

OECD Public Governance Reviews

# Better Service Delivery for Inclusive Growth in the Dominican Republic





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**Please cite this publication as:**

OECD (2017), *Better Service Delivery for Inclusive Growth in the Dominican Republic*, OECD Public Governance Reviews, OECD Publishing, Paris.  
<http://dx.doi.org/10.1787/9789264264144-en>

ISBN 978-92-64-26413-7 (print)  
ISBN 978-92-64-26414-4 (PDF)

Series: OECD Public Governance Reviews  
ISSN 2219-0406 (print)  
ISSN 2219-0414 (online)

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## *Foreword*

Governments across OECD countries and beyond are constantly innovating in the provision of public services, by improving the effectiveness of policy design and the efficiency of delivery, and by partnering and working directly with citizens. These continuous efforts are necessary to meet growing citizen expectations and to ensure access to services for all - regardless of income levels, location and other social and economic factors – as a key lever to achieve more inclusive growth.

This OECD Public Governance Review, focused on service delivery, offers the opportunity to apply the concepts and tools of public governance at an operational level, and with immediate implications for the government-citizen relationship. The inclusion of multidisciplinary good practices, collected through OECD work on public sector management, digital government, innovation and administrative simplification, allows a comprehensive but integrated assessment of the use of public policy levers for optimising service design and delivery. By covering aspects relating to both the competence of government in terms of the quality, timeliness and effectiveness of public services, and to the principles governing the provision of services, including engagement, accountability or inclusiveness, public service delivery focused reviews can help identify policy drivers that maximise access, coverage and quality of public services, while strengthening beneficiaries and communities.

This review focuses on improving access to quality and timely services for citizens as a means to facilitate inclusive growth in the Dominican Republic. Despite its macroeconomic performance in the last decade, poverty and levels of inequality remain high in the Dominican Republic. At the same time, citizens report limited satisfaction with the quality of and access to services in the country, often reflected in less than optimal outcomes in areas such as health, transport or education.

The review identifies several avenues for improving the quality of and access to public services. For example, the institutional underpinnings of public service delivery need to be strengthened and clarified to reduce overlap in responsibilities and bolster weak co-ordination mechanisms, particularly in the social sector. In addition, previous reform efforts need to be fully implemented. A comprehensive administrative simplification strategy is also needed, including high-impact procedures affecting both businesses and citizens. Digital government can help improve the access, quality and inclusiveness of public services. However, its governance needs to be clarified and strengthened. Particular efforts need to be made to identify and develop key enablers, improve service design and make more strategic use of data and alternative delivery channels. Finally, a more structured approach to public sector innovation, including adequate resources, leadership and support, could also drive better service outcomes.

The review is based on evidence provided by the government of the Dominican Republic, including documented responses to a project specific OECD questionnaire and

discussions with government and non-government stakeholders during OECD missions carried out in the second half of 2015. In addition, the OECD analysis drew upon the expertise of peers from OECD member governments, including Portugal, Mexico, Chile and Colombia, along with comparative experience and lessons learned from different OECD members and non-OECD member countries. The review builds on the work conducted by the OECD Regulatory Policy Committee (RPC) and the Working Party of Senior Digital Government Officials, under the leadership of the OECD Public Governance Committee and the organisation-wide Inclusive Growth Project.

## ACKNOWLEDGEMENTS

This review was led and co-ordinated by Paloma Baena Olabe, who also provided overall editorial guidance and oversight. Martin Pospisil drafted Chapter 1 on the context of service delivery in the Dominican Republic. Paloma Baena Olabe and Miguel Ceara Asuad drafted Chapter 2 on the governance of service delivery. Guillermo Morales drafted Chapter 3 on administrative simplification. Rodrigo Mejia Ricart drafted Chapter 4 on digital government and Chapter 5 on public sector innovation. Paloma Baena Olabe provided guidance on the context of service delivery, Barbara Ubaldi on digital government, Marco Daglio on public innovation, and Daniel Trnka on regulatory policy.

The review was conducted under the general guidance of Rolf Alter, Director, Public Governance and Territorial Development Directorate; Luiz de Mello, Deputy Director; and Edwin Lau, Head of Division, Public Sector Reform, who provided substantive comments and contributions. We wish to thank Nelson Amaya for his important support and inputs.

This review also benefited from contributions from the following peer reviewers:

- Chile: Mr. Gabriel González Florín, Head of Programme Management Division of Interministerial Co-ordination, Ministry General Secretariat of the Presidency.
- Portugal: Ms. Claudia Gonçalves Barroso, Head of the International Relations Unit, Agency for the Administrative Modernisation (AMA); Mr. João Ricardo Vasconcelos, Projects and Innovation Unit, AMA.
- Mexico: Ms. Yolanda Martínez Mancilla, Head of Unit for Digital Government, Ministry of Public Administration; Mr. Alejandro Ramírez Pérez, Chair of the Digital Government Unit at the National Digital Strategy, Ministry of Public Administration.
- Colombia: Mr. Camilo Rivera Perez, Director Deputy of Industrial and Commercial Policy, National Planning Department.

The review team wishes to acknowledge the collaboration and contribution of their interlocutors in the Ministry of Public Administration (MAP) of the Dominican Republic, in particular, Manuel Ramón Ventura Camejo, Minister; and Evelyn Roman, Responsible for International Relations.

Special thanks go to OECD colleagues Susan Rantalainen, Lynda Hawe, Andrea Uhrhammer and Kate Lancaster for their help in preparing the report for publication. We also wish to thank Liz Zachary for her editing support.





## The Dominican Republic: Country profile

The Dominican Republic is divided into 31 provinces and the “Distrito Nacional”, where the capital, Santo Domingo, is situated. The provinces are political and administrative units that facilitate delegation of the authority of the central government at intermediate level. Every province has a civil governor, who is appointed by and represents the central executive power. Each province is composed of two or more municipalities which in turn function as political and administrative units.

**Map of the Dominican Republic**



Source: ONE. Retrieved from <http://www.one.gob.do/SEN/277/division-politica-administrativa>.

### The Dominican Republic: Key figures

Population, 2015	10.6 million
Land area (sq. km)	48,670
GDP (current US\$), 2014	63.9
GDP per capita, PPP (current international \$), 2014	13,262
GDP growth (annual %), 2014	7.3
Member of the OECD	No
State structure	Unitary
System of executive power	Presidential
Head of state	President
Head of government	President
Number of ministers at the central level of government (2013)	19
Poverty headcount ratio at national poverty lines (% of population), 2014	36%
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population), 2013	2.3%
Income share held by lowest 10%, 2013	1.9%
Fertility rate, total (births per woman)	2.5
School enrolment, primary (% gross), 2012 <sup>1</sup>	102.6
School enrolment, secondary (% gross)	75.9
Improved water source (% of population with access), 2015	84.7
Improved sanitation facilities (% of population with access), 2015	84
Mobile cellular subscriptions (per 100 people), 2014	78.9
Internet users (per 100 people)	49.6
Life expectancy at birth, total (years), 2013	73.5 years
The general government debt (% of GDP), 2014	34.5%
Government revenues (% of GDP), 2014	15.1%
Tax revenues as a share of GDP, 2014	14.1%
General government expenditures as a percentage of GDP, 2014	17.7%

*Note:* The gross enrolment ratio can be greater than 100% as a result of grade repetition and entry at ages younger or older than the typical age at that grade level.

*Source:* World Bank (2015), *World Development Indicators* (database), <http://data.worldbank.org/data-catalog/world-development-indicators> (accessed 5 December 2015); OECD (2014b) *Government At A Glance: Latin America And The Caribbean*. United Nations Statistics Division, <http://unstats.un.org/unsd/mographic/products/indwm/default.htm>.

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## Acronyms and abbreviations

ADESS	Administrator for Social Subsidies
CAF	Common Assessment Framework
CCs	Citizen Charters
CCT	Conditional Cash Transfers
CoG	Centre of government
CRC	Citizen Report Cards
CSC	Community Score Cards
CSOs	Civil Society Organisations
CNSIC	National Commission for the Information and Knowledge Society
DIGEPEP	General Direction of Special Programmes
DGII	General Direction of Internal Revenue of the Dominican Republic
DW	Deutsche Welle
ENHOGAR	Multi-Purpose National Household Survey
ENIGH	Income and Expenditure of Households National Survey
FDI	Foreign direct investment
FEDOMU	Dominican Federation of Municipalities
GDP	Gross Domestic Product
ICT	Information and Communication Technologies
IDEC	Dominican Initiative for the Quality of Education
IEC	International Electrotechnical Commission
IMF	International Monetary Fund
IMSS	Instituto Mexicano de los Seguros Sociales
IPAC	Anticorruption Participatory Initiative
IPDU	Institutional Planning and Development Units
ISO	International Standardisation Organisation
KNI	Key National Indicators
LAC	Latin-American and Caribbean
MAP	Ministry of Public Administration of the Dominican Republic
MEPYD	Ministry of Education, Planning and Development of the Dominican Republic
MTEF	Medium-Term Expenditure Framework
NDS	National Development Strategy
NIB	Unsatisfied Basic Needs
OECD	Organisation of Economic Co-operation and Development
OGD	Open government data
ONAP	National Administration and Personal Office of the Dominican Republic
ONAPLAN	National Planning Office of the Dominican Republic
ONAPRES	National Budget Office of the Dominican Republic

ONE	National Statistical Office of the Dominican Republic
OPTIC	Office of the President for Information and Communication Technologies
PASCAL	Programa de apoyo a la Sociedad Civil y Autoridades Locales
PL	Poverty Line
PNPSP	Multi-Year National Plan of the Public Sector
PPPs	Public-private partnerships
PROSOLI	Progresando con Solidaridad
R&D	Research and development
SIGEF	Financial Management Integrated System
SIGOB	Governance Management System
SIUBEN	Single Beneficiary Selection System
SNIP	National System of Public Investment
SWOT	Strength, Weaknesses Opportunities and Threats analysis
UNCTAD	United Nations Conference on Trade and Development
UNECE	United Nations Economic Commission for Europe
USD	United States dollar
WDI	World Development Indicators
WB	World Bank
WTO	World Trade Organization

## Executive summary

Despite experiencing sustained macroeconomic growth for many years, levels of poverty and inequality remain high in the Dominican Republic. Promoting inclusive growth is therefore a priority for the government, as reflected in its key document, the National Development Strategy.

Access to quality services, such as social programmes, healthcare or education, provides citizens with a means to connect with social and economic networks and access opportunities. As part of its vision for inclusive growth, the Dominican Republic is working to improve the quality of and access to services for all citizens, regardless of income levels, location or other social and economic determinants.

The country faces several challenges as it seeks to achieve this goal. Overall, citizens report limited satisfaction with public services in the country, often reflected in less-than-optimal service outcomes. Demographic dynamics are also important: high population growth, coupled with an accelerated pace of urbanisation and a large share of minorities living in poverty, place increasing demands on services in a context of limited fiscal space. Relatively low government revenues and low tax morale constrain the available resources for the government to improve public services.

Despite a strong drive for reform, there is a need to strengthen institutional co-ordination and efficiency as the foundation for effective service delivery. The combined underpinning of the public sector by a stronger, more coherent institutional foundation, administrative simplification, digital transformation and innovation will be crucial as the Dominican Republic continues to try to meet these challenges.

Numerous institutional reforms undertaken over the past 50 years have led to a whole-of-government vision-setting and planning mechanism, supported by a network of rules that help improve co-ordination and decision making. However, the full potential of these reforms remains to be realised. First, operationalisation is lacking, as key regulations are not yet enacted. Second, overlapping mandates and weak co-ordination undermine the effectiveness of the institutional setting, particularly in the social sector. Third, the lack of integration of existing information systems, including those that collect user feedback and experience, inhibits the use of information for better targeting and tailoring services and monitoring outcomes. Similarly, evaluation mechanisms are not yet fully integrated into decision making, in part due to a weak accountability system.

To strengthen the institutional foundation of service delivery, the government of the Dominican Republic should focus on rationalising its administrative structure in order to minimise duplication, strengthen whole-of-government co-ordination, pursue the integration and shared use of information systems, and focus on capacity building at the institutional and municipal level for planning and evaluation. The Ministry of Public Administration (MAP) could play a key role in leading this transformation.

Administrative simplification, as an initial component of a broader regulatory policy strategy, should play an important role in implementing accessible and fit-for-purpose

regulations that help improve service delivery. Despite initial steps such as the implementation of one-stop shops, centralised registries or the service charters programme, the Dominican Republic currently lacks a comprehensive simplification strategy. As a result, initiatives have been hindered by a lack of co-ordination and direction, while administrative burdens and formalities have grown, both in number and complexity. In addition, most initiatives have been predominantly business-oriented, and there is a need to complement these efforts with those focused on facilitating access to and the efficiency of public services for citizens.

The Dominican Republic should expand and broaden existing initiatives by first assessing existing burdens, and then targeting priorities in a coherent public service simplification strategy, including explicit accountability targets. This should be complemented by institutions that can engage with stakeholders, particularly subnational governments, and provide them with guidance and capacity-building support. Overall, the focus on simplification could lay a foundation for an explicit, whole-of-government regulatory policy.

Digital government has been an important area of focus for successive governments in the Dominican Republic. A robust regulatory framework for digital government, together with technical standards, guidelines and supporting institutions (including the Presidential Office for ICT), have been established. Despite these efforts, there is a pressing need to adopt a strategic approach toward using digital technologies to improve efficiency, service delivery and policy making.

In particular, there is a gap between existing regulations and implementation. Public institutions are often not aware of existing policies, and co-ordination institutions lack the tools to pursue whole-of-government implementation. Clarifying and reinforcing the overall governance and co-ordination framework for digital government will be essential for making existing regulations, tools and mechanisms fully effective. Laying the necessary groundwork for digital service delivery, including digital signatures, mobile technology and a common digital identity for service users, together with a more participatory approach to service delivery, including through alternative channels, will help support more inclusive and effective service outcomes. In the future, the government should pursue a more robust data governance system, including interoperable public sector information systems. This, along with the use of open government data to support user-driven service delivery, will enhance public value creation.

Finally, innovation within the public sector can lead to better service delivery. Technological and operational innovations can help improve not only the quality of services, but also the trust among citizens, business and public institutions. With the right capacities and resources, the Vice Ministry of Innovation and Modernisation within MAP has a leading role to play in the whole-of-government orientation towards innovation.

Together with strengthening the capacity of executive institutions, other improvements are necessary to create an environment conducive to public sector innovation in the Dominican Republic. In particular, the organisation and workflow across the public sector could be improved to make innovation a part of daily operations. Similarly, there is a need to improve the flow and use of data across institutions. Underlying these efforts, there remains a need to improve the strategic management of human resources, moving towards a merit- and performance-based bureaucracy. MAP can play a key role in helping to strike the right balance between the need for stability and control of public sector activities, and the necessary room for civil servants to innovate.

## Assessment and recommendations

### Overview

In line with the four strategic objectives, each with multiple objectives, of the National Development Strategy for 2010-2030 to: 1) foster a society where equality of opportunity and access to essential services fosters inclusive growth; and 2) create an efficient, transparent, and results oriented public administration that delivers for its citizens, this OECD Review focuses on improving access to quality and timely services for citizens as a means to facilitating inclusive growth in the Dominican Republic.

In particular, the review undertakes an assessment of, and provides recommendations on: 1) the governance framework that guides the provision of services, from planning to co-ordination and results assessment; and 2) a number of key policy levers for better service delivery, including digital government, public innovation and administrative simplification policies, with attention to their interactions and potential for co-ordination.

### A decade of sustained macroeconomic growth, but challenges to inequalities remain

In the past two decades, the Dominican Republic has experienced strong macroeconomic growth, outperforming most countries in the Latin American and Caribbean (LAC) region. Between 1992 and 2014, the country's growth rate averaged 5.5%, while the average regional growth rate was 3.1%.

Despite this good performance, the Dominican Republic still faces a number of policy challenges to help more people across society benefit from improved macroeconomic conditions. The sustained period of growth has not led to a proportional decline in poverty levels: it is estimated that over three million people live in poverty, and that poverty has a strong rural dimension, with poor people constituting about half of the population in rural areas. Furthermore, income share held by the lowest 10% of the population remains relatively low (1.9 %), and has remained stable at this level for more than a decade. Between 2000 and 2011, just under 2% of the population moved up in the income ranks, in contrast with an average of 41% in the Latin American region (World Bank Group, 2014a).

In this context, facilitating access to efficient, quality public services, as a way of connecting people with opportunity, emerges as a key priority for the Dominican Republic. Successive governments have focused efforts on protecting the most vulnerable populations through special programmes and increased social protection. The coverage of social safety nets has been expanded, and fiscal transfers for education and health have become better targeted. These efforts, however, have had mixed results.

Despite an increase in health sector coverage, there remain issues related to the quality of the service and overall poor service outcomes. Life expectancy is below the regional average, while the maternal mortality rate, at 40%, is above the regional average (MEPYD, 2014). Satisfaction with public health services remains generally low.

According to the *Latinobarómetro* (2015), 47.9% of Dominicans declare not being satisfied with public hospitals, whereas in OECD countries, 71% of citizens declare satisfaction with their healthcare system (OECD, 2015).

Coverage has also increased in the education sector. Since 2015, the sector has benefited from a significant increase in funding, as a result of a social movement that demanded the allocation of 4% of GDP towards education. However, challenges remain. For example, according to the Second Regional Comparative and Explanatory Study (ORELAC/UNESCO 2008), 48% of third-grade students from the Dominican Republic have a reading ability below third-grade level, a percentage significantly higher than the regional average of 33%.

## **Improving access and quality of public services are key for inclusive growth in the Dominican Republic**

Inclusive growth cannot be achieved without a well-functioning service delivery system. While income is important, employment, health, and education outcomes are also factors driving inequalities, and are crucially dependent upon the delivery of accessible and responsive public services. Access to services is, therefore, essential for achieving higher-paid jobs, better living standards and longer, more fulfilling, lives (OECD, 2016a).

Evidence from the literature and work carried out by the OECD suggest that improving service delivery can not only improve satisfaction with public services, but may also lead to higher citizen trust in government. At the same time, trust in government as the provider of essential services plays an important role in achieving key policy outcomes that matter for the well-being of citizens and inclusive growth. Distrust in government services, for instance in the health sector, can steer citizens' existing health information, policies and services, which can negatively affect their health outcomes.

Several context-specific factors affect the delivery of public services in the Dominican Republic. First, citizens repeatedly report limited satisfaction with the quality and access to services in the country, often reflected in less than optimal outcomes. Second, current population and demographic dynamics, such as high growth of population, a rapid urbanisation pace and a large share of minorities living in poverty, increase the demand for services. Third, relatively low government revenues, combined with limited tax morale, constrain the available resources for the government to improve public services. Finally, despite a strong drive for government reform, the lack of enacting regulation, and the difficulties for sectorial institutions to adapt to the new institutional framework, undermine the efficiency of service delivery.

## **The policy drivers that influence access to public services (such as digital governance, innovation or administrative simplification) remains to be fully developed**

A number of policy levers can assist the Dominican Republic in its efforts to enhance service delivery to promote inclusive growth. This review explores the role that improved digital governance, administrative simplification and public sector innovation, together with an enabling governance framework, can play in further deepening ongoing efforts.

Chapter 3 looks at how administrative simplification and better regulation can significantly improve public service delivery in the Dominican Republic, while helping achieve the national objective to “reduce cost, administrative procedures and transaction

time and authorisations, eliminating duplicity of functions and powers”. Chapter 4 addresses how digital governance can improve service delivery and support inclusive growth. This is a critical objective of the National Development Strategy 2030, which recognises the “development of electronic government” as a strategic line of action supporting the creation of a more efficient, transparent and performance-based public sector. Chapter 5 discusses the potential that public service innovation has to improve outcomes for Dominican citizens, and assesses the strategic agility of the government to adapt to existing and upcoming challenges, and to create the capacity to transform risks into opportunities for new and improved methods, tools and delivery channels. The findings of the review suggest that while there are many initiatives in place to enable these policy drivers, more can be done to leverage their potential for improving service delivery.

For these policies to be successful, a solid governance framework must underpin the institutional arrangements and shape the planning, implementation, assessment and continuous improvement of public services, as discussed in Chapter 2. This is true particularly when considering the non-income areas associated with improvements in multidimensional inequalities, such as health or education.

Public governance, or “the system of strategic processes and tools, as well as institutions, rules and interactions for effective policy making” (OECD, 2016a), is the essential base for improving the delivery of public services, and ultimately achieving inclusive growth. Failures in the governance system can undermine the capacity of the government to achieve inclusive growth, and can exacerbate multidimensional inequalities, while rendering government efforts ineffective.

### **The institutional framework for planning, delivering and monitoring service delivery is in place, but implementation and co-ordination failures undermine its capacity**

The Dominican Republic has undergone several reforms in the past 50 years that have transformed its institutional structure as it has tried to improve co-ordination, strengthen the centre of government and build capacities for planning and delivering better services, particularly in the social sector.

Laws on Public Administration, Planning, Budget and Financial Management have been enacted. In addition, particular focus has been given to the introduction of tools to guide the planning process, including: 1) setting up the vision, through the National Development Strategy (NDS); and 2) translating the vision into medium-term plans that link priorities and resources, through the Multiyear National Plan for the Public Sector (PNPSP). Supporting institutional structures have been launched, including the National Development Council, the Technical Secretariat, the Presidency, the Institutional Planning and Development Units, and the Provincial Development Councils. Information management systems, including for poverty monitoring, have also been developed. The Ministry of Public Administration (MAP) has become the governing body of the Public Administration, and the co-ordinator of the institutional strengthening system.

These successive reforms have left a strong network of institutions and instruments at the central and sub-national level, enabling, in principle, whole-of-government planning and co-ordination. Nevertheless, the impact of these reforms is far from reaching its full potential. First, although the institutional architecture is in place, the lack of enacting regulation, and the difficulties for sectorial institutions to adapt to the new institutional

framework, have undermined these new arrangements. Second, the institutions and bodies responsible for policy co-ordination are not operating as such, either for political economy considerations or because of a priority focus on implementation. Third, monitoring and evaluation initiatives are relatively new and not fully integrated with the decision-making process. Underlying information systems operate independently from each other and are not fully integrated into policy making across the public sector. Fourth, the systems that integrate the different levels of accountability are not interconnected and lack a system of incentives to favour institutionalisation.

