



Governance Quarterly

February – April 2009

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Welcome to the latest edition of the Commonwealth Policy Study Unit's Governance Quarterly Newsletter. We hope that you find the content insightful and informative. We believe Commonwealth Scholars provide a fantastic network of informed and diverse opinion and are keen that this newsletter sets the scene for future work and debate. As such, we would welcome your feedback and thoughts on the content and your ideas for how this could develop in the future. If you want to keep up to date with the CPSU's latest work, please view our website at www.cpsu.org.uk or sign up for our CPSU news updates by emailing mike.smith@sas.ac.uk. We look forward to hearing from you soon.

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Commonwealth Secretariat

Recognising the public sector's value to democracy and good governance, the Secretariat delivers institutional capacity-building programmes to strengthen public sector institutions and effectively position member countries within the rapidly changing global environment. The Governance and Institutional Development Division (GIDD) is responsible for the Secretariat's mandate on public sector development. Its work covers all of public sector administration and management as well as issues relating to civil society and private sector institutions with public responsibility.

Asia regional training programme for Foreign Service officers

11th February 2009

Foreign service officers from Asia will attend a two week diplomatic training programme organised by the Commonwealth Secretariat and the Malaysian Ministry of Foreign Affairs from 2nd – 13th March 2009. The Commonwealth Regional Programme on Diplomatic Training, which takes place at the Malaysian Institute of Diplomacy and Foreign Relations in Kuala Lumpur, will focus on the development of diplomacy and leadership skills offer a unique opportunity to discuss contemporary global and regional issues and experiences. Jacqueline Wilson, Director of the Secretariat's Governance and Institutional Development Division (GIDD), said the programme aimed to expose participants to developments in diplomacy and international relations and to prepare participants for higher responsibilities at their respective Missions. Course tutors will include former ambassadors, senior government servants and internationally recognised training consultants from the public and private sector. It is expected that up to fifteen foreign service staff will attend the course from Bangladesh, Brunei Darussalam, India, Malaysia, Maldives, Pakistan, Singapore and Sri Lanka. The programme is the first in the current series and is part of the Secretariat's work to prepare candidates for senior roles in their countries' diplomatic service. Jasimuddin, Adviser (Asia) at GIDD, who designed the programme, said: "The programme is meant to be highly participative and interactive in nature and the learning journey will include group and panel discussions, lectures, simulation exercises and case studies. This will

enable officers to freely learn and share models of good practice from each other's jurisdictions."¹

Local Councillors should ensure effective relationships with their communities and central government

25th February 2009

Local Governments must effectively manage relationships with their communities and the central government in order to run smoothly. It is also important that the internal relationships between elected representatives and the administrative staff are strong. Building on these key relationships as well as improving other key areas was discussed at a workshop organised by the Government of Gambia and the Commonwealth Secretariat. Local Government Council Members from across the country attended between 23 and 25 February. "The reorientation of local government systems towards decentralisation has been at centre stage in many developing countries in Commonwealth Africa, including The Gambia, over the past few decades," said Jacqueline Wilson, Director of Governance and Institutional Development at the Secretariat. "The Gambia is a small state and one of the least developed countries. Its challenges are myriad and multifaceted. The Secretariat has a special focus on small states, as 32 of the 53 Commonwealth member countries are small states, six of them in Africa." The workshop addressed the roles and responsibilities of Council members with regard to the Government, the electorate, financial institutions and also governments in other countries. "'Local' governments manage 'local' affairs which include virtually every problem and issue that citizens encounter in their daily lives," explained Dr Munawwar Alam, the Commonwealth Secretariat's Adviser for Sub-National Government

and Administration, who led the workshop. At the workshop a Commonwealth publication 'Decentralisation in The Gambia' was launched. Edited by Dr Alam, the book is a report of a high-level workshop on 'Managing Change in Local Governance' which was held in the capital city, Banjul between 7 and 9 April 2008.²

Building capacity for public-private partnerships on infrastructure design and development

