these countries, led to MDG progress. More extensive development and use of e-government platforms will strengthen policy coordination and improve service delivery going forward.

Fourth, there is strong evidence that absence of technical capacities at national and subnational levels—both for public financial management and the delivery of basic public services—impeded the realization of MDGs in many developing countries, particularly in sub-Saharan Africa. Looking forward, more efforts will be needed to decentralize the delivery of public services through effective administrative and fiscal decentralization and develop capacities of local governments, particularly for resource mobilization and public financial management.

Fifth, broad and multi-stakeholder partnerships at the global, national and local levels can play important roles for the achievement of development goals. Good governance requires robust engagement of NGOs, CSOs, the private sector, and regional and international organizations. Examples from Bhutan, Cambodia, Costa Rica, Egypt and Zambia show that partnerships at the national and local levels not only enhance the voice and participation of citizens, but also augment service delivery, enhance coordination and improve development outcomes. A number of global partnerships for development cooperation engaging a variety of stakeholders have supported the implementation of programmes in areas covered by the MDGs in Ethiopia, Guatemala, Liberia, Malawi and Senegal. The proliferation of new partnerships and stakeholders observed since the MDGs were adopted is expected to continue, with even greater participation from emerging economies, the private sector and non-profit organizations. Achieving adequate coordination between all stakeholders at the national and local level will be critical. At the same time, an important role for the global
community will be to continue to develop a global coordination mechanism that is flexible to sustainable development needs and to the changing landscape of global partnerships.

Sixth, strong monitoring and evaluation systems have proven critical for enhancing access to information on the performance of various development actors and measuring development outcomes. Performance-related pay is more feasible if there is good measuring of outcomes. Monitoring and evaluation systems can also be useful to enhancing budgetary and other policy and management decisions, as evident from the experiences of China, Chile, Indonesia and Mexico. The ongoing ICT and data revolution and open government data will strengthen monitoring and evaluation. Nonetheless, further efforts will also be needed to strengthen the authority and capacity of independent oversight institutions, such as supreme audit institutions (SAIs), to enhance accountability and transparency in governance, improve development outcomes and reduce corruption. SAIs can benefit from expanding citizen engagement, to the extent their mandates allow, and contribute towards greater public and social accountability at all levels in implementing the sustainable development agenda.