In order to fully reap the benefits of the policy levers explored in this review, including digital government, public innovation, and administrative simplification, the government of the Dominican Republic should focus on rationalising its administrative structure so as to minimise duplicities, strengthen whole-of-government co-ordination, pursue the integration and shared use of information systems, and focus on capacity building at the institutional and municipal level for planning and evaluation. MAP could play a key role in leading this transformation of the governance underpinnings of service delivery in the Dominican Republic. The following recommendations, built around key building blocks of a governance framework for service delivery, namely planning and vision setting, co-ordination and delivery, monitoring and evaluation and accountability, could help the Dominican Republic capitalise on existing institutional structures for better service delivery.

### ***Aligning vision and planning to provide whole-of-government direction***

In recent years, the Dominican Republic has created new structures, tools and processes to improve strategic planning and define a long-term vision for the country. These reforms represent a step in the right direction to create an enabling environment for achieving inclusive growth. Through a participatory and consensus building process, the country launched the National Development Strategy 2030 (NDS), a policy framework that reflects political consensus and sets broad national priorities. In addition to the NDS, the country developed other planning tools linking the long-term vision with medium-term plans to operationalise the NDS at the sectorial and territorial levels. Among others, the PNSPS was created to provide a four-year whole-of-government policy roadmap, aligned, in principle, with the overarching goals of the NDS.

Challenges associated with the sequencing and alignment of the planning tools, as well as with capacity related issues, will need to be addressed in order to fully leverage the institutions and processes developed. In particular, the sequence between central and sectorial planning processes and tools, which in their current version preceded the preparation of both the NDS and the PNSPN, could be improved. In addition, stronger capacity at the level of the Institutional Planning and Development Units would assist the public sector in embracing its vision for planning, monitoring and evaluating policies, together with laying a stronger foundation for operating beyond a silo approach. Finally, the interconnection between priority setting through planning and resource allocation in the short and long term, both through the PNSPS and the Medium Term Expenditure Framework, should be improved.



**Box A.1. Recommendation: Leverage the potential of existing whole-of-government planning processes and tools to inform policy design and implementation**

**In the short term**

- Reactivate the role of the Council of Ministers in defining the next four-year programme of Government, including through an evaluation of the implementation of the current PNPSP (2012-2016).
- Align institutional and municipal plans with the guidelines of the NDS and the future PNSPS 2016-2020.

**In the medium term**

- Strengthen the capacity of the Institutional Planning and Development Units to better articulate sectorial planning, monitoring and evaluation with the central systems.
- Leverage the role of MAP as a change and institutional strengthening agent.

**In the longer term**

- Conduct multidimensional ex ante budget impact assessments to determine the long-term impact of budget decisions, particularly in key expenditure or priority areas.
- Build a stronger link between the medium-term vision set out in the NDS and budget and spending decisions.

***Empowering vision through better needs identification and information sharing***

Effective and efficient policy design and implementation cannot take place if the government does not understand the needs of different population groups, particularly when considering inclusive growth. The Dominican Republic has several tools to assess citizens' needs. If used properly, these tools (which include the Poverty Atlas, the SIUBEN and the ENIGH and ENHOGAR surveys) can provide key information to design effective and efficient interventions to reach the most vulnerable population, both based on population groups and place-based considerations.

There are challenges associated with the integration of these tools and the use of the information they generate for policy design. In particular, interoperability, full access across the public sector, and use of information for needs assessment, user identification and the planning process, remains to be achieved.

**Box A.2. Recommendation: Achieve the full potential of existing information systems through a stronger focus on interconnection and needs assessment for policy design**

**In the short term**

- Evaluate how the information generated by the Poverty Atlas, the SIUBEN and the ENIGH and ENHOGAR tools are integrated, or not, into policy design and evaluation in key areas of government.

**Box A.2. Recommendation: Achieve the full potential of existing information systems through a stronger focus on interconnection and needs assessment for policy design (continued)**

**In the medium term**

- Interconnect the available government systems that produce key information for demand assessment and monitoring and evaluation, particularly in the social sector.

**In the longer term**

- Strengthen the National Statistical Office of the Dominican Republic's (ONE) capacity to develop guidelines for the production of statistics and to coordinate and govern the National System of Statistics.

***Strengthening co-ordination at the central, territorial and sector policy levels***

A functioning centre of government is key to ensure inclusive growth, as it aligns interventions and identifies joined-up outcomes. According to the legal framework of the Dominican Republic, the highest policy co-ordination body in the country is the Council of Ministers. Created by the Public Administration Law, this body plays a key role in defining, co-ordinating, monitoring and evaluating government policies. However, in practice, the role of the Council of Ministers is undermined by the lack of regulation to guide its operation.

The legal framework states that the role of the Council of Ministers is supported by Policy Co-ordination Cabinets. These Co-ordination Cabinets are responsible for policy co-ordination at the sectorial level, and offer an opportunity to strengthen the capacity of the government to deliver joined-up outcomes, and provide horizontal guidance on key policy outcomes. However, the majority are non-operational. In addition, their structure as planned is rigid and does not render itself to a flexible use in support of mission driven demands by the Council of Ministers.

At the territorial level, the Dominican Republic faces significant challenges associated with territorial disparities, in part because most of the services related to inclusive growth are centralised in urban centres. To achieve territorial cohesion, the last wave of institutional reforms created new structures and tools to identify policy complementarities and achieve joined-up outcomes in the territory, including municipal, provincial and regional plans, as well as Development Councils at the municipal, provincial and regional levels.

However, given the lack of enacting regulations, and the absence of the single planning regions, there is still much to do in order to achieve co-ordination at the territorial level. Issues related to capacity building efforts, and the sequencing and alignment of planning at the central and sub-national level, persist.

**Box A.3. Recommendation: Strengthen co-ordination at the centre of government**

Strengthening co-ordination at the centre of government level will deliver a whole-of-government approach to better service delivery in the following ways:

**In the short term**

- Enable and leverage the co-ordination role of the Council of Ministers.

**Box A.3. Recommendation: Strengthen co-ordination at the centre of government**  
(continued)

- In parallel, rationalise and update Policy Co-ordination Cabinets to fulfil their role in steering the design, implementation and assessment of policies.

**In the medium term**

- Fully leverage the role of MAP to strengthen the institutional foundation for whole-of-government co-ordination.

**In the longer term**

- Develop a system of incentives that creates a culture of co-ordination among the highest levels of government.

**Box A.4. Recommendation: Strengthen co-ordination mechanisms between the central and local levels of government**

**In the short term**

- Approve and implement single planning regions.

**In the medium term**

- Take advantage of the opportunity created by the incoming administrations at the national and local levels to launch and articulate the municipal, provincial and regional committees in order to create the conditions to implement municipal, provincial and regional plans.

**In the longer term**

- Develop the capacity of Municipal Planning and Development Units to provide them with the competencies necessary to articulate municipal planning with central planning.

***Delivering joined-up outcomes through better co-ordination of social programmes***

Co-ordination of social sector institutions and policies is a foundational priority to achieve more inclusive growth. For example, the interaction of education and health interventions is key for increasing the capacities and opportunities for citizens to thrive. There has been some progress for the Dominican Republic in this area, particularly related to the social protection system, but some challenges persist associated with a proliferation of actors with similar responsibilities, and some political economy issues that undermine policy co-ordination.

A clear and effective co-ordinating structure is necessary to enable a whole-of-government approach to planning and delivering key social outcomes. The current focus on implementation of key programmes has generated duplicities and taken over from a focus on steering and co-ordination. In the long term, alternative institutional settings

could be considered, as many of the objectives pursued by these programmes are complementary, and directly or indirectly linked to the activities at the line ministry level.

**Box A.5. Recommendation: Rationalise and strengthen co-ordination and alignment in the social sector**

**In the short term**

- Appoint and define a clear co-ordinating structure to enable effective co-ordination of social policy.

**In the medium term**

- Rationalise the size and administrative structure in the social sector.
- Focus on co-ordination and information sharing mechanisms to deliver joined-up outcomes across administrative structures and specific programmes.

**In the longer term**

- Consider alternative institutional set ups to facilitate an integrated approach to social programmes.

***Fully capitalising on the vision of the new national monitoring and evaluation system and on existing accountability mechanisms***

Monitoring and evaluation are key elements in the policy-making and policy-shaping cycles associated with inclusive growth. They provide the necessary information that allow authorities to distil lessons that will feed the policy-making process, while providing periodic information to ensure that policies are moving in the right direction. In the case of the Dominican Republic, although monitoring and evaluation have been present for more than 50 years, it was only until recently (September 2015) that the government formally created a comprehensive monitoring and evaluation system. Despite this recent effort, challenges persist associated with the lack of connectivity among government systems to inform monitoring and evaluation. This is hindered by the lack of resources available for the National Statistical Office of the Dominican Republic (ONE) to develop the statistics and indicators needed to measure progress and impact.

Monitoring and evaluation efforts can be further anchored through a fully institutionalised accountability system. Accountability matters for inclusive growth as it can provide horizontal incentives for policy co-ordination and the delivery of joined-up outcomes, while protecting underserved populations against the organised interests of powerful groups. This review focuses on four types of accountability: 1) vertical accountability to the centre of government to account for policy objectives and joined-up outcomes; 2) internal accountability for institutional strengthening; 3) client accountability to improve the quality of services; and 4) social accountability to build trust and strengthen transparency. Challenges associated with the need to connect the different tools and processes linked to the different levels of accountability, as well as the need to develop an appropriated system of incentives, were identified.

**Box A.6. Recommendation: Deepen existing accountability mechanisms through more integration and adequate incentive building, paving the way for renewed monitoring and evaluation**

**In the short term**

- In the context of the launch of the new national monitoring and evaluation system, assess the integration of existing performance management systems.
- In parallel, launch the interconnection of all systems that exist to gather user feedback and identify avenues for using this information for service improvement, monitoring and re-design. Interconnecting user feedback tools to enhance client accountability.

**In the medium term**

- Strengthen the link between vertical accountability and internal accountability to improve institutional performance.
- Strengthen internal accountability by enhancing incentives for institutional strengthening.

**In the longer term**

- Consider an integrated approach to monitoring the quality and impact of key services, including through direct user feedback.
- Build partnerships with civil society organisations to strengthen the Observatory of Public Policy.

**Administrative simplification can assist in untangling the current regulatory framework, and set the foundation for a whole-of-government regulatory policy**

Together with spending and taxing, regulating is one of the key policy tools available to governments to promote social welfare and economic prosperity. In particular, service delivery, including high quality healthcare, education and employment as critical drivers of opportunity and inclusion, is always framed by government regulations. If the regulatory framework is too complex, it may hamper access to public services to certain groups of citizens, and create unnecessary regulatory burdens to public authorities/service providers, leading to inefficiencies. The application of regulatory policy principles can help to ensure the effectiveness and efficiency of regulation, rendering service provision more agile and accessible.

Despite important reforms aimed at improving competitiveness and private sector growth, the lack of a comprehensive administrative simplification strategy, and a subsequent regulatory reform programme, has reduced the possibility of achieving better economic outcomes. In addition, a priority focus on business related simplification has not tapped into the potential that regulatory management tools, such as administrative simplification, can unleash for a more efficient, citizen-centred government.

Available comparative data is illustrative of the current regulatory policy gap in the Dominican Republic. The Worldwide Governance Indicators (WGI) shed light on the quality of regulation for 215 economies around the world. These indicators stem from a research dataset that summarises views on quality of regulation provided by enterprises,

citizens and expert surveys, think tanks, universities, non-governmental organisations, and international organisations. In 2014, the WGI ranked the Dominican Republic (51), below both OECD (87), and Latin America and the Caribbean (54) averages. Anecdotal evidence suggests that administrative burdens and formalities have grown both in number and complexity, which has created a regulation jungle that is difficult to follow and comply with, as well as increased costs and multiplied barriers for citizens and the public administration to better deliver public services.

Aware of these challenges, the government included administrative simplification as a priority area in the National Development Strategy 2030 (*Estrategia Nacional de Desarrollo 2030*), and the National Multiyear Plan for the Public Sector 2013-2016 (*Plan Nacional Plurianual del Sector Público*). The Organic Law for the Public Administration sets the legal basis for the Ministry of Public Administration to be the governing body in charge of simplification measures.

In addition, the government has implemented several simplification efforts that have been hindered by a lack of co-ordination or a clear strategy. Current initiatives include one-stop shops (both digital and physical), centralisation of registries on formalities, a programme on formality simplification, and the implementation of citizen service charters.

In this context, there lies an important opportunity to match simplification efforts and initiatives with broader government reforms and priorities to leverage the potential for a more ambitious simplification programme. This could focus resources and create a comprehensive strategy that improves the delivery and inclusiveness of public services, led by MAP.

Such a strategy should focus on the improvement of quality and the delivery of public services by identifying unnecessary bureaucracy and cutting red tape in specific areas that most contribute to inclusive growth. This would allow, amongst other benefits, for the freeing up of working hours for the public administration, therefore improving efficiency and quality, increasing state revenues, and enabling the citizen to do administrative procedures digitally. Recommendations for the government are detailed below.

### ***Broadening the scope of simplification efforts and aligning them with other policy objectives***

In the Dominican Republic, as in many other countries, major simplification efforts have been predominantly business-oriented, as can be seen with initiatives such as the trade one-stop shop (VUCE). While these initiatives may have an impact on economic growth, they leave behind an untapped potential to make regulations aimed at citizens and the public sector more efficient and less burdensome.

Synergies should be explored by adapting the current simplification initiatives for simplifying formalities and the processes where the outcome would improve the delivery and inclusiveness of public services. In order to do this, the government should first assess administrative burdens (quantitatively and qualitatively) with efficiency in mind to better target resources and outcomes. The measuring process itself will help flag potential reduction proposals that may help improve service delivery.

**Box A.7. Recommendation: Establish a simplification strategy aimed at improving inclusiveness and delivery of public services**

**In the short term**

- Broaden the scope of the simplification efforts to include citizens and the public administration.
- Decide on areas or sectors where simplification would enable citizens and the public sector to better deliver public services as a first step.

**In the medium term**

- Prepare a broader whole-of-government simplification strategy, identifying which regulations and formalities will be reviewed, and the mechanisms to conduct such reviews.
- Use the administrative burden quantification process to identify potential simplification proposals with the data found during the measurement.
- Engage with stakeholders to find burdensome administrative procedures and possible simplification proposals.
- Set targets, and accountability mechanisms bound to those targets, where each public sector entity commits to simplify the most burdensome formalities and services within their purview by a specific number or percentage.

**In the longer term**

- Review the stock of regulation periodically *ex ante* and *ex post* to guarantee regulatory quality.

***Establishing sufficient institutional structures to engage with stakeholders and sub-national governments***

The Ministry of Public Administration, as the governing body, should have enough political support and tools to put pressure on ministries and agencies to complete simplification efforts. This should be sought by strengthening the institutional structures supporting burden reduction, including engaging with stakeholders to understand their needs, providing sufficient political support at the ministerial level, and improving co-ordination to include the sub-national level.

Service delivery remains fragmented, with different levels of quality across regions, which reflects in part the fragmentation of regulatory frameworks in the Dominican Republic. Having discretionary requirements that vary by the sector or municipality frustrates citizens and hampers trust in government.

**Box A.8. Recommendation: Create efficient institutional structures that engage with stakeholders and sub-national governments**

**In the short term**

- Create a high-level regulatory committee within the government that supports and oversees regulatory improvement efforts, including administrative simplification.
- Establish a network of “simplification officials” inside relevant agencies to meet regularly.

**Box A.8. Recommendation: Create efficient institutional structures that engage with stakeholders and sub-national governments (*continued*)**

**In the medium term**

- Harmonise simplification efforts with ongoing digital government initiatives.
- Open a channel of communication with stakeholders to improve regulatory proposals by establishing an advisory committee composed of business associations, civil society organisations, consumer protection organisations, and/or academia.
- Develop the capacity of civil servants at the sub-national levels of government.

***Developing an assessment strategy that enables the improvement of the simplification programme***

Developing an evaluation strategy for the simplification programme, which can be used as input for the improvement of further simplification efforts and initiatives, is a challenge that has not yet been addressed in the Dominican Republic. As stated before, monitoring and evaluation are key elements in the policy-making and policy-shaping cycles associated with inclusive growth. This allows the public sector to learn from experience and make corrections if results do not reach expected outcomes. Currently, MAP reports on outputs but not on outcomes, which limits the potential of simplification measures.

The publication and communication of these results promotes transparency and accountability measures that could, if practical, lead to the opening of a communication channel to receive further simplification proposals by the public and government officials. Administrative simplification initiatives can be part of the joined-up outcomes to be revised by the national monitoring and evaluation system. This could raise the better regulation agenda's political importance as a key element for better service delivery.

**Box A.9. Recommendation: Assess the effectiveness of the simplification programme**

**In the short term**

- Implement periodical reviews to guarantee the effectiveness of the programme.

**In the medium term**

- The evaluation and accountability strategy should evolve to assess outcomes, not only outputs.
- Communicate the results of assessments to the public.

**In the longer term**

- Develop guidance on the most effective and efficient means of reducing regulatory burdens.

***Reaping the benefits of an explicit and binding regulatory policy***

The Dominican Republic is currently implementing one of many regulatory management tools; this expertise should be seized to move to a larger and more ambitious policy that looks into the regulatory policy cycle. The challenge includes developing a fully-fledged regulatory policy strategy that could introduce other regulatory management



tools, such as regulatory impact assessments, control mechanisms to prevent the creation of new burdensome regulation, and ex post evaluations.

The implementation of management tools aimed at improving the quality of the rule-making process would need to be accompanied by an administrative unit that guarantees oversight, co-ordination and control. Both the creation of an administrative unit, and the introduction of new regulatory management tools to guarantee quality regulation, should be done in a progressive and gradual manner.

**Box A.10. Recommendation: Design an explicit whole-of-government regulatory policy**

**In the medium term**

- Compile all simplification efforts to gain an oversight and enable co-ordination of the overall strategy.

**In the longer term**

- Design and establish a progressive regulatory policy strategy for the Dominican Republic.
- Establish an administrative body in charge of overseeing better regulation.

**Leveraging digital technologies to improve access to public services, support economic activity and foster social inclusion**

Digital government initiatives in the Dominican Republic started in 2004, after the 2003-2004 banking crisis, as part of broader efforts to modernise the public sector, improve service delivery and mitigate the consequences of the crisis. These activities are developed with the mission of supporting public sector operations through efficiency gains, improving the competitiveness of services for the private sector, and facilitating citizen access to information and communication technology (ICT) and public services.

In 2004, the Dominican Government established the Presidential Office for ICT (OPTIC) through the Presidential Decree No. 1090-04. This office aims to support the use of digital technologies, modernise and transform the public administration, and improve its relationship with citizens. Furthermore, the National Development Strategy explicitly recognises the “development of electronic government” as a strategic line of action to support the creation of a more efficient, transparent and performance-based public sector.

However, the modernising momentum started in 2004 has dwindled, and the implementation of digital government in the 2008-2016 has experienced an average performance when compared to other countries of the LAC region. In 2003, the Dominican Republic ranked 60<sup>th</sup> of 191 countries in the United Nation’s (UN) e-Government Index, but had fallen back to 98<sup>th</sup> position by 2016. This is mainly explained by progress made by other countries and significant methodological changes made to the index. In 2016, Dominican Republic ranked 2<sup>nd</sup> when compared to countries of Central America. Still, the Dominican Republic’s score has remained consistently near the average score of the LAC region while other peers, such as Costa Rica, have made faster progress in the same period of time. Since 2012, however, there has been a new push for digital government, with the development of a sound policy framework. Although there is a

n evident gap between existing norms and regulations and their implementation that is not simply explained by the normal adaptation process necessary for most new regulations. Public institutions are often not aware of existing policies and regulations, and authorities in the field of digital government do not necessarily have the tools and policy levers to ensure their enforcement and implementation.

Despite clearly established national priorities in the field of digital government, concrete efforts made in recent years, and growing demands from its constituency, the government of the Dominican Republic has not yet been able to translate these efforts into a transformation of how citizens interact with public authorities. Digital government performance in the Dominican Republic has been average relative to peer countries in the LAC region and globally. The following recommendations seek to unleash the potential of digital government and highlight areas of opportunity in the use of digital technologies by the public sector that can favour better service delivery and more inclusive growth in the Dominican Republic.

### ***Clarify and reinforce the governance and co-ordination frameworks of digital government, ensuring coherence across levels of government***

OPTIC was established in 2004 to lead the implementation of digital government; it was ratified in 2007 through the Presidential Decree 229-07. However, since 2008 the situation has become more ambiguous, both legally and operationally. The law 41-08 of 2008 on public administration, which created the Ministry of Public Administration, provides it with the legal basis to claim the lead on digital government policy development and implementation. The scope of the Ministry's responsibilities in the field of digital government have not yet been specified and operationalised by a Presidential decree. Insufficiently clear roles and responsibilities undermine the accountability of public institutions, making the institutional framework less intelligible for Dominican citizens and other public institutions, and increasing the risk of a lack of coherence in policy implementation.

OPTIC and the Ministry of Public Administration have been able to manage this ambiguity thanks to the good working relations of the political authorities and senior management of both institutions, who have progressively clarified their scope of work and forms of collaboration through inter-institutional agreements. While OPTIC and MAP have been able to find an ad hoc way to manage this tension, the solutions seem potentially unstable and overly dependent on the good will of incumbents. It is therefore advisable to work on the clarification of roles and responsibilities and the strengthening of institutional channels of co-ordination.

Over the last few years, the Dominican Republic has progressively put in place a robust regulatory framework for digital government, complemented by adequate technical standards and guidelines. However, their implementation still lags behind, partly due to the weak policy levers of the *de facto* governing body for digital government (OPTIC). The lack of decisive levers to enforce the existing rules for ICT use in the public sector hinders the government's ability to drive change and ensure the implementation of the policy framework in place. The governing body for digital government would benefit from strengthening its ability to effectively structure strategic ICT investments by providing an adequate mix of incentives in order to facilitate central government's ICT project performance and reap the efficiencies of shared solutions and increased agility and data flow.