27th February 2009

An executive leadership programme on public-private partnerships (PPPs) for officials from Commonwealth Asia will be held at the Gold Coast, Queensland, Australia, from 20 to 29 April 2009. The event is co-organised by the Commonwealth Secretariat's GIDD and Bond University's Mirvac School of Sustainable Development. This programme is aimed at building the capacity of senior to mid-level government officials on PPP project design, development and implementation of infrastructure projects. The programme will focus on policy development and implementation; project initiation, development and procurement; and evaluation and analysis. Participants will also examine issues such as risk, regulation, project finance and process structure and management. "Public-private partnerships are a form of contractual arrangement that aims to achieve value for money in public procurement, improve government service delivery and contribute to stronger regional economic growth and development," said Hee Kong Yong, Adviser on Public-Private Partnership at GIDD. "PPPs are complex but when the partnership is equitable in terms of risk and rewards, the benefits can be optimised in public works projects," he added. "This workshop will look at the structure of PPPs and the best practice principles and lessons learned on joint-venture projects. It will also look at sustainable development principles, cost benefit and economic impact analysis, and the risk transfer, measurement and management. Issues including life-cycle costing and asset revaluation and refinancing will also be discussed."³

Leadership and innovation are drivers of success in good governance

10th March 2009

Leadership is vital to improve our world which is influenced by human connectivity, borderless economies and global competition, said John Wilkins, Head of Thematic Programmes Group in the Governance and Institutional Development Division of the Commonwealth Secretariat. He was addressing participants at the Commonwealth Advanced Seminar on Leadership and Change in the Public Sector, held in partnership with Victoria University of Wellington and New Zealand Agency for International Development from 9 to 20 March 2009. Mr Wilkins said the essence of leadership is a commitment to nation-building and making a difference and changing lives for the better for citizens and communities. He stressed that leadership and innovation are the drivers of success in good governance, which is instrumental in motivating and managing public service delivery. "Developing a shared understanding of leadership among leaders and followers is essential to maintaining continuous organisational development and succession planning," said Mr Wilkins. "A new brand of leadership exercising strategic competencies, including continuous learning and improvement, is needed. Skills such as the ability to lead, inspire, delegate, oversee teams and manage conflicts are important. Both technical and people skills, work ethics and knowledge are critical for the transformation of organisations and for attaining high productivity and effectiveness." The programme will explore how different countries tackle dilemmas arising from efforts to improve the delivery of public services, develop capable civil services, decentralise decision-making and foster good governance.⁴

Boosting performance management in Lesotho's public service

24th March 2009

More than 120 officials from the Lesotho Public Service have learned about strategic performance management in advancing good governance. Deputy Principal Secretaries and directors of the country's civil service participated in a workshop from 2 to 5 March 2009 aimed at introducing the value of performance management to enhance productivity. Government Secretary Tlohang

Sekhamane told participants that citizens are looking for more efficient public services. "We are looking for public servants who should be driven by achievement and focused on results. Public servants who listen to people, respond willingly and are accountable. Through performance management, we will be able to do things better." The workshop examined the achievement of strategic objectives and benchmarks to be attained. The Commonwealth Secretariat's Regional Adviser for Southern Africa, Janet Kathyola, said the workshop – which was run by the Governance and Institutional Development Division of the Secretariat – is part of a strategy to develop a results-based management culture within Lesotho's public service that will give an impetus to public service delivery and contribute to national development.⁵

Human Resource managers trained in modern practices

21st April 2009

Human Resource managers from government ministries and agencies in Belize are being trained in modern management practices. The training for senior managers from across Belize's public service is taking place between 20 and 24 April 2009 in the country's capital, Belmopan. It is organised by the Commonwealth Secretariat in collaboration with the Institute of Public Administration of Canada. At the training workshop participants will address issues which are specific to Belize, where there are often mismatches between job descriptions and a manager's actual duties and a lack of planning over the procedure for who takes over when employees leave. They will also examine the need for an effective performance management system to be introduced into the country's public sector. "The workshop will also teach participants how to write job descriptions," said Dr Joan Imhoff-Nwasike, Adviser on Governance and Institutional Development at the Secretariat. "Job descriptions are basic components of all major human resource policies and practices, and as such it is crucial that human resource managers have a solid understanding of how to best write them."