The new policy lever mix should facilitate the mandatory use of business cases and ICT project management models for projects above a specific budget threshold. The use of these tools forces project managers to outline the rationale of ICT projects, identify their specific objectives, and determine how they will be achieved. However, these tools are mainly used for their value in supporting project managers, while their potential for data collection on ICT projects is overlooked. Monitoring project implementation and benefit realisation can provide relevant insights that lead to the identification of key drivers of success and failure in ICT project management, and allow project managers to identify weaknesses and make adjustments early on, ensuring efficiency.

**Box A.11. Recommendation: Strengthen governance and co-ordination frameworks to facilitate the implementation of digital government and ensure coherence across government**

**In the medium term**

- Clarify the governance of digital government policies, in particular the roles and responsibilities of OPTIC and the Ministry of Public Administration.
- Improve the co-ordinating unit's ability to enforce the regulatory framework of digital government by revising and strengthening its policy levers.

**In the longer term**

- Reinforce the monitoring and evaluation of digital government policies through the collection of more granular data on ICT project management and implementation.

***Ensuring that all key enablers for digital government and digital service delivery are in place***

The use of digital signatures was approved in 2002 through law 126-02 regulating digital signature. However, its implementation has been slow. While there are existing solutions for digital signatures, the uptake remains low, hampering the public sector's ability to deliver transactional services through digital channels.

Efforts exist to expand the use of the digital signature, but they currently focus exclusively on its use by public institutions and officials. This approach constrains the potential of such a tool to provide secure digital transactional services through adequate identification of the user. Coupled with the absence of a common digital identity for accessing public services and entitlements, this situation limits the public sector's capacity to deliver customised digital services that respond to user needs.

**Box A.12. Recommendation: Establish key enablers for digital government and digital service delivery**

**In the short term**

- Extend the use of the digital signature to enable the delivery of transactional services through digital channels.

**In the medium term**

- Ensure that identification and authentication mechanisms are supported by mobile devices both for SMS-enabled and mobile internet-based services.

**In the longer term**

- Develop a common digital identity for service users that can be used across the administration.

***Improving access to public services and fostering a more inclusive approach to digital service design and delivery to support more inclusive outcomes***

To increase access to public services, OPTIC has developed a multi-channel service delivery strategy that comprises the Punto GOB, the Government Contact Centre (call centre providing service information) and the Government Portal. At time of writing, there is only one Punto GOB service centre located in Santo Domingo Este. Making this strategy effective requires that the Punto GOB centre relieves the stress produced by the over-centralisation of person-to-person public service provision around the city centre of Santo Domingo, and brings service delivery to remote communities far away from the most relevant economic centres of the country.

There appears to be substantial untapped potential in the use of alternative service delivery channels, such as social media and mobile phones. The impact on service quality can be meaningfully amplified through the development of a structured approach to using social media as a systematic feedback loop that informs the process of continuous service improvement. It can also be used as a channel for service delivery. The biggest potential for leveraging ICT to deliver services may reside in mobile technologies. Contrary to other forms of technological devices, mobile phones are widely available throughout the population, providing a cost-effective channel for reaching the most vulnerable segments of the population. Currently, mobile penetration stands at around 90% (World Bank Group, 2014b), and is expected to reach and surpass 100% in the coming years; with the number of smartphones users growing increasingly fast. These conditions provide an excellent opportunity to explore and develop SMS and App-enabled mobile government services (m-government).

The weakest element of existing policy instruments for digital service delivery concerns the absence of reference to the service design process. In a context where cultural preferences tend to favour person-to-person contact, the uptake of digital services requires not only access to ICT, but a service that is highly convenient and provides content aligned with user needs and priorities. Ensuring that services have a user-friendly design can meaningfully impact the uptake of digital services. The current approach to digital service delivery does not sufficiently leverage open government data and the

opportunity it offers for economic and social innovation and value creation through a user-driven approach.

Despite existing regulations that make feedback loops for public services mandatory, these mechanisms are not sufficiently streamlined and their integration into the continuous improvement process is not clearly defined. The lack of co-ordination of feedback mechanisms has led to a duplication of efforts, including online platforms.

The ability of public institutions to use technology to deliver better services varies significantly throughout the public sector. The institutions responsible for public financial management tend to have achieved a greater maturity in their use of technologies, whereas basic service providers (such as schools, hospitals, social assistance programmes) often lack the capacity to use technology effectively.

**Box A.13. Recommendation: Enhance access to digital services and develop a participatory approach that supports more inclusive outcomes**

**In the short term**

- Incorporate alternative service delivery channels to the multi-channel service delivery strategy.
- Develop a strategy to leverage digital technologies in ways that foster the co-design and co-delivery of public services.

**In the medium term**

- Significantly extend the network of Punto GOB to alleviate service stress in an over-centralised service delivery in Santo Domingo, D.N., and improve access to public services in remote areas.
- Establish an m-Government strategy and programme that seeks to capitalise on the opportunities offered by high mobile uptake in the country for public service delivery.
- Develop training and capacity building exercises for digital service delivery aimed at public institutions.
- Develop an open government data strategy or policy that seeks to promote the opening of government data and promote its re-use for economic and social value creation.

**In the longer term**

- Set up a sound monitoring and evaluation system for service delivery through alternative channels, such as social media and mobile devices.
- Set up a monitoring and evaluation system for open government data that allows the government to follow the opening and re-use of data.
- Create a whole-of-government approach to public service delivery, framed by a service delivery strategy.
- Consolidate and streamline feedback loops for public services and digital service delivery, avoiding the duplication of work and platforms.

### ***Strengthening data governance for public sector intelligence to support inclusive growth***

Digital technologies can help the Dominican Government unleash value data in three ways: 1) better exploiting digitally-enabled data analysis to understand societal problems; 2) embedding data use throughout the policy cycle; and 3) putting in place governance arrangements to ensure responsible and coherent use of data that benefits citizens and strengthens public trust.

For these to be achieved, the Dominican public sector should significantly improve the interoperability and integration of its information systems and data, allowing policy makers to access more reliable and granular data than they do today. The Dominican government could also, in the medium term, pursue big data analytics capabilities to inform policy making and service design and delivery. This could provide powerful insights into the areas of economic activity, healthcare, public transportation and urban planning, disaster and risk management, service design and delivery, and policy making in general; ultimately enhancing public sector performance and productivity.

The building of a data-driven culture in the public sector would benefit from setting up incentives that support evidence-based decision making, as well as from strong knowledge and experience sharing mechanisms for civil servants, which support the capacity-building efforts of public institutions.

#### **Box A.14. Recommendation: Establish robust data governance for public sector intelligence to support policy making and service delivery**

##### **In the short term**

- Ensure the interoperability of public sector information systems and data.
- Perform an assessment of the official statistics and data system of the Dominican Republic to ensure the sound foundations of the data-driven public sector.

##### **In the medium term**

- Develop a strategy to further a data-driven culture in the civil service.
- Clarify the governance of data in the public sector.
- Set up a data squad in central government that is able to provide advice and deploy data analytic capabilities to support public institutions in their digital service delivery and policy making efforts.

##### **In the longer term**

- Develop an overarching data policy for the Dominican public sector.

## **Unleashing the innovative potential of the Dominican public sector to create new and more effective services and drive inclusive growth**

The Dominican Republic faces increasingly complex policy challenges, including poor basic public services, such as healthcare and education, where outcomes are below expectations; acute vulnerability to climate change; accelerated urbanisation with poor urban planning; high insecurity and low trust in crime prevention and prosecution authorities; significant infrastructural needs; persistent poverty; and significant financial constraints and budget rigidities for the public sector. Many of these challenges have proven to be pervasive and have resisted traditional ways of working to find solutions. This stresses the need for the government to become an innovation agent that actively looks for new and more effective ways to tackle these challenges through innovative policy making and service delivery.

The OECD Public Innovation Framework offers a useful model to assess the innovation environment in the Dominican Republic, including 1) the organisation of work; 2) rules and processes; 3) the flow of data, information and knowledge; and 4) the capacity of human resources to drive innovation. As in any whole-of-government strategy, an institutional leadership role is essential, in this case by MAP through its Vice Ministry of Innovation and Modernisation. It is crucial that an overarching strategic approach provides a clear vision for fostering innovation and overcoming common barriers, such as unfavourable regulatory frameworks, poor co-ordination, lack of resources, inadequate leadership championing public sector innovation, short political cycles, hierarchical and siloed ways of working, non-meritocratic bureaucracies, limited skills and use of innovation processes and methods, lack of data, and weak knowledge and innovation networks. The following recommendations may help MAP to develop a forward-looking public sector innovation strategy.

### ***Reinforcing organisational frameworks to facilitate and promote innovation in the public sector***

The organisation of work in the public sector is a key factor that enables innovation, the flow of ideas, and the mix of skillsets required to complete specific tasks or missions. As a number of innovation delivery units start to emerge across public institutions, the Vice Ministry of Innovation and Modernisation is expected to play a leading role in driving innovation in the public sector to support service improvement and the more efficient and effective use of public resources.

However, the Vice Ministry of Innovation and Modernisation is unable to play this role, partly due to the lack of human and financial resources it experiences since its creation in 2012, but mostly because of a lack of a common vision and strategy for promoting innovation in government, which leaves a major gap in the Dominican public sector innovation ecosystem. It is of utmost priority for the MAPM to work on the development of a common vision for an innovative Dominican government, and build institutional capacities to co-ordinate and support, technically or financially, innovation across the public sector.

**Box A.15. Recommendation: Strengthen organisational arrangements to facilitate and promote innovation in the public sector**

**In the short term**

- Assess the current needs and gaps in the current public sector innovation ecosystem and develop an action plan to reinforce the public sector’s ability to innovate.
- Strengthen the operational and analytical capabilities of the Vice Ministry of Innovation and Modernisation.

**In the medium term**

- Make MAP an effective innovation hub for central government by building its ability to co-ordinate and support innovation across the public sector.
- Sensitise and support senior managers in public sector institutions in understanding the role, ways of working and monitoring of innovation delivery units, and supporting their work through effective motivation.

**In the longer term**

- Work with relevant stakeholders in the design and implementation of a monitoring and evaluation system for innovation in the public sector.

***Using an evidence-based approach for red tape reduction to create regulatory frameworks that enable and support public sector innovation***

Unnecessary or obsolete regulation can constrain a civil servant’s ability to innovate and ensure quality and timeliness in service delivery. The literature consistently points to rules and processes that are potential barriers to public sector innovation, for example, excessively regulated service areas, such as medicine or education, could prevent service providers from designing and delivering more tailored services in areas that are linked to society’s general well-being and considered elements of an inclusive society.

However, de Jong (2016) argues that the prevalent perception of rules and processes as barriers to innovation should be balanced with the role of administrative regulation as a way of preserving the continuity of the bureaucracy and ensuring adequate controls and accountability. These controls may be justified and linked to adequate accountability mechanisms and help preserve bureaucratic stability. In this sense, the Dominican bureaucracy should closely monitor interactions between public innovators and administrative regulations, producing quantitative and qualitative data that can support an evidence-based approach to red tape reduction.

**Box A.16. Recommendation: Create a dynamic and evidence-based approach towards red tape reduction for enabling innovative services**

**In the short term**

- Systematically review the stock of regulations and develop tools to enhance its visibility and understanding for public officials and external stakeholders.



**Box A.16. Recommendation: Create a dynamic and evidence-based approach towards red tape reduction for enabling innovative services** *(continued)*

**In the medium term**

- Design, test and develop a monitoring system that helps assess how civil servants seeking to innovate public sector operations interact with existing rules and regulations.

**In the longer term**

- Link the data and information collected through the implementation of such a monitoring system to the government’s regulatory quality and administrative simplification agendas.

***Improving the flow of data, information and knowledge to facilitate the emergence of learning organisations and support the work of innovators***

Data, information and knowledge are essential components of learning and innovative organisations, and the broader public sector innovation environment (OECD, 2015). These elements are also critical for sound policy making and effective service delivery, allowing the public sector to effectively tackle multidimensional issues, such as persisting poverty. Interviews with different public sector innovators in the Dominican Republic revealed that the flow of data and information for innovation is one of the main challenges they must face when trying to understand complex policy or service delivery problems, or designing new approaches to tackle problems.

The lack of knowledge about existing data assets in the public sector further hinders the flow of data across public institutions. Having a clear view of the availability of data, and where it sits in the public administration, can lead to improved decision making and a rationalisation of data collection efforts through greater data sharing. Ultimately, improving the flow of data across the public sector will demand enhanced data governance and data sharing capabilities that can lead to more structured and tailored poverty reduction programmes, as well as a better understanding of private sector competitiveness challenges.

From a public sector innovation perspective, MAP could play a critical role in improving data and knowledge management in the public sector by promoting more cross-agency collaboration and exchange of data, information and knowledge to support better policy design and implementation. In collaboration with other organisations, such as OPTIC, the National Statistics Office and other partners, it can help map existing data assets and identify data needs for public institutions.

The absence of knowledge or innovator networks can present a barrier to public sector innovation in the Dominican Republic. Policy challenges increasingly involve a great number of actors dealing with interdependent issues, with different layers of complexity (Dawes, 2009). In this sense, innovation challenges are also knowledge challenges that should bring together multiple and diverse skillsets, methods and ways of working to collaborate in finding new solutions. The Ministry of Public Administration should foster the creation of networks of innovators to facilitate peer learning and experience sharing among public innovators.

**Box A.17. Recommendation: Enhancing the flow of data, information and knowledge across public institutions to create an environment that is conducive to public sector innovation**

**In the short term**

- Launch a network of public sector innovators to foster peer learning and knowledge sharing across public institutions.
- In collaboration with institutions such as the National Office of Statistics, the Ministry of Economy, Planning and Development, OPTIC and the National Institute of Public Administration, participate and contribute to the assessment of the National System of Statistics and data governance arrangements, and develop an action plan to improve the production, storage, sharing and processing of data in the public sector.

**In the medium term**

- Raise awareness among political authorities and senior management about the relevance and importance of creating a sound management of data and knowledge throughout the public sector.
- Strengthen the governance of statistics and data in the Dominican public sector.
- Establish a data squad within the Vice Ministry of Innovation and Modernisation that functions as a shared resource of data capabilities.

**In the longer term**

- Develop a knowledge management strategy for central government, enhancing its ability to transform knowledge into innovations.

***Developing a strategic approach to human resource management in the Dominican public sector to stimulate innovation***

Under the leadership of the Ministry of Public Administration, the Dominican Republic has been able to push forward a reformist agenda since 2008, progressively putting in place a comprehensive legal framework for the civil service that covers administrative career regimes (law 41-08, Decree 524-09 and Presidential Instructive 81-2010 on civil service recruitment), public sector compensation (Law 105-13), and performance assessment frameworks (Decree 525-09). Over this period of time, the number of career civil servants has consistently increased, although not quickly enough, human resource directions have been made mandatory for all public institutions, and their teams have been steadily trained. The Ministry of Public Administration has also set up the Public Employment Management System (SASP), improving its ability to monitor and control the public service (OECD, 2015).

Despite these achievements, the policies aimed at strengthening the civil service have faced some pervasive challenges and resistance as they affect political and financial interests of organised and influential groups. This reality tends to align political incentives with the status quo, and generates mismatches with the existing legal and regulatory framework (OECD, 2015). Law 105-13, which aimed to regulate wages and compensation in the public sector and move to a common pay system, has faced strong resistance against its full implementation, particularly by autonomous agencies of the central government. Similar forms of resistance have emerged against efforts to

rationalise and create a merit-based civil service, hindering the ability of the public sector to plan and manage its workforce and contain the growth of payroll costs (OECD, 2015).

Performance-based management should be extended to leadership positions to ensure a better alignment of their incentives with the successful implementation of policies and effective service delivery under their responsibility. This is a crucial element of human resource management for innovation, as the development of adequate leadership and organisational cultures are an essential motivating factor for public employees to innovate. Senior management is necessary to create a culture of excellence, performance, openness and innovation.

Given the lack of resources, and the basic deficiencies of the public service, the National Institute of Public Administration (INAP) has concentrated its continuous education and training on a number of core management competencies, strategic planning, human resource management and basic training, such as digital literacy. As the public sector professionalises, however, it is important that it keeps its role in the training of civil servants at all levels of responsibility, developing more specialised capacity building exercises in areas such as public service design, data analysis, project management and purpose-oriented stakeholder engagement techniques, as well as training courses that target the development of more senior management skills.

The strengthening of INAP should be complemented with the development of a robust system to determine skill needs and availabilities, which would allow the Dominican public sector to take strategic actions to attract, develop and retain skilled civil servants based on existing assets. It can also help public institutions better determine how to collaborate and mix skills to improve outcomes and solve concrete problems.

It is not clear how existing performance assessment frameworks take into account innovativeness or creativity, or how they impact career perspectives for civil servants. This could diminish the civil service's motivation to innovate. The current revision of performance assessment regulations is an ideal opportunity to further stress the role of innovation in public service quality, strengthening incentives for public innovators.

### **Box A.18. Recommendation: Managing human resources strategically to stimulate innovation**

#### **In the short term**

- As the Dominican government revises its existing performance assessment frameworks, it should focus on strengthening aspects that would allow it to enhance the innovative potential of Dominican civil servants.

#### **In the medium term**

- Strengthen the role of INAP in the training of civil servants, including at the most senior and executive positions.
- Develop strategies and programmes to build a culture of openness and collaboration among civil servants.
- More clearly link national excellence awards, such as the National Award for Service Quality and Promising Practice, to public sector innovation and to communities of innovators in the public sector.

**Box A.18. Recommendation: Managing human resources strategically to stimulate innovation** *(continued)*

- Design a classification and typology of innovation delivery units, the needs they usually respond to, their usual activities and skill needs, expected results and suggested performance assessment tools.

**In the longer term**

- Implement organisational performance assessment frameworks and systems that make political authorities and senior management accountable for the implementation of policies and the delivery of services under their responsibility.
- Develop increasingly sophisticated public employment monitoring mechanisms that allow the Ministry of Public Administration to have a clear view of existing skills within the public administration, and identify skill needs in the public sector.

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## ***Chapter 1.***

### **Contextual factors influencing public service delivery in the Dominican Republic**

*This chapter introduces the contextual factors influencing the delivery of public services in the Dominican Republic. An overview of recent economic performance is provided, together with a discussion on the challenges for inclusive growth in the country. The role of public services – a key lever for inclusive growth - is then discussed, followed by a description of key challenges that the government faces in enhancing access, quality and reach of public services. Issues relating to citizen satisfaction, demographic dynamics, fiscal constraints and public sector capacity are also discussed. The chapter concludes by providing a brief introduction to the rest of the review.*

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law

## Introduction

Equitable access to effective public services, such as social programmes, infrastructure, healthcare or education, provides citizens with a means to connect to social and economic networks, and thus access opportunities. Governments across most OECD countries and beyond, including the Dominican Republic, are constantly working to improve public service production and delivery in order to meet the increasing expectations of the population, while addressing the need to expand access for all citizens, regardless of income levels, location or other social and economic determinants.

Thanks to its fast economic growth, averaging above 5% annually over the last twenty years, the Dominican Republic has become a middle-income country. However, inefficiencies in public service delivery, reflected in less than optimal outcomes across key dimensions of living standards (e.g. health and education), pose a significant challenge for further development in the country. Improving public service provision, reach, and quality will be critical for allowing the Dominican Republic to remain on a high growth trajectory, while simultaneously achieving more inclusive outcomes.

This review provides an assessment of the context and key drivers of public service delivery in the Dominican Republic. It focuses on improving access to quality and timely services for all segments of the population as a means of facilitating inclusive growth. It draws on extensive lessons learned from different OECD and non-OECD countries. This comparative perspective is balanced with extensive information gathering and consultation with multiple stakeholders in the Dominican Republic to ensure that policy options are relevant and attainable.

### **The Dominican Republic has experienced sustained growth for many years, but this has not been entirely reflected in poverty or inequality reduction**

The Dominican Republic is a democratic country on the island of Hispaniola in the Caribbean region. It is the second-largest Caribbean nation (after Cuba) with around 10.5 million people, one million of whom live in the capital city, Santo Domingo. After the civil war in 1965, and the authoritarian rule of Joaquín Balaguer (1966–1978), the Dominican Republic has moved towards a representative democracy. The country was led by Leonel Fernández from 1996 to 2012. Danilo Medina, the current president, succeeded Fernandez in 2012 and was re-elected in May 2016.

The Dominican Republic has the tenth largest economy in Latin America, and is the second largest economy in the Caribbean and Central American region. For the past two decades, it has been one of the fastest growing economies in the world. GDP growth averaged above 5% annually between 1992 and 2016, primarily driven by services, special economic zones, trade, and, more recently, mining. The Dominican Republic's income per capita has increased by almost 100% during this period, which is the second highest growth in Latin America after Panama (113%), and ahead of Peru (83%) and Chile (70%) (OECD/CAF/ECLAC, 2015).