Last November an analysis of Human Resource managers in Belize was conducted and a two-year Human Resources Training Framework designed. 'An Analysis of the Contract System of Employment for Senior Public Service Officers in Caribbean

Countries: Belize, Guyana, Jamaica and St Lucia' has also been launched at this workshop. Written by Dr Philip Osei of the University of the West Indies and Dr Imhoff-Nwasike of the Commonwealth Secretariat, this publication is the first title in the Secretariat's Performance Management Series. "This series will be of benefit to public sector policy-makers, senior managers, academics and others at the centre of performance improvement in the public sector as governments try to adopt a 'whole of government approach' in managing their resources," said Jacqueline Wilson, Director of Governance and Institutional Development at the Secretariat.⁶

Effective preparation for natural disasters is focus of Commonwealth training

21st April 2009

In September 2004, Hurricane Ivan caused widespread devastation across the Caribbean, including destroying 90 per cent of Grenada's infrastructure. Three months later a tsunami caused untold damage to Sri Lanka, Maldives and many other countries in the Indian Ocean. Then, in 2005, an earthquake in Pakistan took the lives of tens of thousands of people. "Natural disasters such as these are largely unpredictable and have the power to ruin hundreds of thousands of people's lives in such a short period of time," says Jacqueline Wilson, Director of Governance and Institutional Development at the Commonwealth Secretariat. "Although we are powerless to prevent them, we can ensure that countries are as prepared as possible to cope in the immediate aftermath." The Secretariat has consequently designed a programme to train senior public officials – mainly drawn from disaster management agencies and other relevant institutions from member states – on how to cope effectively in the aftermath of a disaster. Participants will share experiences with each other, explore how new technologies can be implemented to good effect, and examine new and effective methodologies. The training programme will be delivered by the Secretariat and the Singapore Civil Defence Academy, which is part of the Singapore Civil Defence Force. Participants will also learn from Singapore's experiences in disaster preparedness and management. It is jointly sponsored and organised by the Secretariat and

Singapore's Ministry of Foreign Affairs, and will take place between 18 and 29 May 2009. Twenty-five participants from 20 Commonwealth countries will be taking part. As well as providing long-term assistance and training, the Secretariat also places volunteer experts often in response to national disasters. It sent 23 doctors to Maldives after the 2004 tsunami and the following year another 17 doctors to Pakistan in the aftermath of the earthquake.⁷

Kenyan officials to benefit from training on performance management

21st April 2009

Forty senior public service officials will be trained in the principles of performance management in a two-week programme at the Kenya Institute of Administration (KIA) in Nairobi from 19 to 30 April 2009. The course is co-organised by the Commonwealth Secretariat and KIA, and is aimed

at enhancing the capacity of public servants to implement performance management practices to improve service delivery. This includes managing change, achieving targets, evaluating performance, the transfer of skills, the sharing of experiences and case studies. The workshop, financed by the Commonwealth Fund for Technical Co-operation, is timely as countries are being affected by the global financial crisis and as a consequence, governments are forced to operate under dwindling budgetary resources. More and more governments have come under increasing pressure to deliver more services with fewer resources. The implementation of strategies to improve performance and efficiency in the provision of public services despite drastic cuts in public spending will be shared with workshop participants. Jacqueline Wilson, Director of the Secretariat's Governance and Institutional Development Division, which is overseeing the Nairobi workshop, said efforts will be made to increase training in performance management as one way of mitigating the impact of the financial crisis on public service delivery in vulnerable Commonwealth countries, particularly in Africa.

¹<http://www.thecommonwealth.org/news/163081/187488/110209gidd.htm>

²<http://www.thecommonwealth.org/news/163081/187923/250209gambiadecentralisation.htm>

³<http://www.thecommonwealth.org/news/163081/187890/240209pppartnershipsgidd.htm>

⁴<http://www.thecommonwealth.org/news/163081/188418/100309johnwilkins.htm>

⁵<http://www.thecommonwealth.org/news/163081/189489/240309lesothopublicservice.htm>

⁶<http://www.thecommonwealth.org/news/163081/190392/210409humanresourcetraining.htm>

⁷<http://www.thecommonwealth.org/news/163081/190366/210409disastermanagement.htm>

Commonwealth Foundation

The Governance and Democracy Programme is the core of the Commonwealth Foundation's work, accounting for 35% of the programme and grant-making budget. Over the last fifteen years, the Commonwealth Foundation has acquired an expertise in this area from supporting training, capacity building and developmental activities that it has initiated across the Commonwealth. One approach to increasing civil society involvement is creating a platform for civil society organisations to meet, share information, develop a position and facilitate input into meetings such as: the Finance Ministers Meetings, Commonwealth Ministerial Debt Sustainability Forum, Law Ministers Meetings, Foreign Ministers Meetings and Commonwealth Heads of Government Meetings. Other work areas include projects to build the capacity of civil society organisations to advocate on issues such as human rights, accountability and transparency, trade and debt and financing for development.

Civil society organisations to benefit from accountability toolkits

19th February 2009

Over a decade ago, the Commonwealth Foundation produced its seminal work *Non-Governmental Organisations: Guidelines for Good Policy and Practice*. The most striking development since the publication of the Guidelines in 1995 has been the concept of globalisation. Trends towards global and regional economies; the transnational nature of environmental threats; and the potential impacts of information technology; and the war on terror still give cause for concern. In the context of these developments, there is an emerging trend of using legislation to constrain civil society groups, especially in countries with politically challenging environments. The reaction to civil society from government officials has in some cases been confrontational, seeking to limit the voice of citizens by questioning the validity of their organisations and, in some cases, by using regulations and legislation to control their activities. In all of this, the fundamental question of whom NGOs are accountable to is rarely asked. Systems of accountability to funders and international agencies are well established and focus on financial reporting, but there has been less emphasis on demonstrating accountability to other stakeholders. This suggests a reluctance to come to terms with monitoring and evaluation, which have remained vexed issues for many in the sector. Working with One World Trust, the Commonwealth Foundation has been generating wider commitment to the principles and values of accountability among civil

society organisations (CSOs) by researching what the priorities and needs are to help create good governance structures. The initial pilot phase of this work was specifically aimed at Belize, India and Uganda, and Pacific Island countries. The project developed a set of common operating principles for civil society organisations which were designed to help them implement an accountability framework. In Belize and the Pacific, the debate on CSO accountability is only just starting in the region, making our work there ground-breaking. As well as identifying common principles of accountability, the project generated ownership and commitment to them. To do this successfully we engaged as many organisations as possible in different countries using a variety of means including online discussion forums, in-country consultations, and telephone interviews. The outputs of work on this phase is the creation of four toolkits, similar in structure but addressing country-specific issues and case studies that will enable civil society organisations to improve their governance and accountability structures. The toolkits are all-encompassing; a series of self-assessment forms across all areas of governance allows an organisation to map where it feels it is now, while exercises and activities assist the organisation to determine how it can improve. The toolkits will be relevant for all aspects of organisational governance, from financial management to human resources and conflicts of interest.¹

Impacts of the global financial crisis on the developing world

21st April 2009

The Centre of Concern, in collaboration with the Commonwealth Foundation has organised a consultation between civil society and Commonwealth Finance Ministers in Washington to address the impacts of the global financial crisis on the developing world. The consultation will take place on 24 April 2009 at the Marvin Centre, George Washington University, Washington DC. It will assess the role that financial structures have played in the unfolding of the financial crisis in African countries, and propose reforms and policy alternatives. Following a period of economic boom, the financial bubble, global in scope, has now burst. The extent of this problem has been so severe that some of the world's largest financial institutions have collapsed while many of the world's most robust economies are in recession. Developing countries are now feeling the effects, with Africa facing even more dramatic consequences than elsewhere. As the financial crisis continues to unfold, events are making it painfully clear that trade factors are central to the impact of the crisis in the developing world. Exports of natural resources account for more than 70 per cent of export revenue in African countries. "Civil Society has indicated to the Commonwealth Foundation that an integrated approach to finance and trade is crucial to containing the potentially devastating effects of the crisis on developing countries," says Seth Lartey, Programme Manager. However, the trade aspects of the crisis seem to be lost in official responses. Aldo Caliari, Director of Rethinking Bretton Woods Project, Centre of Concern raises this as a worrying issue. "When the Group of 20 met recently and talked about trade, it seemed obsessed with preserving market access. But market access is irrelevant when there are no markets. What the G20 should be discussing is why developing countries are so affected by trade in this crisis, and why they were not able to benefit with the historical trade boom of the last few years." The meeting, supported by the Ford Foundation and the Swedish Ministry of Foreign Affairs, will address such questions.²