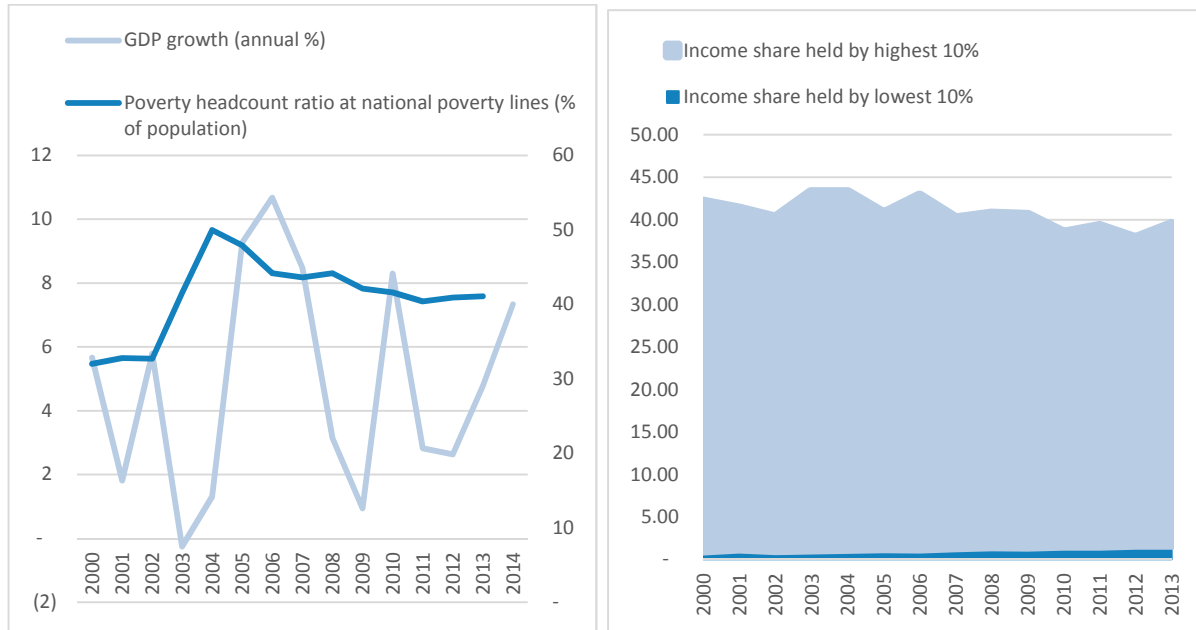
Despite this exceptional economic performance, the Dominican Republic still faces a number of challenges to help more people across society benefit from improved macroeconomic conditions. Poverty levels increased from 32% in 2000 to almost 50% in 2004 due to a financial crisis caused by the collapse of three major banks. This crisis



created very high levels of unemployment and inflation, pushing around 1.5 million people below the poverty line. In recent years, poverty has gradually declined to 32.1% in 2015 (MEPYD, 2015) (see Figure 1.1). Altogether it is estimated that above three million people live in poverty, and that poverty has a strong rural dimension, with poor people constituting about half of the population in rural areas.

**Figure 1.1. GDP, poverty, and inequality in the Dominican Republic**

Despite high economic growth, poverty headcount ratio remains above 30% (left) and income inequality remains high (right)



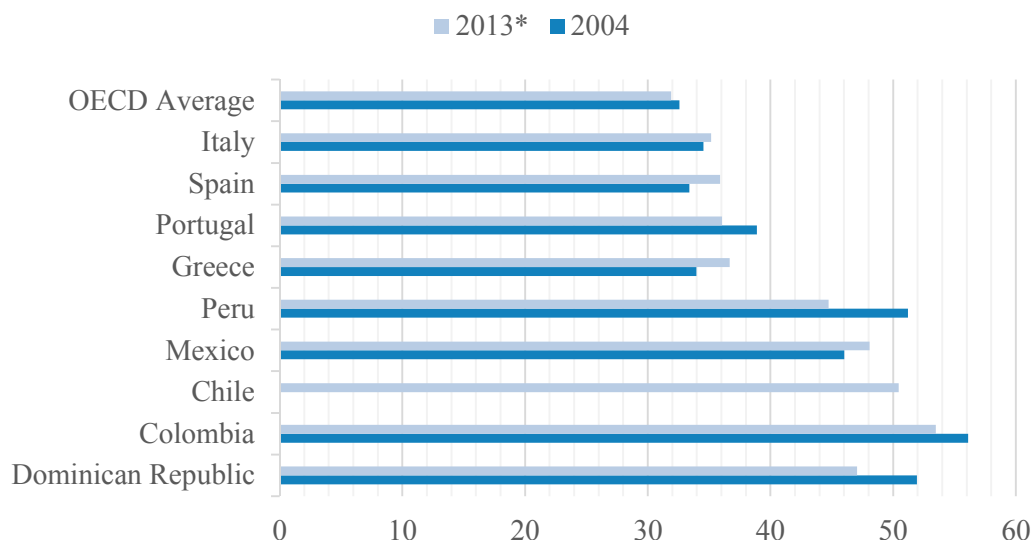
Source: World Bank Group (2016), *World Development Indicators (database)* <http://data.worldbank.org/data-catalog/world-development-indicators>.

The income share held by the lowest 10% of the population remains relatively low (1.9 %), and has remained stable at this level for more than a decade (see Figure 1.1). This share is below some OECD countries (e.g. in France it is 3.07% and in Portugal it is 2.21%) and on par with others (e.g. Spain 1.7% and Mexico 1.85%).

Despite strong economic growth, unemployment remains at the levels of 2001 (around 14%). The highest unemployment level (20%) was reached in 2005 (Trading Economics, 2016a), with only a modest decline in recent years. This contributes to income inequality, which remains high in the Dominican Republic and is well above the average of OECD countries (see Figure 1.2). The Gini coefficient, which measures the deviation of the distribution of income among households within a country from a perfectly equal distribution, was 47.2 in the Dominican Republic in 2013. While this number is on a par with Mexico (48.0) or Peru (44.7), it is much higher than other countries such as Greece (34.2) and Spain (34.2), or than the OECD average (32.0).

**Figure 1.2. Level of income inequality (Gini coefficient), 2004-2013 or latest available year**

While income inequality decreased in the Dominican Republic, it still remains above OECD average



\* Gini index measures the extent to which the distribution of income among households within an economy deviates from a perfectly equal distribution. A Lorenz curve plots the cumulative percentages of total income received against the cumulative number of recipients, starting with the poorest individual or household. The Gini index measures the area between the Lorenz curve and a hypothetical line of absolute equality, expressed as a percentage of the maximum area under the line. Thus, a Gini index of 0 represents perfect equality, while an index of 1 implies perfect inequality. 2012 data for Peru, Greece, Portugal, Spain, Italy and OECD Average.

Source: World Bank Group (2016), *World Development Indicators (database)* <http://data.worldbank.org/data-catalog/world-development-indicators>.

## Promoting inclusive growth is a priority for governments, including the Dominican Republic

The OECD considers inclusive growth as economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both monetary and non-monetary, fairly across society (OECD, 2016a). This objective is relevant both in high-income countries and in emerging market economies, where income inequality has reached unprecedented levels. However, inequality is not related only to income. Inequalities in non-income outcomes, such as educational attainment, health conditions and employment opportunities, have become important determinants of the growth and well-being of people (OECD, 2015a). Therefore, fostering inclusive growth is an important part of a pro-growth agenda in many countries, including the Dominican Republic.

### Box 1.1. The OECD's approach to inclusive growth

The OECD defines inclusive growth as economic growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society (OECD, 2016a).

Employment, job satisfaction, health outcomes and educational opportunities matter for people's well-being, and are heavily conditioned by socio-economic status, or even place-based considerations. Access to quality services, such as education, healthcare and justice, is essential to break ingrained cycles of disadvantage, and to allow for marginalised groups to benefit from higher-paid jobs, better living standards and longer, more fulfilling lives. Similarly, better transport and housing infrastructure can spur growth and improve inclusiveness in cities, providing vital assets for economically deprived areas to access high-quality jobs and education.

Political and economic disparities tend to reinforce each other. Across the OECD, electoral turnouts are falling, with related socio-economic disparities: adults with a tertiary education degree have a general election turnout 12% higher than those with secondary education or less, and older adults are more likely to vote than younger citizens. For inclusive growth to work well, appropriate institutions are needed, and citizens must feel that they can be trusted. New technologies can play an important role in strengthening inclusiveness in policy making and implementation, by enabling new forms of collaborative and participatory governance.

In this regard, the governance underpinnings of inclusive growth become essential. Governance failures can lead to widespread informality in the labour market, as well as limited access to education or to formal safety nets, employment and health insurance, all of which are drivers of inequalities. Government capacity and the quality of government also have strong effects on almost all standard measures of well-being, as well as social trust and political legitimacy. Moreover, through its impact on the quality of public spending and investment, and the efficiency of service delivery, public governance can leverage or undermine the impact of economic policies aimed at inclusive growth.

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OECD (2015a), *All on Board*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264211353-en>.

OECD (2016a), *The Governance of Inclusive Growth*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264257993-en>.

### ***Achieving inclusive growth is a priority for the Dominican government***

The Dominican Republic's National Development Strategy 2010-2030 (NDS, *Estrategia Nacional de Desarrollo*)<sup>1</sup> is based on a vision where “the Dominican Republic is a prosperous country where people live in dignity, attached to ethical values and within a framework of participatory democracy that guarantees a social and democratic state of law and promotes equity, social justice and a more egalitarian society which manages and enhances its resources to develop in an innovative, sustainable and territorially integrated way and that inserts itself with competitiveness in the global economy” (MEPyD, 2010).

The NDS is based on four principles: 1) the realisation of a state that serves the citizens by the rule of law, transparency and efficiency; 2) greater social cohesion, with a substantial reduction in poverty and inequality; 3) developing a robust and innovative economy capable of competing in global markets; and 4) addressing environmental challenges and climate change (OECD, 2012). A significant part of the strategy focuses on inclusive growth. For instance, it aims to reduce the proportion of the population in extreme poverty from 10% to 5% between 2010 and 2020, and increase gross income per

capita from USD 4 390 in 2010 to USD 7 753 by 2020. Moreover, there is a focus on strengthening the health and education systems, promoting infrastructure in transportation, strengthening the social safety net, and enhancing income redistribution.

The strategy is aligned with the 2030 Agenda for Sustainable Development, which provides a set of aspirational goals that all UN-member countries, including the Dominican Republic, have committed to strive for (Box 1.2). The concept of sustainable development is embedded throughout the NDS, from its vision statement to the principles that structure the strategy: 1) good governance; 2) social inclusion; 3) economic growth; and 4) sustainable use of resources.

### **Box 1.2. 2030 Agenda Sustainable Development Goals**

- Goal 1: End poverty in all its forms everywhere
- Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- Goal 3: Ensure healthy lives and promote well-being for all at all ages
- Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- Goal 5: Achieve gender equality and empower all women and girls
- Goal 6: Ensure availability and sustainable management of water and sanitation for all
- Goal 7: Ensure access to affordable, reliable, sustainable and clean energy for all
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
- Goal 10: Reduce inequality within and among countries
- Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable
- Goal 12: Ensure sustainable consumption and production patterns
- Goal 13: Take urgent action to combat climate change and its impacts
- Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- Goal 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development

Source: UNDP (2016), *Sustainable Development Goals*, [www.undp.org/content/undp/en/home/sdgoverview/w/post-2015-development-agenda.html](http://www.undp.org/content/undp/en/home/sdgoverview/w/post-2015-development-agenda.html), United Nations Development Programme, (accessed 12 June 2016).

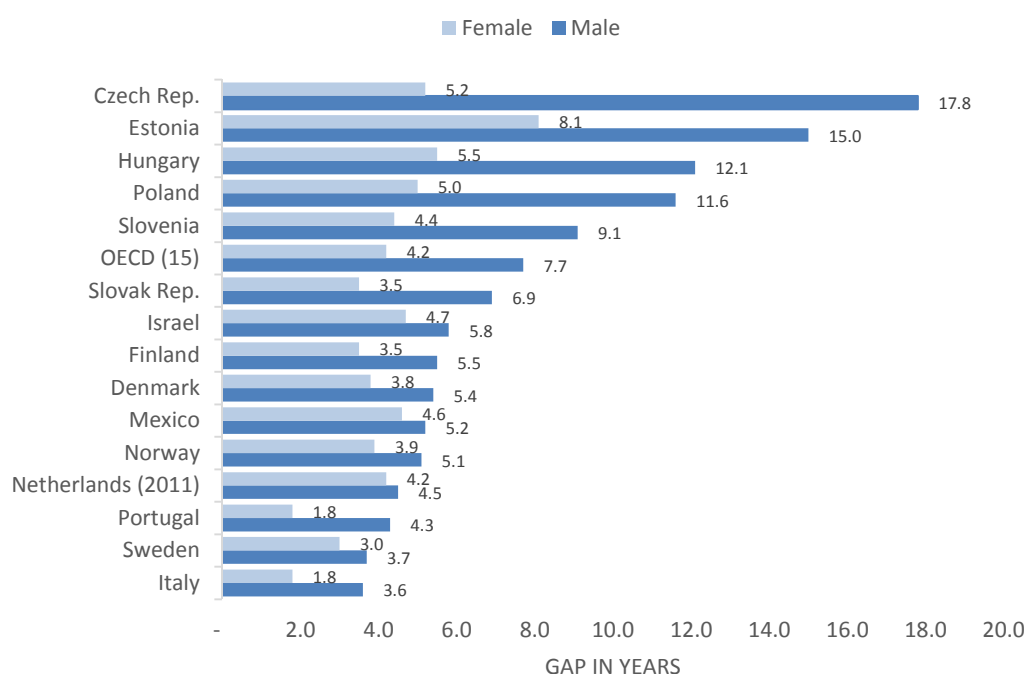
### ***Improving public services as a key lever for inclusive growth***

Inclusive growth cannot be achieved without a well-functioning service delivery system. While income is important, employment, health, and education outcomes are also factors driving inequalities and are crucially dependent upon the delivery of accessible and responsive public services. Access to services is therefore essential for connecting people and businesses with opportunities to achieve higher-paid jobs, better living standards and longer, more fulfilling lives (OECD, 2016a).

Across many countries, access to public services is heavily conditioned upon socio-economic status or where people live. For instance, the most disadvantaged groups often live shorter lives and find it difficult to break away from a vicious cycle of educational underachievement, low skills and poor employment prospects. By contrast, better-educated individuals enjoy better employment prospects and live longer (Figure 1.3).

**Figure 1.3. Life expectancy and educational attainment**

Gap in life expectancy at age 30 by sex and educational level (2012 or nearest year)



Source: Eurostat (2016) database and OECD

### ***Public services also matter for citizens' trust in government***

Evidence from the literature and work carried out by the OECD suggest that improving service delivery can improve not only satisfaction with public services, but also leads to higher citizen trust in the government. Trust in government as the provider of essential services plays an important role in achieving key policy outcomes that matter for the well-being of citizens and inclusive growth. Distrust in government services, for instance in the health sector, can steer citizens existing health information, policies and services, which can negatively affect their health outcomes (OECD, 2016a).

The transmission mechanism through which service provision may affect trust in the government has been referred to in the literature as the “micro-performance hypothesis”. This means that better quality public services can lead to more satisfied users which, in turn, can increase trust in government (Box 1.3). Elements affecting this trust include not only those aspects related to government competence in terms of the quality, timeliness or effectiveness of public services, but also aspects related to the principles guiding the provision of such services. Increasingly, dimensions such as engagement with users, which can lead to more tailored services or innovative forms of service design and delivery, contribute to shaping trust-related attitudes by reducing the gap between expectations and performance (OECD, 2016a).

### **Box 1.3. The relationship between trust and the provision of better-functioning public services**

At a country specific level, Kampen et al (2003) focused on Flanders (Belgium) and found that the largest effect on trust in the government comes from satisfaction with public services. All of the services that were included in their research (e.g. the police, refuse collection, education, and transportation) have an impact on the level of satisfaction with the government. Christensen and Laegreid (2005) found that citizens who are more satisfied with specific public services generally have a higher level of trust in public institutions. Badri et al (2015) confirm this link using structural equation modelling on the data from the Abu Dhabi Citizen Satisfaction Survey. They find that quality of services, demographics, and expectations have an impact on citizen satisfaction, and that ultimately, this satisfaction influences trust in the government.

Evidence can also be found at the sector level. Meyer et al. (2013) found that improved access to services for populations who have difficulty accessing health services may increase trust in health policy. Increased trust in health governance may, in turn, ensure the effective dissemination and implementation of health policies, and that existing inequities are not perpetuated through a distrust of health information and policy initiatives. At the same time, others (e.g. Kampen et al, 2003) suggest that a negative experience with a public service may have a more pronounced effect on trust in the government than the effect of a positive experience.

It is important to note that the relationship between service quality and trust needs to be understood in conjunction with broader observations of trust in government, including at the level of policy making and of political institutions. These dimensions interact with each other. Van de Walle and Bouckaert (2003) warn that while the performance of the public administration has a certain impact on trust in government, existing levels of trust in government may also have an impact on perceptions of government performance.

#### *Sources:*

Badri, M., Al Khaili, M. and Al Mansoori, R.L., 2015. Quality of Service, Expectation, Satisfaction and Trust in Public Institutions: The Abu Dhabi Citizen Satisfaction Survey. *Asian Journal of Political Science*, 23(3), pp.420-447.

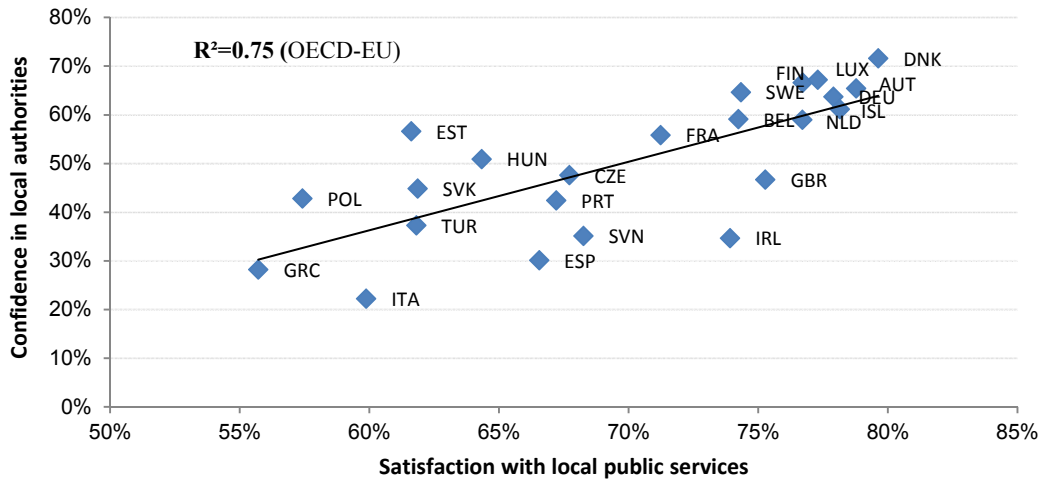
Bouckaert, G. and Van de Walle, S., 2003. Comparing measures of citizen trust and user satisfaction as indicators of ‘good governance’: difficulties in linking trust and satisfaction indicators. *International Review of Administrative Sciences*, 69(3), pp.329-343.

Christensen, T. and Lægred, P., 2005. Trust in government: The relative importance of service satisfaction, political factors, and demography. *Public Performance & Management Review*, 28(4), pp.487-511.

Kampen, J.K., Van de Walle, S. and Bouckaert, G., 2003, March. On the relative role of the public administration, the public services and the political institutions in building trust in government in Flanders. In ASPA’s 64th National Conference ‘The Power of Public Service’, Washington DC (pp. 15-18).

Available OECD data supports the findings that satisfaction with public services is positively related to trust in government. Despite the methodological difficulties in measuring trust in government, data from large-scale household surveys reveal that people’s satisfaction with public services is positively related to their trust in the government, especially at the local level (Figure 1.4).<sup>2</sup>

**Figure 1.4. Correlation between the level of self-reported satisfaction with local services and self-reported confidence in local authorities in OECD-EU countries, 2008-2015**



*Note:* Data for trust in local authorities for OECD non-EU countries are not available. Data correspond to the percentage of respondents that answered “tend to trust” to the question “For each of the following institutions, please tell me if you tend to trust it or tend not to trust it? Regional or local public authorities”. Data on the level of satisfaction with services correspond to a simple average of the reported satisfaction with healthcare, education, public transportation, local police, housing, quality of air and quality of water. Reported satisfaction corresponds to % of “yes answers to the questions: “In the city or area where you live, are you satisfied or dissatisfied with the availability of quality healthcare?”; “In the city or area where you live, are you satisfied or dissatisfied with the educational system or the schools?”; “In the city or area where you live, are you satisfied or dissatisfied with the public transportation systems?”; “In the city or area where you live, do you have confidence in the local police force, or not?”; “In the city or area where you live, are you satisfied or dissatisfied with the availability of good, affordable housing?”; “In the city or area where you live, are you satisfied or dissatisfied with the quality of air?”; “In the city or area where you live, are you satisfied or dissatisfied with the quality of water?”.

*Source:* OECD based on Gallup World Poll (database) <http://www.gallup.com/services/170945/world-poll.aspx> and Eurobarometer (database).

## Challenges in the delivery of public services in the Dominican Republic

Several context-specific factors affect the delivery of public services in the Dominican Republic. First, citizens repeatedly report limited satisfaction with the quality of and access to services in the country, often reflected in less than optimal outcomes. Second, current population and demographic dynamics, such as high population growth and a large share of minorities living in poverty, increase the demand for services. Third, relatively low government revenues, combined with limited tax morale, constrain available resources for the government to improve public services. Finally, despite a strong drive for government reform, the lack of enacting regulation, and the difficulties for sectorial institutions to adapt to the new institutional framework, appear to undermine



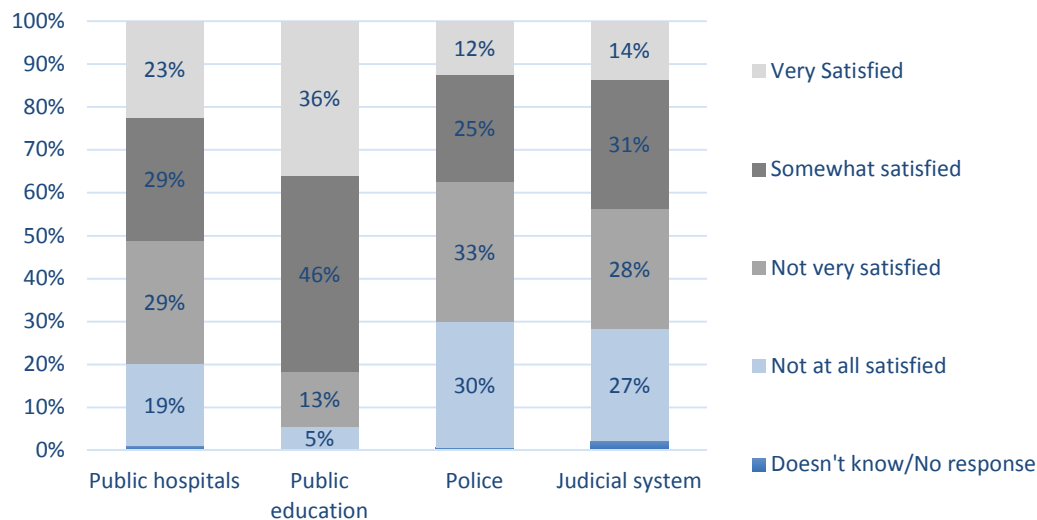
the efficiency of service delivery. The following sections describe these challenges more in detail.