Developing an integrated approach to finance and trade

22nd April 2009

In November 2008, leaders of the G20 countries gathered at an economic summit in Washington DC to launch a process to implement reforms of the international financial system. The meeting pledged co-ordinated action to tackle the downturn. With so much attention focused on the response of the financial crisis, it would be easy to assume trade issues will take a backseat to financial ones. Trade factors are central to the impact of the financial crisis on a large number of developing countries. The effects of the crisis can be seen through plummeting exports, as well as decline in export-driven investment, gross national product (GNP) and industrial production. More evidence can be seen in falling commodity prices, exchange rate fluctuation, and trade finance. The result is rising unemployment and poverty. These impacts will hit home hardest in Africa and with more dramatic consequences than anywhere else in the developing world. This presents a threat to any progress made to reduce the high levels of poverty and to the achievement of the millennium development goals. An estimated 2 billion people, nearly one-third of the global population, depend on the production of primary commodities like rice, cotton, and copper. At the family level, farmers and workers rely on commodity production for the cash incomes they use to pay for food, school fees and health care. At the national level, 95 of 141 developing countries derive at least half their foreign exchange earnings for commodity exports[i]. Between 26 January and 13 February 2009, the UN Non-Governmental Liaison Service coordinated a process for civil society inputs into the Commission of Experts on Reforms of the International Monetary and Financial System, chaired by Joseph Stiglitz. The International Working Group on Trade-Finance Linkages-Steering Committee submitted an input. In its opening lines, the submission argues that:

"Trade is the main channel by which the financial crisis is making its impacts felt on the real economies of developing countries. No country can succeed in using trade to develop or reduce poverty without supportive internal and external financial structures. The fast dissemination of the crisis shows that the fate of developing countries in the trade system does not lie so much in the achievement of enhanced market access as on meaningful reforms to the international financial architecture in which context such trade is conducted. Therefore the trade dimensions and impacts of financial reforms should be factored into

any proposed reforms of the global financial system^[ii]".

The Commonwealth Foundation believes that the connection between trade and finance has to be acknowledged. Once the connection is made, economic policies formed to aid development and reduce poverty, are more likely to have better results. To address these concerns, the Commonwealth Foundation and the Centre of Concern have organised a consultation between civil society and Commonwealth Finance Ministers in Washington DC. Supported by the Ford Foundation and the Swedish Ministry of Foreign Affairs, the meeting will take place at George Washington University on 24 April 2009. Chaired by the Cameroon Minister Delegate for Finance, Hon Pierre Titti, participants will be drawn from national, regional, and sub-regional African civil society organisations. They represent organisations actively working on debt, trade, and finance issues. The World Bank, International Monetary Fund, Action Aid and Oxfam will also be in attendance. Their views, together with the perspectives from

their networks, will inform the discussion and help delegates explore issues that are linked to both trade and finance. The consultation will result in a report with recommendations for government and intergovernmental stakeholders.³

[i] O Brown, J Gibson, A Crawford: *Boom or Bust - How Commodity Price Volatility Impedes Poverty Reduction, and What to do about it*, International Institute for Sustainable Development, 2008.

[ii] The full submission by the International Working Group-Steering Committee is available at <http://www.coc.org/node/6349>

¹<http://www.commonwealthfoundation.com/news/news/detail.cfm?id=501>

²<http://www.commonwealthfoundation.com/news/news/detail.cfm?id=520>

³<http://www.commonwealthfoundation.com/news/news/detail.cfm?id=522>

World Bank

A well functioning public sector that delivers quality public services and fosters private market-led growth, while managing its fiscal resources in a prudent manner is critical to the World Bank's mission to alleviate poverty and help achieve the Millennium Development Goals (MDGs). The World Bank aims to achieve these goals by guidance and lessons. These are seeking to improve governance on all levels, intergovernmental fiscal relations and public finance management.

Improving governance for development

5th March 2009

Speaking at the Lee Kuan Yew School of Public Policy in Singapore last week on the topic of *Improving Governance for Development: New Frontiers in Reform and Remaining Challenges*, World Bank Institute (WBI) Vice President Sanjay Pradhan said that *"this is an area where it would be very useful to learn lessons from East Asia—from Singapore and others—because there are a lot of innovations here."* Pradhan broke down the complexity of the topic at hand by looking at it from both the supply and demand perspective; i.e., whether state institutions have the capacities and organizational arrangements, such as strong leadership, skills, and financial management systems, to deliver public goods and services; and the capacities of non-state institutions and accountability arrangements, such as elections, the media, and civil society organizations (CSOs), that enable citizens and firms to hold state institutions to account. The World Bank approaches governance by first identifying the key problems through cutting-edge diagnostics. *"These diagnostics help to hone in on where the problem specifically lies and what you can do about it."* Pradhan gave the example of how diagnostics helped to tackle corruption in public funding of education in Uganda. The problem was identified by measuring the gap between money allocated to schools and the money actually received by schools. In 1995, 75% of these funds were leaked between allocation and receipt. A public information campaign in 1999 helped to bring the leakage down to less than 10% by publicizing the allocation figures so that schools and the public knew how much money was to be expected. In terms of reforms, Pradhan says that there has been

a lot of progress in management of public budgets, now that we see a shift in focus from input control to accountability for results. Across-the-board administrative and civil service reform, has, however, been less successful. *"We are finding we need to be much more modest, much more targeted,"* said Pradhan, citing the examples of countries such as Peru and Ghana, which, not having the administrative capability to implement comprehensive reforms of all institutions, which have taken a "strategic enclave" approach—reforming key functions and agencies selectively. Pradhan also spoke about the challenge of public procurement and the headway being made in tackling that. With the pilfering of drugs purchased to treat HIV/AIDS, for example, Pradhan said that it's important to look at vulnerabilities in all areas of the supply chain and unpack it. If the problem is at the manufacturing stage with the production of sub-standard drugs, this can be tackled through random inspections. At the distribution stage, warehouse theft can be tackled with tracking and third party monitoring systems. *"Even in an area like drugs, there's a system you can use to tackle it."* Civil society, the media, and the private sector play a very important role in providing the demand-side pressures in holding public institutions to account, and these pressures need to be strengthened, says Pradhan. Pradhan cited the example of a CSO in Bangalore that surveys citizens on the bribes that they pay for services from public agencies, and then publishes the results. Over 9 years, this incentive for improved service delivery resulted in much greater public satisfaction with the agencies. Similarly, media in the Philippines published "lifestyle reports" on public officials, providing details on their properties, vehicles, and other assets; resulting in the resignation and suspension of public officials, and charges being brought against them. On the role of the private sector, Pradhan said that *"companies today...are signaling*

that they know consumers care about the environment, about these issues, and they are certifying themselves as having good business ethics and capturing market share as a result." The Extractive Industries Transparency Initiative is one way that the private sector is helping to promote good governance; by publically declaring the royalties paid to the government. These figures are then verified by CSOs. WBI is a key World Bank instrument for developing individual, organizational, and institutional capacity through the exchange of knowledge among developing countries. It designs and delivers learning programs that create opportunities for development stakeholders to acquire, share, and apply global and local knowledge and experiences. WBI works with policymakers, civil servants, technical experts, business and community leaders, parliamentarians, civil society stakeholders, as well as other learning institutions such as universities and local training institutes to foster the analytical, technical, and networking skills that support effective socioeconomic programs and public policy formulation.¹

Building Legitimacy of Government is Key to Security in Afghanistan, says World Bank Managing Director

31st March 2009

Building the legitimacy, capacity, and credibility of the state is vital to foster peace and development in Afghanistan and needs to top the agenda of the international community, said World Bank Managing Director Ngozi Okonjo-Iweala, speaking today at the International Conference on Afghanistan in The Hague, Netherlands.

Okonjo-Iweala said the gap between the expectations of the Afghan people and the ability of their government to deliver services is widening rather than narrowing. "Legitimacy needs to be earned by delivering basic services to citizens," Okonjo-Iweala told the conference. "The first priority among basic services is security – so that people can begin to live something closer to a normal life.

But security needs to go hand in hand with development and tangible improvement in the livelihoods of all Afghans. There have been remarkable successes in delivering public services in Afghanistan. They need to be built upon and scaled up." Afghanistan's leadership had a vision for national programs from the start, for providing basic health services, education, rural infrastructure, and microfinance, said Okonjo-Iweala. She pointed to the doubling of functioning health care facilities, the decline in infant mortality, and the six-fold increase of children in school, now numbering 6 million, 35 percent of them girls.

She also made an urgent call for more funding to the National Solidarity Program (NSP), a World Bank supported community-led reconstruction and rural infrastructure initiative which has reached over 22,000 villages – about 68 percent of the rural population. "Annual expenditures for NSP are now around \$90 million a year. We could scale up to \$300 million a year if funding were available," she said. "Remaining steadfast on NSP and other national programs such as education and health would allow Afghan communities to feel that, year in and year out, their government is meeting their needs, in other words becoming a legitimate State." The international community was challenged to renew its focus on improving the effectiveness with which aid is utilized in Afghanistan and Okonjo-Iweala urged support for sound national programs, with donors working through rather than around government and pooling resources. She cited the Afghanistan Reconstruction Trust Fund (ARTF) as a good example of a more harmonized donor approach and regretted the fact that two-thirds of international development assistance still bypasses the government's budget. Because security crosses borders, it is also imperative that the security-development nexus be also examined in a regional context, Okonjo-Iweala said. The scope for investments in regional transport, energy, and water resource management is extraordinary, Afghanistan being at a historical geographic crossroads. This is where the World Bank and other development partners are active, she said. For example, the World Bank is helping with border management, customs and trade and transit treaties with neighbouring countries, especially Pakistan.²