### ***Dominican citizens report low levels of satisfaction with public services***

Dominican citizens do not appear to perceive their public services as being generally of high quality, as evidenced by their self-reported levels of satisfaction. Although people are relatively satisfied with public education, they are less satisfied with public hospitals, the judicial system, and the police. Almost a quarter of the population seems to be quite unsatisfied with the quality of public hospitals, compared with an average of less than a tenth among all Latin American countries. According to *Latinobarómetro* (2015), about 27% are not at all satisfied with the judicial system, and above 30% are not satisfied with the police (see Figure 1.5).

**Figure 1.5. Satisfaction with public services in the Dominican Republic, 2015**

While citizens are relatively satisfied with the public education, they are less satisfied with public hospitals, the judicial system, or the police



Note: 1000 respondents.

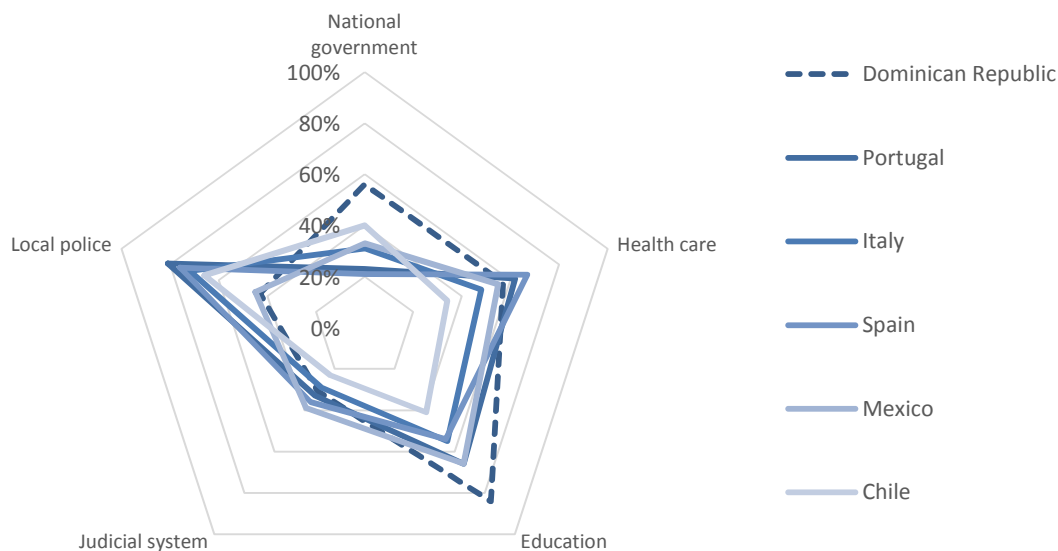
Source: Latinobarómetro (2015), Latinobarómetro database, [www.latinobarometro.org/latOnline.jsp](http://www.latinobarometro.org/latOnline.jsp), (accessed October 2016).

Despite progress and reform, trust in democratic institutions, such as the judicial system or the police, is very low, and the degree of satisfaction with these services almost never exceeds 50% (see Figure 1.6). This can trigger a vicious cycle of distrust and weakened legitimacy, which in turn limits the possibility of raising taxes and impedes the provision of more universal services (OECD, 2015b).



**Figure 1.6. Confidence in public institutions in selected countries**

Citizens of the Dominican Republic express relative confidence in the national government and the education system. There is low confidence in local police



*Note:* Data refer to the share of respondents who answered “yes” to the question: “Do you have confidence in this institution?”

*Source:* OECD calculations based on Gallup World Poll (database), <http://www.gallup.com/services/17094/5/world-poll.aspx>.

Stakeholders note that when Dominican citizens have the means to afford private solutions, they often abandon public services. In the Dominican Republic, the private provision of services such as health, education, electricity and even security is high compared to OECD economies. This section describes three services that illustrate some of the problems with public service delivery in the Dominican Republic: 1) education; 2) healthcare; and 3) electricity.

Over the past two decades, the Dominican Republic has spent about 2% of GDP on education, ranking at the bottom in Latin America. This limited spending on education, together with some inefficient investment, has led to a gap between available infrastructure (e.g. the number of classrooms and teachers) and the evolving population dynamics. Moreover, the education system in the Dominican Republic is traditionally characterised by high repetition rates, low completion, and a low number of class hours in public schools. Student-teacher ratios in schools with more than 500 students are very high at 78:1, and these schools account for 68% of the total enrolment in public schools (Deutsche Welle, 2016).

Table 1.1 summarises education in the Dominican Republic, in the Latin American region, and in the OECD. The share of population with tertiary education (% of population 25+) is below the Latin American regional average, and significantly below the OECD average. The same is true for average years of schooling. Only slightly above 10% of the total population has completed secondary school, which situates the

Dominican Republic at the bottom of Latin America. The literacy rate (adult total, % of people aged 15 and above) remains at a relatively low 91% (World Bank, 2015).

**Table 1.1. Education in the Dominican Republic, the Latin American and Caribbean (LAC) region and the OECD**

Education is still well below OECD standards in the Dominican Republic

	Dominican Republic	LAC	OECD
Share of population with tertiary education (% of population 25+)	11%	14%	28%
Share of population with secondary education (% of population 25+)	23%	23%	35%
Average years of total schooling	7.46	8.29	11.39

Source: OECD/CAF/ECLAC (2015), *Latin American Economic Outlook 2016: Towards a New Partnership with China*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264246218-en>.

Sánchez and Senderowitsch (2012) argue that the education sector in the Dominican Republic presents faulty public service delivery, which leads to a private offer that is more of a reactive upshot to deficiencies in state education than a high quality alternative. Even among the poorest 20% of the population, almost 13% of households use private schools (Fritz et al, 2014). The result is an inefficient outcome where the poor are hit the most as they have to spend a very high share of income on a private solution to education.

Recent efforts have been directed at correcting these problems. In particular, in 2015 the education sector benefited from a significant increase in funding as a result of a social movement that demanded 4% of GDP goes to education. Resources are being directed towards the construction of new classrooms, the training of teachers and expanding access to initial and basic education with the extended school day initiative “*Tanda Extendida*”.

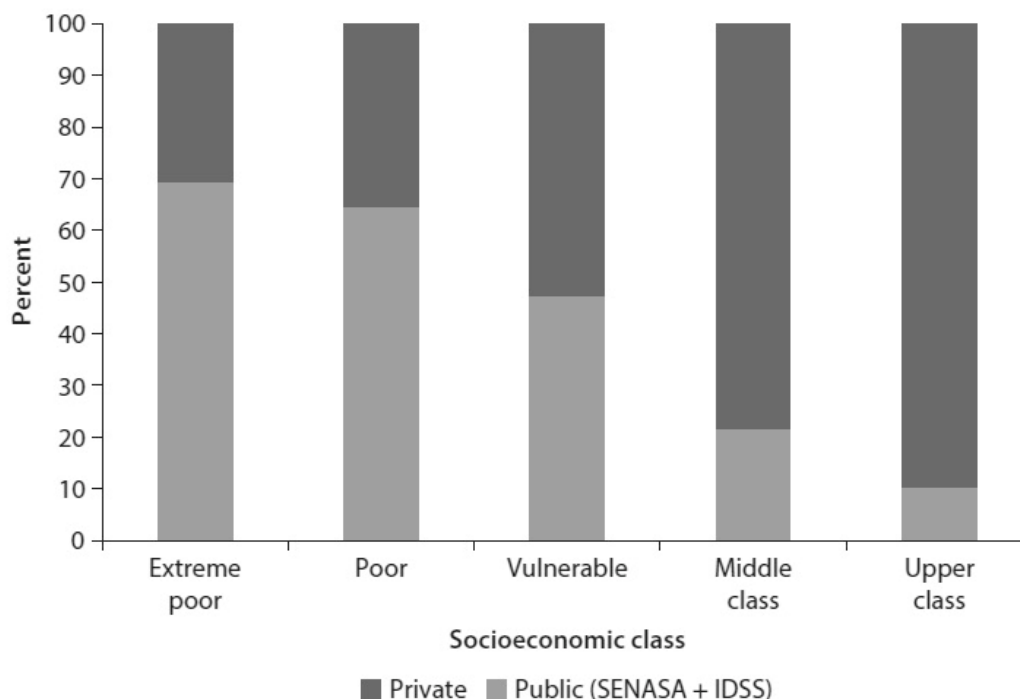
A similar situation can be observed in the health sector, where citizens tend to look for private solutions rather than use public services. Generally, the quality of public health is perceived as unsatisfactory by citizens. About half of the population is not satisfied with public hospitals (Latinobarómetro, 2015), and maternal and infant mortality rates remain well above regional averages.

Dominican public expenditure on health averaged 1.5% of GDP between 2005 and 2011, the lowest in Latin America. The state finances about 36% of total health spending, whereas individual out-of-pocket expenditure amounts to 56% and private insurance covers just 8% (Sánchez and Senderowitsch, 2012).

Most people in the middle and upper class choose private health providers. While the share of privately insured increases dramatically with income (richer people prefer private healthcare), even the extreme poor households are seeking private insurance (see Figure 1.7), and are disproportionately affected by the need to seek for private healthcare. Private out of pocket expenditure represents above 60% of total spending, and acquiring medicines is a heavy burden for the poorer strata of the population (Carneiro et al., 2015).

**Figure 1.7. Health insurance by socio-economic class in the Dominican Republic**

The share of private insurance increases dramatically with income, however, even the extreme poor households are seeking private insurance.



*Note:* ENIGH's (*Encuesta Nacional de Ingresos y Gastos de los Hogares*, or National Income and Expenditure Household Survey) "total primary occupation income" figures are used for analysis. The population is classified according to the income bands selected in the latest Latin America and the Caribbean flagship report on the middle class (Ferreira et al. 2013): extreme poor, US\$0.00– US\$2.50 a day; poor, US\$2.50– US\$4.00; vulnerable, US\$4.00– US\$10.00; middle class, US\$10.00– US\$50.00; upper class, US\$50.00+ (purchasing power parity). IDSS is the Dominican Republic's social security institute; SENASA is the Dominican Republic's national health insurance programme.

*Source:* Fritz et al. (2014), World Bank staff calculations based on Instituto Nacional de Estadísticas y Geografía, ENIGH, 2007, <http://www.inegi.org.mx/est/contenidos/Proyectos/Encuestas/Hogares/regulares/Enigh/Enigh2010/tradicional/>.

Government spending on healthcare, and particularly on hospitals, should be increasingly based on efficiency, cost-effectiveness and sustainability criteria. OECD interviews in the Dominican Republic outlined that there may be too many hospitals in the country, many of which are located in villages where it is not financially sustainable to have a hospital. Improvements in the governance and co-ordination framework, as discussed in Chapter 2, would help address some of these challenges.

### **Box 1.4. The health and social insurance system in the Dominican Republic**

The Dominican Republic's social insurance system foresees three different modalities of social insurance: a fully subsidised regime, which is ultimately targeted at the total poor population of about 4 million people, but still reaches only about 2.3 million as of the end of 2011; a contributory employer-employee regime, compulsory for public servants; and a voluntary, partially subsidised regime, originally aimed at covering the self-employed and professionals, but not yet under implementation.

*Source:* Fritz et al. (2014), World Bank staff calculations based on Instituto Nacional de Estadísticas y Geografía, ENIGH, 2007, <http://www.inegi.org.mx/est/contenidos/Proyectos/Encuestas/Hogares/regulares/Enigh/Enigh2010/tradicional/>.

The electricity sector is another example of the limited effectiveness of public services in the Dominican Republic due to unreliable electricity provision, blackouts, and failed past efforts to improve the system. According to Latinobarómetro (2015), more than 40% of Dominican citizens are either “Not very satisfied” or “Not at all satisfied” with the quality of electricity. As a result, citizens have started to rely on private providers and install backup systems against frequent electricity shortages. This promotes economic and social inequality, as poor households either cannot afford backup systems and so are left without reliable electricity, or have to spend a considerable share of their income on private solutions. On top of these microeconomic problems, the large electricity sector deficit creates macroeconomic imbalances as it crowds out public spending for social programmes and other public services.

These examples show that the limited quality of public services poses a foundational challenge to inclusive growth in the Dominican Republic, dividing society between those who can afford a private solution and those who cannot. Limited redistributive policies and high informality levels lead to a large share of the population that remains out of reach to public services. It has also been suggested that weak public services may constrain private sector development (see Box 1.5).

### **Box 1.5. Weak public services constrain private sector development**

Weak public services may limit the potential of private sector development in the Dominican Republic. The unsatisfied demand for quality public services is one of the key challenges that have recently emerged as a constraint to growth in the Dominican Republic, and in the Latin American region (OECD/CAF/ECLAC, 2015). Other challenges include a still vulnerable emerging middle class and persistent inequalities.

To further promote the economic development of small and medium-sized enterprises (SMEs) and larger businesses in all regions of the Dominican Republic, better public services need to be provided that can meet the demands for human capital from the private sector. For instance, a large percentage of firms report difficulties recruiting adequately skilled labour in the Dominican Republic (see Table 1.2).

**Box 1.5. Weak public services constrain private sector development** (*continued*)**Table 1.2. Structure of the economy and skills in the Dominican Republic, the LAC region and the OECD**

A large percentage of firms report difficulties recruiting adequately skilled labour in the Dominican Republic

	Dominican Republic			LAC			OECD		
	Agriculture	Industry	Services	Agriculture	Industry	Services	Agriculture	Industry	Services
Employment by occupation % of total, latest year available	15%	18%	68%	14%	21%	65%	5%	23%	71%
Percentage of firms reporting difficulties recruiting adequately skilled labour, latest year available	36%			36%			17%		

Source: OECD/CAF/ECLAC (2015), *Latin American Economic Outlook 2016: Towards a New Partnership with China*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264246218-en>.

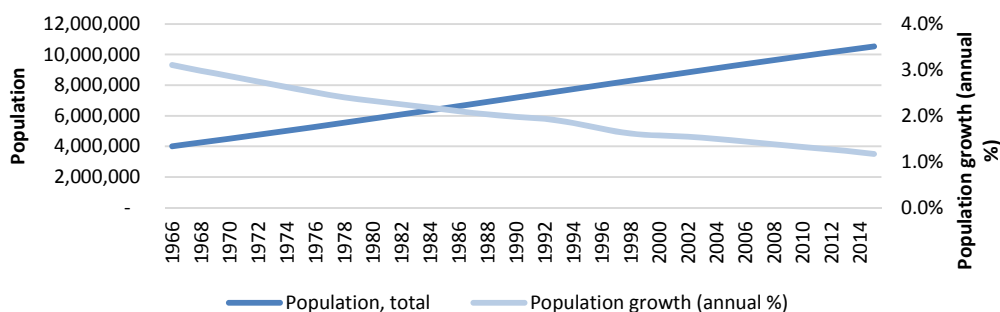
The limited satisfaction with public services may also be related to large disparities in quality across the country. The Dominican Republic is divided into 31 heterogeneous provinces (incorporating 155 municipalities) and the *Distrito Nacional*, where the capital is situated. The provinces are political and administrative units that facilitate delegation of the central government authority at the intermediate level. Every province has a civil governor who is appointed by, and represents, the central executive power. Each province is composed of two or more municipalities, which in turn function as political and administrative units (OECD, 2015b). Some stakeholders during OECD interviews identified that public service delivery remains fragmented and that there are different quality of services across the regions. One of the reasons for limited coherence and quality of public services across the country might be the relatively high number of provinces and municipalities, given the relatively small size of the country.

***Demographic trends pose a challenge for public service delivery***

Demographic and migration trends pose additional challenges to service delivery in the Dominican Republic. The population has increased significantly in recent decades: from 3.3 million in 1960 to 10.6 million in 2015. While the population growth has been slowly decreasing, it is still above 1.3% a year (see Figure 1.8), well above the OECD average of 0.5%. This high population growth is combined with relatively large immigration inflows (mostly from neighbouring Haiti), both of which create a strong demand for public services.

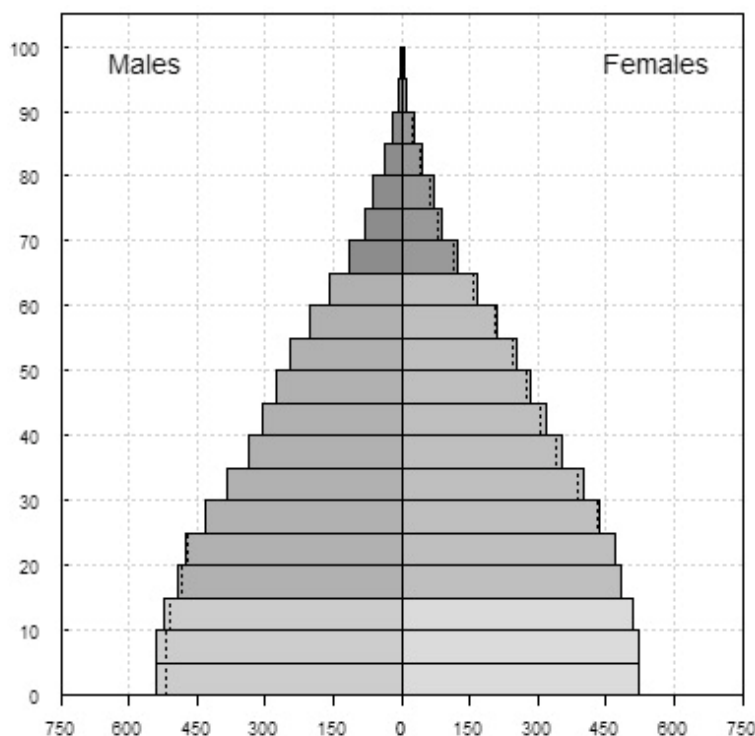
**Figure 1.8. Dominican Republic’s historical population and population growth (1960-2015)**

The population in the Dominican Republic has increased dramatically in recent decades: from 3.3 million in 1960 to 10.6 million in 2015



Source: World Bank Group (2016), *World Development Indicators (database)* <http://data.worldbank.org/data-catalog/world-development-indicators>.

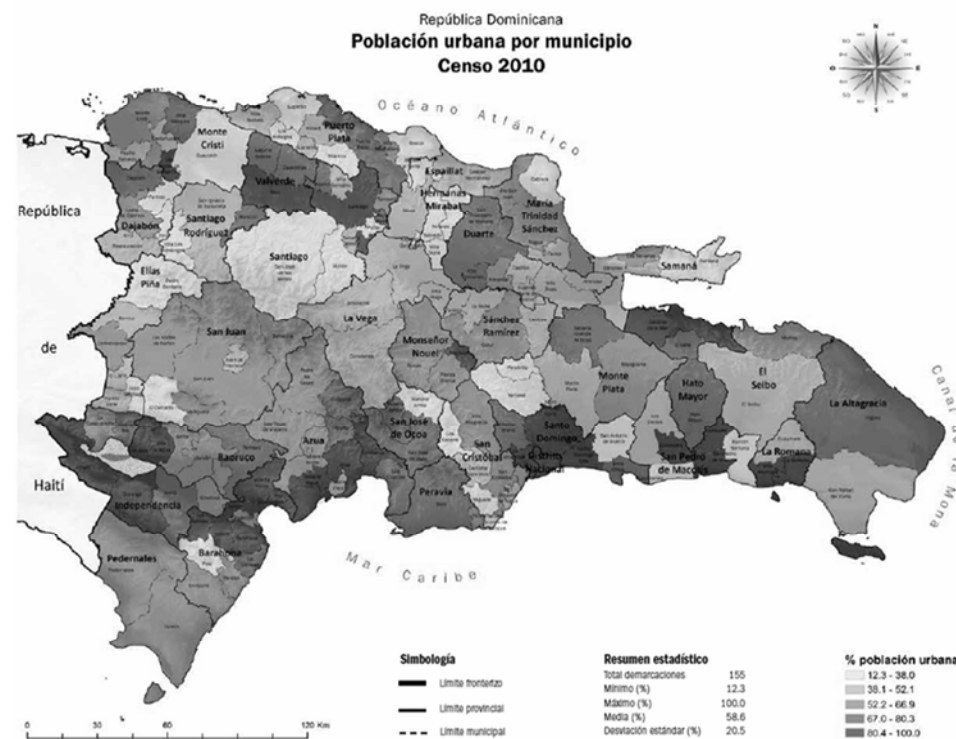
This fast population growth leads to a skewed and expanding population pyramid, common for developing countries with high birth and death rates and relatively short life expectancy. A high percentage of the Dominican population is under the age of fifteen (29.5 %), compared to the OECD average of 18.4%. This population dynamics puts a heavy burden on the government to provide the necessary public services and job opportunities on the market.

**Figure 1.9. The Dominican Republic population pyramid, 2015**

Source: UN (2015), *World Population Prospects: The 2015 Revision*, Department of Economic and Social Affairs, Population Division, United Nations, New York.

Urban dynamics also create challenges for the government’s service delivery. People are moving fast from rural areas to cities, mostly to seek jobs and higher incomes. For instance, in 1990 the urban population was 55% of the total, whereas it was 78% of the total in 2014. Moreover, urban population growth has remained above 2% a year (Trading Economics, 2016b), with Santo Domingo, the capital, expected to increase 42% between 2012 and 2030 (Euromonitor International, 2013). This will contribute to the already densely populated area (see Figure 1.10) and create further demand on public services in the capital and its surrounding areas. As this migration is often unplanned, it leads to high population density and informal settlements in some areas, and promotes a high concentration of marginalised communities. Urban dynamics, in effect, exacerbate the vulnerability of these groups, which often also face limited access to public services.