¹<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22092084~menuPK:51062077~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

²<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22123267~menuPK:51062077~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

Organisation for Economic Co-operation and Development

OECD brings together the governments of countries committed to democracy and the market economy from around the world to: Support sustainable economic growth; Boost employment; Raise living standards; Maintain financial stability; Assist other countries' economic development; Contribute to growth in world trade; The Organisation provides a setting where governments compare policy experiences, seek answers to common problems, identify good practice and coordinate domestic and international policies.

Chile should create more and better jobs to cut poverty and inequality, says OECD

6th April 2009

Chile should invest more in employment and active social policies in order to reduce its high levels of income inequality and poverty, according to a new OECD report. OECD Review of Labour Market and Social Policies – Chile, says that the country's strong economic growth of the past two decades has helped cut poverty - from 39% of the population in 1990 to less than 14% in 2006. Standards of housing, education and health have also risen. But income inequality remains higher than in OECD countries: The richest 10 % of the population have incomes which are 29 times higher than the incomes of the poorest 10%, compared with an OECD average which is 9 times higher. More effective social policies are needed to spread the benefits of growth more evenly and reduce inequality, the report says. Labour market reforms to create more and better jobs are vital. Quick action would also help reduce the impact of the global downturn on the Chilean economy, with

vulnerable workers facing a much higher risk of unemployment and more low income households at risk of drifting into poverty. Young people and women in particular have difficulties finding work. Informal employment is less widespread than elsewhere in Latin America, but still high by OECD country standards. Many of the jobs created recently have also been in low-paid, low-productivity services. The innovative approach to social policy has been successful in reducing extreme poverty but it does too little to help poor people get into employment and it will face a hard test now with a looming slowdown in growth. The time has now come to invest more in tackling poverty among the working-age poor, through activation, in-work benefits and greater child-care support, the report says. Public spending on childcare and pre-school education is low, at about 0.1% of GDP in 2007 compared with an OECD average of 0.25%. Increasing childcare support would make it easier for more women to work. The in-work benefits scheme should be linked with childcare supports, for example, by paying out more for childcare where both adults work for more than 30 hours per week.¹

¹http://www.oecd.org/document/49/0,3343,en_2649_33933_42514801_1_1_1_37405,00.html

Foreign and Commonwealth Office

Joint declaration between the UK and Mexico

30th March 2009

Mexico and the United Kingdom will co-operate on international institutional reform, including the UN, the international environmental regime, and global economic governance. Both countries are facing an economic slowdown as a result of the global financial crisis. The FCO commits to a continued effort to ensure a swift and strong recovery, stimulating our economies in the most effective ways possible in co-ordination with other key economies across the globe. Restoring access to credit markets and ensuring appropriate flows of private capital, particularly towards emerging and developing countries, will be essential for economic recovery worldwide. In this sense, it is important that International and Regional Financial Institutions, such as the Inter American Development Bank (IADB), devise and implement innovative mechanisms to increase significantly their lending capacity in the short term, and to enlarge their capital base in the medium term. In order to avoid similar crises in the future, Mexico and the UK commit to promote a more effective oversight and governance of the global financial system, as well as transparency and responsibility in financial markets. The two countries will also strongly support the reform of the IMF and other multilateral and regional financial institutions to render them more representative

and better resourced to prevent or confront crises. As a basic principle for reform, they underscore the importance of strengthening the participation of developing countries in international financial and regulatory institutions. The Leaders of Mexico and the United Kingdom reaffirm their commitment to continue strengthening the dialogue between the G8 and the G5. A commitment to developing an International Energy Forum was also established in the declaration, and existing joint commitments to address the challenges of climate change, develop strategic partnerships and economic links were also reaffirmed.¹

Overseas territories parliamentary debate

23rd April 2009

Foreign Office Minister Gillian Merron took part in a parliamentary debate on the governance of the UK's overseas territories on Thursday 23 April. The debate took place in response to the release of the latest overseas territories report. MP's discussed a wide range of security and governance issues affecting the 14 British overseas territories including the Falkland Islands, Bermuda, Gibraltar, the Cayman Islands, the British Virgin Islands, the Turks and Caicos Islands and the Pitcairn Islands. During the debate Gillian Merron said: 'The Government are committed to working closely with the overseas territories to ensure security and good governance. I thank right hon. and hon. Members who are here today. I thank members of the Foreign Affairs Committee for their continued interest in and support of the territories, and I look forward to continuing our work in this regard.'²

¹<http://www.fco.gov.uk/en/newsroom/latest-news/?view=Speech&id=15954899>

² <http://www.fco.gov.uk/en/newsroom/latest-news/?view=News&id=16823194>

UNDP Democratic Governance Practice

UNDP advocates and supports dialogue that contributes to democratic governance. More precisely, UNDP contributes to activities to enhance the national debate on responsive governance and democratization, including in post-crisis and transitional countries. In addition these activities lead to the consensual formulation of broad-based national governance programs. Democratic policy reform has emerged as a major focus of UNDP interventions in democratic governance. The comparative strength of UNDP in this area derives from the convening role and neutrality of the organization and a strong tradition of active support, now backed up by a dynamic community of practice.

Europe's new democracies poised to weather global economic slump

25th March 2009

In a challenge to the sceptics, Jan Zielonka of Oxford University argues in the new issue of *Development and Transition* that emerging democracies in Central and Eastern Europe will survive the global economic slump intact. 'The economic slowdown in Central and Eastern European countries will be deep, but this newly democratized region has ample recent experience of reform and adjustment which might actually make it better positioned to withstand political crises', says Zielonka in the lead article. *Development and Transition* is a joint publication of UNDP and the London School of Economics that focuses on Central and Eastern Europe and the Commonwealth of Independent States (CIS). The April issue is devoted to 'Reform of the State' and features eight articles by UNDP authors and a number of contributions by outside scholars and experts. The publication is being presented today at a major forum in Athens on democracy and development hosted by the National Bank of Greece. Keynote speakers from the Greek side include Prokopios Pavlopoulos, Minister of the Interior, and Yiannis Papathanassiou, Minister of Economy. Representing UNDP is Kori Udovički, UN Assistant Secretary-General, and Geraldine Fraser-Moleketi, UNDP's newly appointed Democratic Governance Practice Director. The newsletter argues that governance failures lie at the heart of the global economic crisis. Despite current ad hoc efforts to increase the state's role in the economy,

governance models that would address both the failings of state reform and the needs of the bottom billion have yet to emerge. 'These issues are particularly pressing in the middle-income countries of Europe and Central Asia, where governance reforms are recognized as the solutions to problems of development, transition, and democracy', write James Hughes of the London School of Economics and Ben Slay of UNDP in the editorial note. Tony Verheijen of the World Bank writes that the economic crisis could open windows of opportunity for state reforms across the region. 'The latter part of this decade could ... create the circumstances needed for a key breakthrough in reforming administrative governance systems, which is long overdue', he argues. The newsletter also describes a dramatic governance success story. An article co-authored by Salim Muslumov, Chairman of Azerbaijan's State Pension Fund, shows how e-governance instruments have helped modernize Azerbaijan's pension system. Millions of Azerbaijani retirees today receive their monthly pensions via cash points, and incidence of pension fraud and clerical errors have been sharply reduced.¹

UNDP supports elections in Haiti

21st April 2009

Haiti held its first round of national elections on April 19th. More than 4.1 million Haitians were eligible to vote for one third of the Senate – to appoint 12 senators out of 79 candidates. Given the history of previous elections, Haitians and the international community were pleased that the elections

proceeded smoothly, with very little violence. But they were disappointed at the low level of participation, between five to ten percent in most regions, reaching up to 20 percent in a only a few. The total national numbers are still not available.

Working closely with Haitian authorities, the United Nation Peacekeepers guarded more than 9,000 polling stations and secured the transportation of ballot boxes from voting centres back to Port-au-Prince.

Being the poorest country in the Western Hemisphere – with 78 percent of the people living

on less than US\$ 2 per day and more than half living on less than \$1 per day – UNDP and partners work with the Haitian government to put the country on track for long-term development. During this first round of elections, UNDP supported the national institution in the planning process, providing the ballots and helping with the organization.²

¹<http://content.undp.org/go/newsroom/2009/march/europes-new-democracies-poised--to-weather-global-economic-slump.en?categoryID=349424&lang=en>

²<http://content.undp.org/go/newsroom/2009/april/undp-supports-elections-in-haiti.en?categoryID=349424&lang=en>