**Figure 1.10. Population density, 2010**



Source: Oficina Nacional de Estadística (2015), *Atlas: Situación poblacional de la República Dominicana en los censos 1920–2010*, Dominican Republic, <http://www.one.gob.do/Categoria/Publicaciones/847>.

Other demographic dynamics are important for service delivery in the Dominican Republic, particularly from the point of view of access by disadvantaged groups. As noted, the Dominican Republic shares the island of Hispaniola with Haiti, which is a significantly poorer country. While the Dominican Republic’s GDP per capita (purchasing power parity [PPP], current international \$) is \$13 300, it is only \$1 730 in Haiti. On top of widespread poverty, periods of political instability and economic incertitude, and some exogenous factors, such as the 2010 Haiti earthquake, have encouraged emigration into the Dominican Republic. While estimates vary, there are over 700 000 people of Haitian descent, including a generation born in the Dominican Republic. A survey conducted by the National Office of Statistics (ENI, 2012) estimated



the number of Haitian migrants at 458 233, or 87.3% of all migrants in the country. In addition, the survey suggests that there were 209 912 people of Haitian descent.

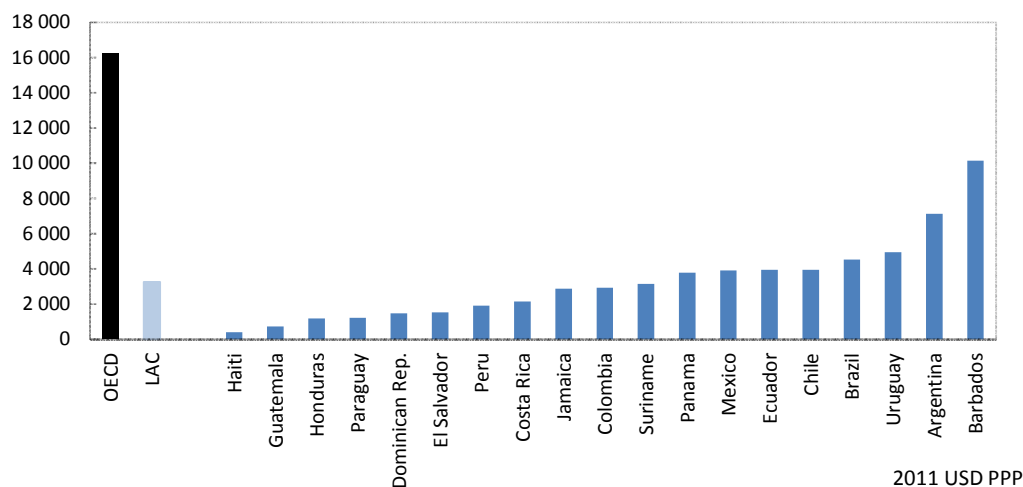
Many of these people live in the border areas and have difficulties accessing public services, such as schooling or healthcare. These groups suffer not only from low incomes and poor living standards, but also from social exclusion. Because they are often without birth certificates and identity papers, about 20% of these poorest families do not benefit from most types of social assistance programmes and have difficulty accessing public services. While the problem of identification is often analysed in terms of nationality disputes and the recognition of the rights of people of Haitian descent, it also affects the poorest Dominicans (even if less so), especially in rural areas. Late birth declaration used to be difficult and expensive if a person was poor and lived far from the closest civil registry office, which are usually in cities. While successive governments have made efforts to address this problem, the issue of registration continues to be partially unresolved.

### *Limited fiscal resources constrain the quality of public services*

Traditionally, the Latin American and Caribbean (LAC) region's service delivery is constrained by limited public resources, existing clientelism and possibly corruption. These challenges often reduce people's willingness to pay taxes, which limits the resources for public services and inclusive growth. In this regard, the Dominican Republic has exceptionally low expenditure per capita in comparison to OECD and LAC averages (see Figure 1.11).

**Figure 1.11. General government expenditures per capita (2011), USD PPP**

General government expenditures per capita are very low in the Dominican Republic in comparison to OECD and LAC averages



*Note:* Data for LAC countries: IMF, World Economic Outlook Database (IMF WEO) (October 2013). Data for the OECD average: OECD National Accounts Statistics (database).

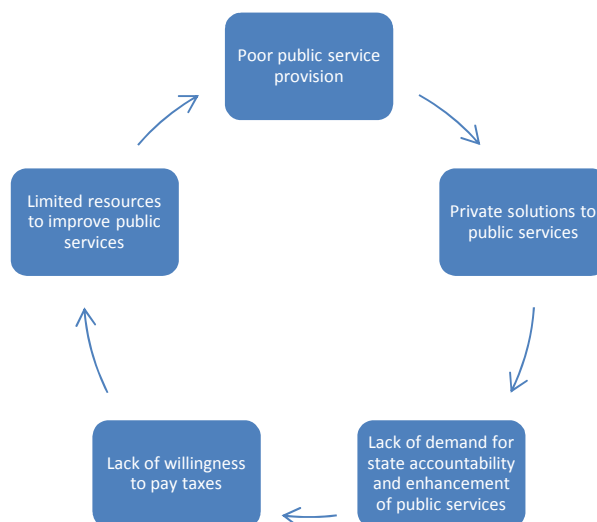
*Source:* OECD/IDB (2014), *Government at a Glance: Latin America and the Caribbean 2014: Towards Innovative Public Financial Management*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264209480-en>.



If education, healthcare and other public services lack quality, the middle class population is more likely to consider themselves as net contributors from a fiscal point of view, which makes them less inclined to finance the public sector (OECD, 2010). It appears that the Dominican Republic has fallen into this inefficient equilibrium characterised by a narrow tax base and limited redistributive policies, which negatively affects the provision of public services (see Figure 1.12). Low quality public service provision is forcing people to seek private solutions, and therefore caring less about what the government delivers. The country has the second lowest tax morale in the region and tax evasion appears to be tolerated by society. While the average percentage of people in LAC countries who say tax evasion is “never justified” is 45%, in the Dominican Republic it is less than 30% (Fritz et al., 2014). This leaves the government with limited resources, which leads to poor public service provision.

**Figure 1.12. Vicious cycle of limited resources and poor public services in the Dominican Republic**

Poor public services incentivise those who can afford it to seek private solutions, which leads to a lower demand for state accountability and enhancement of public services, and decreases the willingness to pay taxes, thus limiting resources to improve public services.



*Source:* Based on Fritz et al. (2014), World Bank staff calculations based on Instituto Nacional de Estadísticas y Geografía, ENIGH, 2007, <http://www.inegi.org.mx/est/contenidos/Proyectos/Encuestas/Hogares/regulares/Enigh/Enigh2010/tradicional/>.

Additional factors of people’s limited willingness to pay taxes may be the high levels of perceived corruption across the public sector, as repeatedly demonstrated by international surveys. For instance, according to Transparency International’s Corruption Perception Index (Transparency International, 2015), the Dominican Republic ranks 103<sup>th</sup> out of 167 countries.

As a result, the collected tax remains only 13% of GDP in the Dominican Republic, which is well below the OECD average of 34.1%, or the LAC average of 20.1% (OECD/IDB, 2014). As taxation is the essential tool to acquire sufficient resources to pay for the education, healthcare, infrastructure and other services their citizens need (OECD, 2013), these limited resources constrain the potential to improve the quality and reach of public services, and thus pursue more inclusive growth outcomes.

In this context, introducing reforms to increase tax revenue is extremely difficult if it is not accompanied by specific, credible action to improve the state's effectiveness, efficiency and transparency in spending that revenue (OECD, 2013). Box 1.6 summarises the findings of the OECD (2013) on tax policy in the Dominican Republic, including on public services.

### **Box 1.6. Strengthening fiscal policy for better public services in the Dominican Republic**

The OECD's report *Fiscal policy for development in the Dominican Republic* sets out some of the challenges for fiscal policy and public services in the Dominican Republic. The report finds that the Dominican tax system is highly fragmented, making tax administration difficult and facilitating tax evasion and avoidance. In particular, the prevalence of tax exemptions reduces the tax bases and makes tax administration very difficult (OECD, 2013).

The Dominican Republic's value-added tax is the main source of income, but much is squandered through tax exemptions and evasion. General tax exemptions have been shown to benefit richer members of the population most. The tax base could be broadened to simplify the tax system and increase revenue, while direct transfer mechanisms could be used to mitigate shocks to those who are financially more vulnerable.

Personal income tax in the Dominican Republic is progressive, but the high amount of non-taxable income makes it less progressive than it should be. Around 90% of wage earners are exempt from income tax. In other words, nine out of ten potential payers of personal income tax are not obliged to pay it because their taxable income is below the legal threshold. However, although most middle-class households are not subject to income tax, they often end up paying for health services and private education because of the deficiencies in public services.

Citizens' tax morale is very low in the Dominican Republic. Low tax morale is fuelled by a lack of transparency and a poor perception of the quality of fiscal policy. The highly complex tax system, and the constant changes that have been made, spawn uncertainty for economic operators, while the quality of public spending is perceived as low. Poor perception of government and of public services also reduces people's willingness to pay taxes. A lower willingness to pay taxes brings with it an additional problem: that of setting and financing spending priorities. The National Development Strategy outlines development policies until 2030, and tax revenue needs increasing to finance those policies. If public services are perceived as being of low quality, tax morale suffers; and if fewer taxes are paid, a gap opens up between the revenue needed to spend on development and the revenue collected. This fuels a vicious cycle whereby development-policy priorities do not match public finances in the medium and long terms.

*Source:* OECD (2013), "Fiscal policy for development in the Dominican Republic", *Making Development Happen*, No. 2, OECD Publishing, Paris, <http://www.oecd.org/dev/americas/Fiscal%20policy%20for%20development%20in%20the%20Dominican%20Republic.E-Book.pdf>.

### ***Weaknesses in the underlying governance and institutional framework further challenge public service delivery***

An effective governance framework and the corresponding institutional arrangements are at the heart of a successful service delivery system. OECD experience shows that while investment in service delivery is important, what often matters even more is a system with built-in incentives across the government to enable broader gains. The effectiveness of the institutional framework in governing the provision of public services is marked by four capabilities: 1) defining the vision that will guide the priorities and

steer planning and implementation at the sector level; 2) translating this vision into specific goals supported by an appropriate regulatory framework; 3) institutionalising co-ordination; and 4) enabling results assessment and accountability efforts.

The impact of the banking crisis in 2003-2004 forced the government to rethink the governance framework for service delivery. To strengthen the centre of government (CoG), and to create sound and coherent interconnected systems, laws on Public Administration, Planning, Budget and Financial Management were enacted. In addition to reforms linked to the CoG, the government concentrated on an institutional reorganisation of social sectors to improve the co-ordination and delivery of social services. In 2005, the government established the “*Solidaridad*” programme as a condition cash transfer programme. Later on, it introduced the Single Beneficiary Selection System (SIUBEN) to improve targeting, and created the Administrator for Social Subsidies (ADESS) to rationalise the use of subsidies.

Despite these efforts, challenges remain to achieve full implementation and operationalisation of the existing institutional framework, while existing co-ordination challenges may require further reform.

Although the institutional architecture is in place, the lack of regulation, and the difficulties of sectoral institutions to adapt to the new institutional framework, have undermined these new provisions. Moreover, existing co-ordination mechanisms lack operational definitions and practice, while monitoring and evaluation initiatives are relatively new and not fully integrated into the decision-making process. In addition, concerns remain over the lack of professionalisation at the top management level, and that in certain instances, politically appointed positions may prevail over civil servants. Civil society appears to have only a limited voice in the design, implementation, and evaluation of the provision of public services.

Optimising service delivery therefore raises fundamental governance issues, including the need for robust performance-measurement and reporting capacity, and the ability to engage in strategic operational reviews of programme spending to identify low-priority programming that could be altered or discontinued to create fiscal room to meet high-priority and emerging spending needs. Engaging society via participatory initiatives can significantly enhance the design, monitoring and evaluation of public services. Several interesting concepts have been implemented recently. A good example of citizen engagement is the recent initiative (since 2012) *veedurías ciudadanas* (citizen oversight committees). These committees mostly concentrate on the use of resources by certain institutions and have been recognised as useful for obtaining efficiency gains in some of the inputs for service provision. However, more work needs to be done to improve the participation of citizens in the public service delivery system.

### **Improving the quality, reach and access to public services is an important lever for inclusive growth in the Dominican Republic**

The government has launched a series of reforms to improve the quality of and access to public services. Significant measures have been taken in recent years to reach people living in poverty: the coverage of social safety nets has been expanded, and fiscal transfers for education and health have become better targeted. Coverage has also expanded significantly in terms of key services, such as the National Health Service and essential medicines. A particularly significant effort is taking place in the education sector, with increased resources for primary and secondary education that has allowed the

construction of classrooms to reduce overcrowding and allow for more learning. In addition, strengthening the institutional framework that guides the planning and delivery of services continues to be a priority for the government.

A number of policy levers can assist the Dominican Republic in its efforts to enhance service delivery to promote inclusive growth. This review explores in particular the role that improved digital governance, administrative simplification and public sector innovation, together with an enabling governance framework, can play in further deepening ongoing efforts.

## Notes

- 1 This strategy was converted into the “Law for the National Development Strategy for the Dominican Republic 2030” in 2012.
- 2 Using a composite measure of overall satisfaction with key services (including satisfaction with healthcare, education, police, public transportation, housing, quality of air and quality of water) there is a positive correlation between satisfaction with public services and trust in local governments ( $R^2=0.75$ ) in OECD-EU countries over the period 2008-2015 and with national government ( $R^2=0.65$ ).

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## ***Chapter 2.***

### **The governance context of service delivery in the Dominican Republic**

*This chapter introduces the governance arrangements that guide and shape the delivery of public services in the Dominican Republic and that set the foundation for other policy levers to be fully effective, such as digital government, public innovation and administrative simplification. It describes the current institutional framework governing the provision of services and the numerous reforms that have been undertaken in the past 50 years. The challenges to realise the full potential of the current institutional setting are discussed, including those relating to whole-of-government co-ordination and coherence and the integration of existing information systems, such as those that collect feedback and experience from users and beneficiaries; capacity building; and administrative structure. The role of the Ministry of Public Administration (MAP) as a natural institutional leader is also discussed. The chapter concludes with recommendations to improve the governance underpinnings of service delivery in the Dominican Republic.*

## Introduction

Rising inequalities and the levels of vulnerability affecting poor households in the wake of the global financial crisis have shifted the attention of society towards achieving inclusive growth, i.e. growth that creates opportunity for all segments of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society (OECD, 2016). The dual challenge of delivering stronger growth and more inclusive outcomes places renewed attention on the ability of governments to design and implement policies that create the right conditions for citizens to thrive, such as through better health outcomes and educational opportunities (OECD, 2016).

By connecting people with opportunity, public services play a key role in achieving inclusive growth outcomes. Access to quality services, such as education, healthcare or transportation, is essential to break ingrained cycles of disadvantage. Better outcomes across these essential dimensions (from educational attainment, to life expectancy or housing) are one of the strongest drivers of economic growth in the long run.

Despite significant progress, improving the accessibility, quality and efficiency of public services remains a shared challenge for OECD member countries and beyond. Part of this challenge is related to social, demographic and even geographical drivers (as described in Chapter 1 for the Dominican Republic context), but not exclusively. The full potential of policy drivers that influence the efficiency, effectiveness and access to public services (such as digital governance, innovation or administrative simplification) remains to be developed fully. For these policies to be successful, a solid governance framework must underpin the institutional arrangements that shape the planning, implementation, assessment and continuous improvement of public services. This is particularly true if focusing on the non-income areas associated with improvements in multidimensional inequalities, such as health or education.

The OECD defines public governance as “the system of strategic processes and tools, as well as institutions, rules and interactions for effective policy making” (OECD, 2016). Failures in the governance system could undermine the capacity of the government to achieve inclusive growth, and exacerbate multidimensional inequalities. For example, failures in the targeting mechanism of a conditional cash transfer (CCT) programme could generate more inequality by failing to offset the cost of poorest households to access health and education services. To avoid this, governments need to move towards a whole-of-government approach to leverage “informed decision-making and align vision, incentives, and delivery mechanisms across the policy making cycle” (OECD, 2016). By so doing, governments are also strengthening the institutional framework that sustains the social contract, validating their own legitimacy to govern and setting a solid foundation for stronger levels of institutional trust.

In the context of improving the accessibility, quality and efficiency of public services, the OECD framework on the governance of inclusive growth provides a useful reference of key building blocks for a whole-of-government approach to planning, designing, delivering and assessing public services (Box 2.1).

### **Box 2.1. Guiding elements of a governance framework for inclusive growth**

A defining feature of inclusive growth is multidimensionality, which brings together income and non-income considerations in the definition of intended outcomes. This requires capacity from governments to deal with complexity in policy making, assess policy impacts from broader viewpoints, and identify complementarities and trade-offs between and within policies and policy objectives. The right definition of needs and expectations, together with effective policy and administrative co-ordination mechanisms, become essential pillars for achieving inclusive growth.

Four capacities can be signalled as key in the policy-making cycle for inclusive growth. First is the definition of a whole-of-government vision to guide the identification of measurable goals and outcomes, often reflected in key national indicators (KNIs). Solid information systems are essential to target the right needs and population groups, including place-based considerations.

The second phase focuses on operationalising the vision, which is usually embodied in a medium-term national development plan, programme for government, or coalition agreements. As inclusive growth outcomes are visible over a multiyear period, priority policies and actions will ideally be reflected in a medium-term expenditure framework (MTEF), which can shape the annual dynamic of the budget cycle, thus bridging short and medium-term planning and providing resources to deliver on the shared vision. A number of tools can assist governments in managing trade-offs and understanding distributional impacts (across different social groups and locations) in order to fund inclusive growth priorities. These include: regulatory impact assessments, a more complex ex ante appraisal of current expenditures, investment projects to estimate their financial implications in the long term, as well as input from ex post expenditure and impact evaluations. Co-ordination and performance mechanisms designed to steer government action towards shared outcomes (beyond administrative silos) are critical enabling mechanisms, albeit still weak across many OECD countries. Similarly, innovative forms of service delivery, including more collaboration between service users, providers and professionals, can help better tailor services and their accessibility, including for disadvantaged groups.

The final phase of the cycle focuses on the evaluation of policies to verify their impact on inclusive growth and identify relevant lessons for the next policy cycle. The availability of granular, comparable, timely and usable information, as well as its use across public administration for informed decision making and accountability purposes, is and will continue to be increasingly important.

Throughout the policy-making cycle, openness and stakeholder engagement can be leveraged to render decision making more informed, leading to policies and services that are fairer, more responsive, and closer to citizens' needs.

*Source:* OECD (2016), *The Governance of Inclusive Growth*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264202177-en>.

In the context of the Dominican Republic, improving access, quality and efficiency of public services through stronger governance underpinnings emerges as a key driver for more inclusive growth outcomes. As discussed in Chapter 1, in the past two decades the Dominican Republic grew faster than the Latin American and Caribbean region, outperforming most of countries in this region. Between 1992 and 2014, the country's growth rate was an average of 5.5%, while the average regional growth rate was 3.1%. Despite the increase in growth, poverty in the Dominican Republic has not decreased proportionally (Arias and Guzman, 2009; World Bank, 2014a). Between 2000 and 2011, just under 2% of the population moved up in the income rank, in contrast with an average of 41% in the LAC region (World Bank, 2014b).

To tackle this, successive governments have placed increased attention on social promotion programmes, particularly in the areas of health and education, following the fiscal impact of the banking crisis in 2003-2004, the Dominican Republic signed a standby agreement with the International Monetary Fund (IMF) that included a significant fiscal adjustment. In order to mitigate the impact of this fiscal adjustment on the poor, successive administrations have focused on protecting the most vulnerable population. Among other key initiatives, in 2005 the government established the “*Solidaridad*” programme as a conditional cash transfer (CCT) programme. Later on, it introduced the Single Beneficiary Selection System (SIUBEN) to improve targeting, and created the Administrator for Social Subsidies (ADESS) to rationalise the use of subsidies.

Alongside these efforts, particular attention has been given to reforming the governance framework for service delivery, in order to be able to do more with less. Laws on Public Administration, Planning, Budget and Financial Management were enacted. The government also embarked on the production of a National Development Strategy 2030 that was approved as law by the Congress in December 2012. In addition, the government has concentrated on an institutional reorganisation of social sectors to improve the co-ordination and delivery of social services.

As is explored in the following sections of this chapter, these reforms have had mixed results, mainly due to the lack of enacting regulation, duplicity and fragmentation. MAP and the Ministry of Economy, Planning and Development (MEPyD) have not been able to fully develop their role as governing bodies of the public administration system (for MAP) and the planning and public investment system (for MEPyD), and most sectorial institutions and local governments have difficulties assimilating the new institutional framework. For example, despite efforts to unify the planning regions, the Ministry of Education and the Ministry of Health still operate under their own regional structures, hampering the territorial co-ordination of policies. Moreover, for delivery reasons, the Ministry of the Presidency has become an important implementing agency and leads the implementation of several programmes considered high priority by the Office of the President. Although this has provided an opportunity to improve efficiency and effectiveness in the short run, in the medium term it could undermine recent reforms and foster redundancies in the public sector. Further consolidating these efforts will be a key lever to transforming sustained economic growth into gains in multidimensional living standards across regions and population groups.

This chapter is divided into four sections. The first section describes the evolution of the governance framework for service delivery in the Dominican Republic, with particular attention to the recent reforms. The second section provides an overview and assessment of these reforms and the current governance framework for service delivery. The third section explores the mandate and role that the MAP could play in enhancing service delivery in the Dominican Republic. The fourth section presents conclusions and introduces recommendations.

## **The governance context of service delivery in the Dominican Republic**

### ***Evolution and waves of reforms***

The Dominican Republic has undergone several reform processes in the past 50 years that have transformed the centre of government and the mechanisms for policy co-ordination, implementation and evaluation. At the heart of these reforms was the creation

of the National Development Council, the Technical Secretariat of the President, the Institutional Offices of Programming, and the Provincial Development Councils (Box 2.2).

### **Box 2.2. Summary of waves of reforms in the Dominican Republic**

#### **First wave of reform (1965)**

The objective of the first wave was to organise the centre of government and the planning system following the transition to democracy. The reform created the following structures:

- National Development Council: Main policy co-ordination body of the government responsible for designing economic and social policies, and defining guidelines for the preparation, monitoring and evaluation of sectorial development plans. Its members were the President, ministers, the head of the Technical Secretariat and the Governor of the Central Bank.
- Technical Secretariat of the Presidency: Advisory body of the President and the National Development Council responsible for co-ordinating the production and evaluation of sectorial development plans; co-ordinating the preparation, execution and evaluation of the public budget; and ensuring a functional public administration. The Secretariat had four subsidiary offices:
  - National Planning Office (ONAPLAN): Governing body of the planning system responsible for the planning process and the public investment budget.
  - National Statistical Office (ONE): Office responsible for producing the statistics for decision making.
  - National Budget Office (ONAPRES): Governing body of the budget system responsible for preparing, monitoring and evaluating the budget of the public sector.
  - National Office of Personnel and Administration (ONAP): Office responsible for regulating the civil service.
- Institutional Offices of Programming: Senior management advisory units responsible for preparing, revising, monitoring and evaluating sectorial plans. These offices were the link between the central system and the sectors.

The first wave created a structure to centralise the planning process, but in practice this structure was undermined by the lack of interconnection between the planning and budget systems as a result of high discretionary spending. Additionally the Technical Secretariat lacked the political capacity to co-ordinate all four subsidiary offices.

#### **Second wave of reform (mid-nineties)**

The objective of the second wave of reform was to territorialise the planning system and give a voice to local communities. The reform created the Provincial Development Councils, deliberative bodies at the provincial level with political and civil society representation. Their main function was to co-ordinate with central government regarding the design, implementation and monitoring of relevant projects and policies to achieve territorial cohesion. The Provincial Development Councils had the following structure:

- The Board: Body responsible for defining the policy guidelines associated with the planning process. The Board included all the members of the Council.
- Co-ordinating Committee: Body responsible for organising the meetings of the Board, defining and monitoring the annual working programme of the Council, and developing the methodology and inputs for the preparation of the Participatory Provincial Development Plan.

**Box 2.2. Summary of waves of reforms in the Dominican Republic (continued)**

- Sectorial Commissions: Commissions created by the Council to aid in the planning and implementation process of sectorial interventions relevant to the province. These commissions included regional representation from the sectors.
- Provincial Planning Offices: Bodies responsible for designing, planning, implementing and monitoring the plans and programmes considered relevant by the Councils. These offices were affiliated to ONAPLAN and provided technical assistance to all the sectorial institutions with representation in the territory.

The second wave of reform articulated a sound territorial planning system, but its impact was undermined by the lack of capacity at the provincial level to articulate the planning process and to create the necessary linkages between the sectors and the territory.

**Third wave of reform (2004- 2012)**

The objective of the third wave was to restructure the role of the centre of government and to better articulate the planning, budget and public administration systems, including the development of performance and feedback mechanisms. The third wave reform brought the following changes:

- The National Development Council was transformed into the Council of Ministers. The Council of Ministers kept the same functions as the Development Council and new functions were added to reflect the new planning tools.
- The Technical Secretariat of the Presidency was merged with ONAPLAN to create the Ministry of Economy, Planning and Development (MEPyD). The co-ordination mandate of the MEPyD was strengthened and new planning tools were created to articulate a long-term vision (NDS) and align medium term plans with the budget (PNPSP).
- ONAPRES and the Ministry of the Treasury were merged to create the Ministry of Finance. In parallel a new Organic Budget Law introduced results-based budgeting and restricted presidential discretionary expenditure by eliminating the account 1401.
- Four Policy Co-ordination Cabinets were created to help with the articulation of government policy in the following areas: 1) social; 2) institutional; 3) economic and; 4) infrastructure and environment.
- ONAP was transformed into the Ministry of Public Administration. The Ministry became the governing body of the new system of public administration with a clear mandate to strengthen institutional performance and service delivery.
- New tools and actors for territorial planning were added and the government started organising the territory in Development Regions as a first effort to create single planning regions (Regiones Unicas de Planificación).
- Transformation of the Institutional Offices of Programing into the Institutional Planning and Development Units.

*Sources:* Law 55 that creates the National Development Council. Presidential Decrees 613-96 and 312-97 that create and regulate the Provincial Development Councils. Presidential Decree 1082-04 that creates the Policy Co-ordination Cabinet. The Organic Law of Budget (No. 423-06). The Planning and Public Investment Law (No.498-06) and the Presidential Decree 493-07 that regulates it. The Organic Law of Public Administration (No.247-12). Presidential Decrees 685-00 and 710-04 that creates and modify respectively the planning regions.

### ***The current governance framework***

The current governance framework is the result of the third wave of reforms, which introduced new elements and revamped those existing to strengthen policy co-ordination, enhance accountability and promote improvements in institutional performance (Box 2.2 above). The beginning of this wave can be traced back to the creation of the Policy Co-ordination Cabinets (Presidential Decree 1082-04) and the enactment of several laws such as: 1) *Ley Orgánica de Presupuesto para el Sector Público, No. 423-06* (Budget Law); 2) *Ley de Planificación e Inversión Pública, No.498-06* (Planning and Public Investment Law); and 3) *Ley Orgánica de la Administración Pública, No.247-12*, (Public Administration Organic Law). A number of co-ordination bodies, detailed below, were created at the central level.

**The Council of Ministers** is the main policy co-ordination body of the executive. It discusses and approves the sectorial and territorial policies, programmes, plans and projects, as well as initiatives presented by the governing bodies of the planning and budget system. The Council is composed of the President, the Vice President and the Ministers (Box 2.3).

#### **Box 2.3. Relevant responsibilities of the Council of Ministers**

- Propose, deliberate and approve policies, as well as national, territorial and sectorial plans and projects.
- Propose actions for efficient implementation of plans, projects and policies.
- Propose actions to make public administration more efficient.
- Discuss and propose new laws and regulations.
- Discuss the evaluation of national, regional and sectorial plans and policies.

*Source:* Public Administration Law 247-12.

**Policy Co-ordination Cabinets** are co-ordination bodies that facilitate the design, planning, implementation, monitoring and evaluation of policies in the following policy areas: social, institutional, economic, infrastructure and environment. The social area is co-ordinated by the Vice President; the institutional area by the Minister of the Presidency; the economic area by the Minister of Economy, Planning and Development; and the infrastructure and environmental area by the Minister of Public Works. The Cabinets also include the subsidiary organisations affiliated to each area, which leads to large memberships. For instance, over 25 institutions are included in the Social Policy Co-ordination Cabinet (Box 2.4).

### Box 2.4. Composition of the Social Policy Co-ordination Cabinet

#### Members

- Minister of Education, Minister of Health, Minister of Labour, Minister of Sports and Recreation, Minister of Women, Minister of Youth, Minister of Culture and Minister of Higher Education, Science and Technology

#### Affiliated Organisations

- *Consejo Nacional de la Seguridad Social* (National Social Security Council)
- *Dirección General de Desarrollo de la Comunidad* (General Direction for Community Development)
- *Dirección General de Desarrollo Fronterizo* (General Direction for the Development of the Border Area)
- *Consejo Nacional de Asuntos Urbanos* (National Urban Council)
- *Instituto Nacional de la Vivienda* (National Housing Institute)
- *Instituto de Auxilios y Vivienda* (Aid and Housing Institute)
- *Instituto de Desarrollo y Crédito Cooperativo* (Development and Co-operative Credit Institute)
- *Consejo Nacional de Discapacitados* (National Council for People with Disability)
- *Consejo Nacional de Drogas* (National Council for Drug Policy)
- *Consejo Nacional para la Niñez y la Adolescencia* (National Council for Children and Adolescents)
- *Consejo Presidencial del Sida* (COPRESIDA) (Presidential Council on Aids)
- *Dirección General de Migración* (General Direction of Migration)
- *Instituto de Estabilización de Precios* (Price Stabilisation Institute)
- *Comedores Económico* (Public Canteens)
- *Instituto de Formación Técnico Profesional* (Institute of Technical and Vocational Training).
- *Programa de Apoyo a la Micro, Pequeña y Mediana Empresa* (PROMIPYME) (Programme to Support the Micro, Small and Medium Enterprises)
- *Programa de Medicamentos Esenciales* (PROMESE) (Essential Drug Programme)
- *Fondo de Promoción de Iniciativas Comunitarias* (PROCOMUNIDAD) (Promotion Fund for Community Initiatives/Promotion Fund)
- *Plan Presidencial de Lucha contra la Pobreza* (Presidential Plan to Fight Poverty)

*Source:* Presidential Decree 1082-04 that integrates the Cabinets of Institutional Policy, Economic Policy, Social Policy and Environmental and Infrastructure Policy.

Particular focus has been given to the introduction of planning tools to guide the planning process, including: 1) setting up the vision through the National Development Strategy (NDS); and 2) translating the vision into medium-term plans that link priorities and resources through the Multiyear National Plan for the Public Sector (PNPSP) (Box 2.5).



### Box 2.5. Planning tools in the Dominican Republic

**Multi-year National Plan of the Public Sector (PNPSP)** is a tool that allows the translation of the NDS into a multi-year planning framework (usually four years). It includes: 1) policies, programmes and priority projects to be implemented by the public sector; 2) public administration reforms and human resources policies; 3) policies to promote the private sector; 4) priorities in terms of international co-operation; and 5) information on financing needs. It is conceived to be aligned with the medium-term expenditure framework and its preparation is co-ordinated by the Ministry of Economy, Planning and Development (MEPyD).

**Regional plans** represent the territorial dimension of the PNPSP. They include: 1) a matrix with the institutional and sectorial policies to be implemented in the territory; 2) main development challenges of the region; 3) regional development goals in the medium term; 4) the mechanism for institutional and sectorial co-ordination; 5) roles and responsibilities of the main stakeholders; 6) commitment of resources by the private sector; and 7) a consolidated budget of all the public institutions involved in the region. The regional plans are based on the single planning regions defined by the MEPyD, and are prepared in co-ordination with local governments. The MEPyD is responsible for co-ordinating the preparation of the regional plans.

**Sectorial and institutional plans** include the policies, programmes, projects and plans to be implemented in the medium term by the sectors and institutions. The sectorial plans include: 1) strategic agenda of the sector; 2) main development challenges; 3) medium terms goals; 4) implementation strategies, 5) financing strategy; 6) roles and commitments of the public sector; and 7) commitments regarding the resource mobilisation strategy. The institutional plans include: 1) institutional analyses; 2) policies, programmes and institutional projects; 3) profiles of institutional products and expected results; and 4) an estimation of financial needs.

*Source:* Planning and Public Investment Law 498-06 and Presidential Decree 493-07 that Regulates the Planning and Investment Law.

The reforms have also transformed the governing bodies of the planning and investment system, the financial management and budgets systems, and the public administration. MEPyD became the governing body of the planning and investment system and of the monitoring and evaluation system. Currently, MEPyD is responsible for co-ordinating the preparation, monitoring and evaluation of the NDS, the PNSPS, the regional plans, the provincial plans and the sectorial plans. In addition, it defines the guidelines for the preparation, monitoring and evaluation of the institutional and municipal plans that are the responsibility of the Institutional and Municipal Planning and Development Units (see Box 2.6).

### Box 2.6. Institutional and Municipal Planning and Development Units

**Institutional Planning and Development Units (IPDU)** advise senior management (e.g. minister or director) on the design, implementation, co-ordination, monitoring and evaluation of policies, plans, programmes and projects. Their responsibilities include:

- Conduct prospective studies on the goals and outcomes that the institution should achieve in the medium and long term.
- Co-ordinate the development of the Institutional Plan and the Public Investment Plan of the institution.
- Collaborate with the budget programming units.
- Monitor the implementation of projects and programmes.
- Evaluate the impact of the Institutional Plans.
- Design and evaluate public investment projects.
- Assess the organisational structure of the institution and propose measurements to streamline processes.

**The Municipal Planning and Development Units** play the same role as the Institutional Units but at the municipal level. The co-ordination between MEPyD and these units is as follows:

- The Council of Ministries provides MEPyD with general guidelines once a new administration is inaugurated. These guidelines define the medium-term programme—usually four years—of the government.
- MEPyD transform these general guidelines into planning and evaluation guidelines, ensuring the alignment with the NDS. These guidelines are shared with the Municipal and Institutional Units.
- The Institutional and Municipal Units elaborate their Institutional and Municipal Plans for the next four years, following the guidelines.
- The Institutional and Municipal plans are used to engage in a dialogue with MEPyD to prioritise interventions based on resource availability. The prioritised interventions are included in the PNPS, ensuring resources for their implementation.

*Source:* Planning and Public Investment Law 498-06 and Presidential Decree 493-07 that Regulates the Planning and Investment Law.

MAP became the governing body of the public administration and the co-ordinator of the institutional strengthening system. Currently it is responsible for designing, co-ordinating, implementing, monitoring and evaluating the plans and projects to make public administration more transparent, efficient and effective. It collaborates with the Institutional Planning and Development Units to streamline processes, improve the quality of public services, and promote a culture of change management.

In parallel, the Minister of Finance became the governing body of the financial management and budget system. Currently it is responsible for preparing the medium-term expenditure framework and co-ordinating the preparation of result-oriented, performance-based and product-based budgets. In addition, the third wave created three structures to co-ordinate interventions at the regional, provincial and municipal levels. These structures, known as the Regional, Provincial and Municipal Development Councils, are responsible for proposing development strategies, prioritising, and monitoring public investment in their respective territorial dimension (see Box 2.7).

### **Box 2.7. Regional, Provincial and Municipal Development Councils: Composition and articulation**

#### **Regional Development Council composition:**

Representation is based on the idea of single planning regions, meaning each institution is represented by one official who will represent the provinces integrated under each Unique Planning Region. However, single planning regions have yet to be created in the Dominican Republic. Currently there is a bill in Congress proposing the creation of five single regions. The council has the following members:

- One provincial governor
- One senator and one member of the House of Representatives
- One mayor in representation of all the municipalities that integrate each single planning region
- One representative of the business councils and/or Chambers of Commerce and Production
- One representative of higher education institutions
- One representative of the professional associations
- One representative each of agriculture associations, neighbourhood councils and civil society organisations

#### **Provincial Development Council composition:**

- Provincial governor
- Senator of the province and members of the house representing the province
- Mayors of all the municipalities of the province
- One representative of the business councils and/or Chambers of Commerce and Production of the province
- One representative of higher education institutions of the province
- One representative of the professional associations of the province
- One representative each of agriculture associations, neighbourhood councils and civil society organisations

#### **Municipal Development Council composition:**

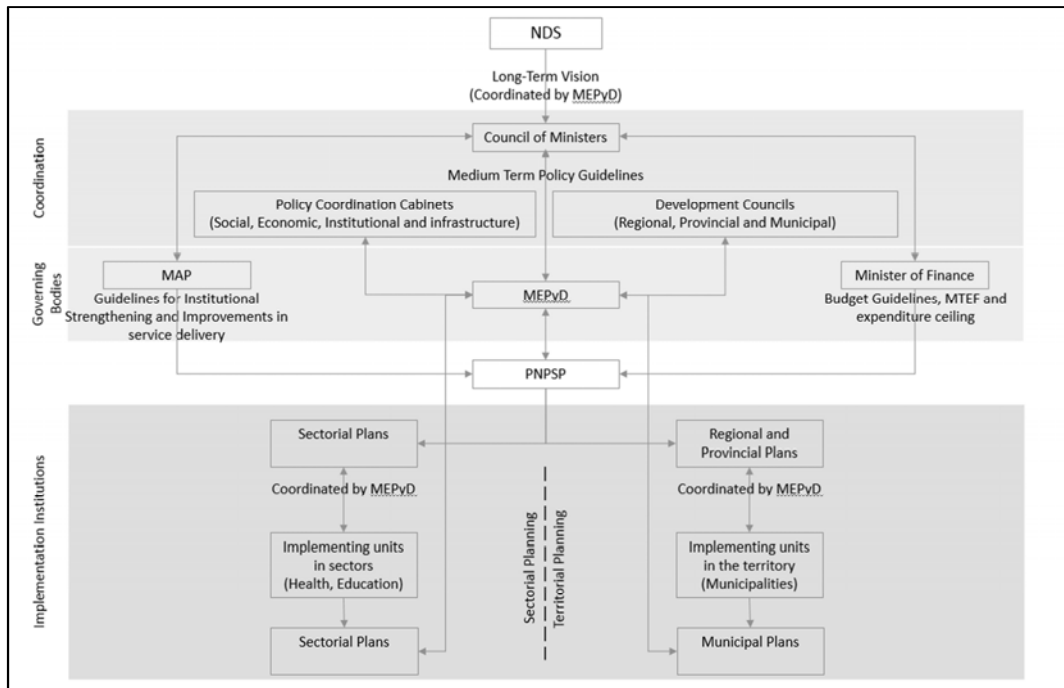
- Mayor of the municipality
- President of legislative body (“Sala Capitular”) of the municipality
- The heads of the Municipal Boards
- One representative of the business councils and/or Chambers of Commerce and Production
- One representative of the professional associations of the municipality
- One representative each of agriculture associations, neighbourhood councils and civil society organisations

**Articulation of the Development Councils:** the Municipal Development Council collects the demands and proposals generated by a participatory process, and shares them with the Provincial Development Council. The Provincial Council consolidates them and shares them with the Regional Development Council who, in turn, consolidates and shares them with the Vice Ministry of Planning of MEPyD. As a final step, consolidated demands and proposals are shared across public sector institutions as inputs into their own planning.

*Source:* Planning and Public Investment Law 498-06 and Presidential Decree 493-07.

The reforms have left a strong network of institutions tasked with planning and co-ordination at the central and sub-national level, as well as specific instruments to channel the planning and co-ordination process. Figure 2.1 presents a simplified representation of the existing governance framework for service delivery in the Dominican Republic, while Box 2.8 summarises the process.

**Figure 2.1. Governance framework for service delivery**



Source: Created by OECD team for this report.

### Box 2.8. Summary of the governance framework for service delivery

Based on existing regulations, the following steps can be summarised:

- The NDS defines the long-term vision of the country.
- The Council of Ministers defines general guidelines for the four year PNPSP.
- MEPyD develops the guidelines for the PNPSP, taking into consideration the NDS and the guidelines provided by the Council of Ministers.
- MEPyD shares the guidelines of the PNPSP with Institutional Planning and Developing Units of the sectors.
- The Planning and Developing Units prepare the strategic plans and share them with MEPyD.
- MEPyD consolidate the PNPSP, taking into consideration inputs from the sectors, the Ministry of Finance (budget guidelines and ceilings), and MAP (policies related to the public administration system).
- MEPyD present the PNPSP to the Council of Ministers for approval.

**Box 2.8. Summary of the governance framework for service delivery** (*continued*)

- Once approved, MEPyD shares the PNPSP with the sector for an update of the institutional plans.
- MEPyD co-ordinates the sectorial regional and provincial plans.
- In parallel, the Ministry of Finance starts to prepare the annual budget.
- Once the budget is approved, the monitoring mechanisms are activated. At the end of the budget cycle, the PNSPS is revised, if needed, and the process starts again.

*Source:* OECD, based on existing regulations.

***Challenges of the current governance framework for service delivery***

As described in the last section, successive governments of the Dominican Republic have undertaken important reforms aimed at strengthening the capacity for planning, co-ordination and delivery of services, with a particular focus on social protection. These efforts have led to: the consolidation of a solid planning system, including the NDS and PNPSP; an important network of institutions underpinning the governance of service delivery, including MAP and MEPyD; a strong focus on social protection; and a series of key instruments providing essential information that can be leveraged for improving services, including the SIUBEN.

However, the impact of these reforms remains far from reaching its full potential. First, although the institutional architecture is in place, the lack of enacting regulation, and the difficulties for sectorial institutions to adapt to the new institutional framework, have undermined these new arrangements. Second, the institutions and bodies responsible for policy co-ordination are not operating as such, either for political economy considerations or for a priority focus on implementation. Third, monitoring and evaluation initiatives are relatively new and not fully integrated into the decision-making process. Fourth, the systems that integrate the different levels of accountability are not interconnected.

This section provides an overview of some of the key challenges around the key building blocks of a governance framework for service delivery, namely planning and vision setting, co-ordination and delivery, monitoring and evaluation and accountability.

**Vision setting, planning and demand identification**

Defining the long-term vision of a country is a fundamental part of the policy cycle for inclusive growth. The vision enables the government to communicate in simple terms its long-term goals and provides an umbrella for policy co-ordination by identifying priority actions and potential complementarities among the different sectors. The vision reflects the political consensus of society and legitimises a policy roadmap for successive administrations to follow.

But the vision by itself is not enough. An overarching, whole-of-government vision must be specific and include outcomes and indicators to measure progress towards achieving the long-term goals. Some countries select key national indicators (KNIs) as a first step in operationalising the implementation of the vision and communicating aggregate targets for the government as a whole.

The overarching vision needs to be translated into sector-wide strategies and their accompanying budgets in order to become operational. The planning and budget processes provide an opportunity to prioritise interventions through an efficient and effective method that allows identifying policy trade-offs based on impact and resource availability. These processes are fundamental because they ensure that inputs are aligned and serve the whole-of-government vision.

The Dominican Republic defined its vision in the National Development Strategy 2030. MPEyD co-ordinated the preparation of the strategy after conducting consultations with all sectors and commissioning several policy documents (e.g. the Atalli Report) to inform the design of the strategy. Congress approved the strategy in January 2012 (Law 1-12), validating the first national planning effort of this magnitude. The NDS is structured in four pillars, and each pillar has several general and specific objectives (Box 2.9). These objectives are linked to policy actions and KNIs that motivate and guide public sector interventions. For example, in the case of education, one of the policy actions underlines the need to provide adequate infrastructure (e.g. schools) to ensure access to primary and secondary education. In the case of health, one of the lines of action underlines the need to strengthen the affiliation mechanism to public health insurance.

### Box 2.9. National Development Strategy 2030

The vision of the NDS defines the Dominican Republic as a democratic and social state that promotes equity, equal opportunities and social justice, while efficiently managing its resources in an innovative, sustainable and balanced way. The strategy is divided into four pillars, with general and specific objectives, lines of actions and indicators.

**Pillar 1: A democratic and social state** with ethical, transparent and efficient institutions that guarantee security and promote equity, national and local development. Objectives within this pillar include: 1) results oriented, efficient and transparent public administration; and 2) rule of law and safe citizens.

**Pillar 2: A society with equal opportunities** where education, health, decent housing and basic services are guaranteed to the population to promote poverty reduction and territorial cohesion. Objectives within this pillar include: 1) quality education for everyone; 2) decent housing; and 3) integral health and social security.

**Pillar 3: An integrated, innovative, diversified, quality-oriented and environmentally sustainable economy** that creates and redistributes wealth, induces sustainable growth, creates jobs, and is linked to local and global markets. General objectives of this pillar include: 1) an articulated, innovative and environmentally sustainable economy that favours sustainable economy growth and strong labour markets; and 2) the creation of sufficient and decent jobs.

**Pillar 4: A society with sustainable production and consumption practices**, with and equitable and efficient management of environmental protection and risks, and that promotes climate change adaptation. The general objectives of this pillar include: 1) sustainable management of the environment; and 2) efficient risk management to minimise, human, economic and environmental losses.

*Source:* Law No. 1-15 of the National Development Strategy.

The PNSPN 2013-2016 is the first effort to sequence and operationalise the NDS. The main input of the PNSPN is the four-year plan of the administration (2012-2016), known as the Presidential Goals (Box 2.10). The plan includes a series of products, policy and

actions to achieve the medium-term outcomes linked to the KNIs. For example, in the case of education, the PNPS specifies how many classrooms should be built and repaired between 2013 and 2016. In the case of health, it specifies the number of people who should be affiliated to the public health insurance.

### Box 2.10. Selected Presidential Goals (2012-2016)

#### Education

- Elimination of illiteracy by 2015
- Construction of 29 000 classrooms
- Training of 11 430 new teachers, and 12 500 teachers will receive some type of certification
- Review and update curricula to raise the quality standards of the national education system
- 100% compliance with the school calendar
- 80% of students in initial and basic education with “*Tanda Extendida*”

#### Health

- Reduction of maternal mortality to 50 per 100 000 live births and infant mortality to 15 per 1 000 live births
- Creation of a catastrophic health expenditure fund for people not affiliated with the “*Seguro Familiar de Salud*”
- Centralise drug purchases through PROMESE/CAL
- 100% of the municipalities have a “*Farmacia del Pueblo*”
- Progressive elimination of fee payments in public hospitals

#### Social Protection

- Register population with disability
- Increase by 200 000 the households benefiting from “*Progresando con Solidaridad*”
- Create the programme “*Quisqueya sin Miseria*”
- Eradication of child labour and its worst forms
- Incorporate 1.3 million poor into the subsidised social security regime.
- Improvement and/or reconstruction of 80 000 homes

Source: MEPyD (2012), *Plan Nacional Plurianual del Sector Público*, Ministry of Economy, Planning and Development, Santo Domingo, Dominican Republic.

The Dominican Republic has followed many good practices used in OECD countries to define and communicate a whole-of-government vision (Box 2.11). Citizens were included in the process, and the government commissioned technical papers to inform the debate, including impact simulations to evaluate the consistency of the goals of the



strategy. All of these measures helped built support and created momentum for the strategy to become law.

When a new administration was inaugurated in August 2012, MEPyD started the co-ordination and preparation of the first PNSPN 2012-2016. A review of the PNSPN suggests that despite efforts to include all of the information regarding plans, programmes and policies, there are still significant gaps regarding the costing of the plan. The only programmes that are budgeted in the PNSPN are those considered to be special programmes. These programmes represented only 12% of the 2013 total budget.

**Box 2.11. Centre of government observations and trends in 2014: Vision, leadership and innovation**

The success of a government rests on its ability to define a vision for the country that reflects an electoral mandate and is typically designed to increase well-being, prosperity and international competitiveness. In the years following the economic crisis, concerns about budgets dominated in most countries, crowding out any other vision. However, increasingly governments are seeking to be more forward looking and strategic, and most OECD members now have some kind of vision document. This vision has different, interlinked dimensions, including a long-term vision for the nation, usually going beyond growth objectives to embrace well-being and sustainability goals, and a vision for what the government wants to achieve.

The government no longer has a monopoly on defining the vision. While efforts to gather citizens' views could risk raising expectations that cannot be fulfilled, such bottom-up visions can help validate and legitimise government policy. Vision depends on two crucial factors: trust and communication. If citizens do not trust the government, they will not trust its vision. Taking steps to strengthen trust in government more generally will help to ensure greater buy-in on more strategic goals. Communication and ownership are also important. If the vision has a strong narrative, connects to citizens' lives and is well communicated, it can help generate support for difficult reforms. A particular problem faced by policy makers is that the reform process, and its translation into real benefits for citizens, are often too slow, which undermines confidence and enthusiasm for longer-term visions.

*Source:* OECD (2014), "Vision, leadership, innovation: Driving public policy performance", 33rd Meeting of Senior Officials from Centres of Government, OECD, Paris, [www.oecd.org/gov/summary.pdf](http://www.oecd.org/gov/summary.pdf).

A number of challenges can be identified that are associated with the definition of the vision and its operationalisation. These can help further leverage the potential of current instruments in order to fulfil their planning and co-ordination role. In particular, the sequence of the planning tools can be improved between central and sectorial planning processes. Most of the institutional and sectorial plans preceded the preparation of the NDS and the PNSPN (e.g. Education Decennial Plan 2008-2018, Strategic plan of the Ministry of Health 2010-2014) and were not adapted to reflect the new guidelines of government.

In addition, weak capacity of the Institutional Planning and Development Units undermines the planning process. Despite efforts to train the staff in these units, they still lack the capacity to adapt to the whole-of-government planning approach set up by the reform. Instead, they continue to follow a silo approach. There is also weak interconnection between the planning and budget, whereby the PNPS and the medium term expenditure framework are not fully integrated.



While some of these challenges, and in particular, the interconnection between planning and budgeting, are shared across a number of OECD countries, good practice also exists. For example, France and New Zealand integrate budget and planning processes by including the KNIs in their budget law (France), or in the decision-making process regarding budget allocations (New Zealand) (Box 2.12).

### **Box 2.12. Key national indicators and spending decisions: France and New Zealand**

**France's** performance goes beyond gross domestic product (GDP) and the use of KNIs: the over-arching budget law (*Loi organique relative aux lois des finances* or LOLF) groups public expenditure by “missions”, which bring together related policy programmes and, in turn, are associated with performance objectives and indicators. Ongoing reform efforts focus on streamlining the indicators to make them clearer for parliamentarians and the public.

In parallel, building on the work of the “*Stiglitz-Sen-Fitoussi*” Commission on the Measurement of Economic Performance and Social Progress, France enacted a law in 2015 requiring the government to present wealth and well-being indicators other than GDP when tabling the annual budget. The goal was to promote debate on policy impacts. The French authorities are currently planning to implement a strategic dashboard using a limited set of internationally-comparable KNIs on the following three themes:

- Economic development indicators, such as foreign direct investment flows to France (OECD), and “Ease of doing business” (World Bank).
- Social progress indicators, such as healthy life expectancy at 65 by gender (OECD), percentage of 18-24 year-olds with no qualification and not in training (France Stratégie/Eurostat), and poverty gaps (World Bank).
- Sustainable development indicators, such as greenhouse gas emissions per unit of GDP (European Energy Agency/Eurostat).

The mission of **New Zealand's** Treasury is “to promote better living standards for New Zealanders”, and this is interpreted and applied by the Living Standards Framework. The framework encompasses five broad dimensions grouped under three principal themes (prosperity, inclusiveness and sustainability), which are used systematically as a basis for framing policy advice and evaluation:

- Prosperity:
  - Potential economic growth – higher incomes, stronger growth and efficient allocation of resources
- Inclusiveness:
  - Sustainability for the future – human and physical capital and sustainability of the environment
  - Equity – distribution across society and opportunities for people to improve their condition
- Sustainability:
  - Social cohesion – core institutions that underpin society, self-identity, trust and connections
  - Resilience – ability to withstand unexpected systemic shocks

Sources: OECD (2016), *The Governance of Inclusive Growth*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264202177-en>.

Stiglitz et al. (2012), “Report by the Commission on the Measurement of Economic Performance and Social Progress”, [www.stiglitz-sen-fitoussi.fr/documents/rapport\\_anglais.pdf](http://www.stiglitz-sen-fitoussi.fr/documents/rapport_anglais.pdf).

### *Needs assessment and identification*

Effective and efficient policy design and implementation is unable to take place if the government does not understand the needs of the population, particularly regarding inclusive growth. Information on the number and location of service institutions (e.g. schools and healthcare facilities), their geographical features, user feedback, transportation networks and economic costs are needed in order to identify the gaps undermining access. Demand identification is fundamental in understanding what it is that the government needs to do, for whom, and where. This information is vital for the prioritisation process and for developing the targeting mechanisms to reach out to the most hard-to-reach users and achieve territorial cohesion.

The Dominican Republic has several instruments that allow for the identification and assessment of needs, including the Poverty Atlas, the SIUBEN, and the Income and Expenditure of Households National Survey (ENIGH) and Multi-Purpose National Household Survey (ENHOGAR).

The **Poverty Atlas** is a system of maps that represents monetary and multidimensional poverty in the territory based on the poverty line (PL) and the quality of life index methodologies. The Poverty Atlas presents the information desegregated in four levels: national, provincial, municipal and “*parajes*” (sites). The production of the Atlas is the responsibility of MEPyD. So far, three atlas maps have been produced. The first atlas was produced in 1997 and included 72 maps. This was used to design a generalised social transfer programme that targeted geographic areas. The second atlas was produced in 2005 and included 437 maps. This was used to develop targeting mechanisms to identify poor households and to eliminate general subsidies. The third atlas was produced in 2014 and included 2 900 maps with desegregated information covering all of the territory for the first time. Besides measuring monetary and multidimensional poverty, the third version of the Poverty Atlas included poverty measurements using an extended version of the unsatisfied basic needs (NIB) methodology. This methodology focuses on determining the poverty level of a household based on the shortcomings of the dwelling.

The **SIUBEN**, a subsidiary institution of the vice-presidency, produces the socio-economic and demographic information required to improve targeting of the social sectors based on a proxy means testing methodology. Among the responsibilities of the SIUBEN are the following: 1) identify, profile, register and prioritise poor households identified by the Poverty Atlas that could be of interest for policy making; 2) update and maintain the database of eligible poor households based on their life quality index; 3) co-ordinate with civil society on the inclusion or exclusion of households from the CCT programme; 4) guarantee an updated flow of information on socio-economic conditions of households; and 5) produce and disseminate information from the analysis of socio-economic conditions of the households.

**ENHOGAR** is an annual survey designed to gather specific information demanded by policy makers. For example, the 2013 survey focused on individuals with disabilities and the 2012 survey focused on the social protection system. **ENIGH** is a survey that is implemented every decade and helps to understand the evolution of consumption and spending patterns of households. Both surveys are the responsibility of the National Office of Statistics.

To support the co-ordination of these instruments, and to systematise the production, collection and analysis of poverty-related data, the government created the Inter-

institutional Technical Committee for Poverty Measurement (Presidential Decree 112-15) in 2015. This committee is also responsible for evaluating the impact of policies addressing poverty. The committee is composed of MEPyD, the Ministry of Health, the Ministry of Labour, the Central Bank, the Social Policy Co-ordination Cabinet, the Social Security National Council, and the National Office of Statistics.

These tools can significantly assist the government in better targeting services across the needs of population groups and place-based considerations, particularly with the creation of the Poverty Committee, which helps to co-ordinate interaction between the tools. The Poverty Atlas has improved significantly since the first version was produced. Today it offers desegregated data across all of the territory, which provides an opportunity to improve further on the targeting of social policy, particularly in the “*parajes*” of rural areas that were not included in the previous versions of the Atlas. SIUBEN operates in a similar way to the *Cadastro Único* (Brazil) and has built an informative database to inform policy making and link the assessment of needs and identification of users to the planning process. The ENIGH and ENHOGAR surveys are in the process of being systematised and are playing an important role, at least at the central planning level, in the design of policies related to safety nets.

However, full integration between these tools, needs assessment, user identification and the planning process remains to be achieved. With the exception of the CCT programme, *Progresando con Solidaridad* (PROSOLI), SIUBEN is not being used to inform social policy. For instance, there is no evidence that the information gathered related to gaps on health and education is systemically used by the Ministry of Health and the Ministry of Education to determine the supply-side interventions.

## Government co-ordination

Efficient co-ordination is key to ensuring that policy responses are joined up or mutually supportive, and encourages shared ownership for outcomes. The ability to co-ordinate across different government institutions in a way that overcomes administrative or institutional silos contributes to the effectiveness of the government in improving outcomes for people. Conversely, failures of planning and co-ordination can lead to overlap and duplication, administrative burden, lower levels of employee engagement and lower levels of efficiency and effectiveness, which negatively affect how citizens assess their governments.

As the public policy challenges facing governments become increasingly complex and multidimensional, and the forms of intervention to address them involve an increasingly large range of actors, governments across the OECD have identified the need to reinforce the centre of government function as a priority in structuring and co-ordinating government actions more effectively and efficiently.

In the context of aligning public services to deliver on outcomes, pursuing a whole-of-government approach emerges as a priority for the Dominican Republic (Box 2.13). A whole-of-government perspective aligns different sectors and administrative units towards targeting and delivering joined-up outcomes beyond administrative silos, encouraging policies to reinforce each other and avoiding duplication.

### Box 2.13. What is whole-of-government

“Joined-up government” or “whole-of-government” approaches are associated with a desire to ensure the horizontal and vertical co-ordination of government activity in order to improve policy coherence, better use resources, promote and capitalise on synergies and innovation that arise from a multi-stakeholder perspective, and provide seamless service delivery to citizens and businesses. It requires government bodies, regardless of type or level, to work across portfolio boundaries to achieve shared goals and to provide integrated government responses to policy issues. Such an approach applies to both formal and informal working methods, and to the development, implementation, and management of policies, programmes and service delivery. Improved co-ordination and integration – the foundation on which “whole-of-government” rests – is not new to the public administration. It is, however, gaining attention, as governments react to the silos and fragmentation that, in some cases, have been exacerbated by new public management (NPM) reforms, as well as to asymmetries arising from structural devolution at the central level, greater complexity in policy challenges, and a need for efficiency gains.

The term “whole-of-government” is broad, and applies to both central and sub-national (regional and local) levels and policy sectors. It also includes the relationship between government and external actors. Assessing whether or not a “whole-of-government” approach is in place depends on numerous factors. Three inter-related ways to estimate “joined-up-ness” include: 1) measuring the degree to which elements of good practice are being followed; 2) engaging in stakeholder dialogue, i.e., do stakeholders notice a difference?; and 3) evaluating outcomes that may be best suited to addressing the impact of a “whole-of-government” approach, as opposed to the processes behind it (Pollitt, 2003). Academics studying whole-of-government approaches identify at least three primary lessons: first, one size does not fit all and horizontal approaches may not be appropriate for the entire public sector in all situations. Second, there is often a “bottom-up” element to initiating and promoting single government approaches, and thus room needs to be made for this possibility since it can strengthen “joined-up-ness”. Third, embedding a whole-of-government working culture is a long-term endeavour. It requires time to develop, implement and take root, and thus it must be “owned” by the full government and public administration, rather than be seen as the initiative of any single political party.

*Sources:*

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### ***Leveraging the centre of government***

The main body for policy co-ordination at the centre of government in the Dominican Republic is the Council of Ministers. The Council relies on two ministries: the Ministry of the Presidency and the Ministry of Economy, Planning and Development. The former is the Technical Secretariat of the Council and in charge of aligning the government towards achieving the goals of the administration’s four-year programme. The latter is in charge of translating the four-year programme of the government into the PNSPN.

The Council of Ministers was first introduced with the Public Administration Law in 2012, and is not yet fully operational. In practice, the Council meets to discuss the size of the ministerial appropriations during the budget preparation, while co-ordination of high-

level policy usually takes place during one-on-one meetings with the Minister of the Presidency. There are two additional elements that undermine the potential of the Council of Ministers to become the highest co-ordination body of the government: 1) the lack of clarity on how the Council of Ministers should operate; and 2) the tendency of the Ministry of the President to focus more on the delivery of projects, rather than on its co-ordination role.

These factors raise a number of important challenges regarding co-ordination. First, the lack of an enacting regulation that describes the function of the Council, which creates significant gaps between the design of the reform and its implementation. In the case of the Council of Ministers, the missing regulation is undermining the potential of this co-ordination body, relegating it only to budget discussions. Second, the absence of this central co-ordination role is aggravated in a context of weak institutional incentives to break administrative silos, including the predominant focus on specific project implementation rather than whole-of-government co-ordination by the Ministry of the Presidency.

More remains to be done regarding the co-ordination and alignment of priorities. This alignment is fundamental to ensure that a whole-of-government vision for inclusive growth can be achieved, particularly taking into consideration the need to deliver joined-up outcomes in a context of limited resources. Having a strong centre of government (CoG) that is capable of steering a shared vision across administrative units and levels of government is essential to overcome natural administrative silos and set up accountability mechanisms that create incentives to enhance co-operation across and within sectors. The shared use of up to date, objective information, such as can be provided by existing tools in the Dominican Republic, can go a long way towards achieving this goal.

### ***Sector co-ordination: Ministerial cabinets and the Policy Co-ordination Cabinets***

According to the legal framework, sectorial co-ordination in the Dominican Republic is the responsibility of two bodies: the Ministerial Cabinets and the Policy Co-ordination Cabinets. Ministerial Cabinets help Ministers to co-ordinate, plan, monitor and evaluate the policies, programmes and projects that fall under their jurisdiction. Ministerial Cabinets consist of all the Vice Ministers and the heads of the subsidiary organisations affiliated to the respective Ministry. The Policy Co-ordination Cabinets are responsible for co-ordinating institutions and ministries in an aggregated policy area (e.g. social sector).

There is no evidence to suggest the operationalisation of Ministerial Cabinets. This may be due to the lack of a co-ordination tradition in the decentralised and affiliated institutions that traditionally have operated outside the realm of ministries. Furthermore, there is no clear indication as to how Ministerial Cabinets should interact with the Policy Co-ordination Cabinets. Out of the four existing Policy Co-ordination Cabinets, only the Social Policy Co-ordination Cabinet is active. However, the co-ordination functions of this cabinet are undermined for three main reasons. First, its co-ordination role gave way to a mostly implementation role when it was tasked with the responsibility of running key social programmes, managed outside the realm of line ministries. Second, co-ordination and feedback mechanisms with line ministries, such as the Ministry of Education and the Ministry of Health, are not fully developed. Third, the launch of the General Direction of Special Programmes (DIGEPEP), a unit housed in the Ministry of the Presidency and tasked with a co-ordination mandate, created duplicity and overlap with the functions of

the Social Policy Co-ordination Cabinet, further incentivising a narrower implementation role.

A rationalisation of existing co-ordination mechanisms at the sector level is essential, in line with good comparative practice (Box 2.14). This could be achieved by first narrowing down the specific institutional arrangements (e.g. giving content to Ministerial Cabinets and Policy Co-ordination Cabinets, and clarifying the role of DIGEPEP in order to avoid duplicities). Second, by making them fully operational with the necessary regulatory actions. Third, by making them agile and responsive to the co-ordination needs that often cut across policy silos. For example, the Ministry of Public Works plays an important role in the programme of school construction, but it is not part of the Social Cabinet.

#### **Box 2.14. Ministerial committees in Chile**

Ministerial committees in Chile are inter-ministerial co-ordination bodies, created by presidential decree, with a specific objective that requires the intervention of multiple ministries to be achieved. They are composed of several ministers, and decisions are taken by a voting process. If there is a tie, the vote of the minister presiding the committee decides. Each committee usually has an Executive Secretariat, composed of the relevant deputy ministers, that meets on a monthly basis to monitor the implementation of the decisions made by the committee. In addition, the Division of Inter-ministerial Co-ordination of the Ministry of the Presidency is responsible for providing technical support.

*Source:* Prepared by the OECD with information from the Ministerio Secretaria General de la Presidencia.

These changes, supported and enabled with clear guidelines and directions from the CoG, including a revamped role of the Council of Ministers and more clarity regarding the articulation between DIGEPEP and other co-ordination mechanisms, would go a long way to minimising existing co-ordination failures and possible duplicities, particularly in the social sector (Box 2.15).

#### **Box 2.15. Duplicity and fragmentation risks in the social sector**

Fragmentation and duplicity are two of the characteristics undermining the co-ordination, efficiency and effectiveness of social policy in the Dominican Republic. According to the Presidential Decree that created the Policy Co-ordination Cabinets, there are at least 28 institutions at the national level responsible for designing, implementing, monitoring, evaluating and shaping social policy. Many of these institutions share similar responsibilities with small differences that often do not justify the existence of parallel administrative structures. These duplicities may lead to inefficiencies in social spending, while complicating the co-ordination capacity of the already overstretched Social Policy Co-ordination Cabinet.

Examples of co-ordination weaknesses and possible duplicity can be found in the areas of housing and child policy, among others.

**Housing policy:** The National Housing Institute (INVI) and the Aid and Housing Institute (INAVI) provide similar services associated with government housing, including construction and financing. It is not clear if these two institutions need independent administrative structures, how effective any existing co-ordination mechanisms are, or their articulation within the context of the Social Policy Co-ordination Cabinet.

**Box 2.15. Duplicity and fragmentation risks in the social sector** *(continued)*

**Child Policy:** at present, there are two programmes that focus on enhancing children rights: the National Council for Children and Adolescents (CONANI) and the *Quisqueya Empieza Contigo* programme. According to the legal framework, the former governs the national protection system for children, and the latter provides services to enhance children rights. In practice, both institutions offer similar services, raising potential risks of co-ordination and duplicity.

*Source:* Presidential Decree 1082-04 (2004), Presidential Decree No. 536-05 (2005), Presidential Decree No. 491-12 (2012), [www.conani.gob.do](http://www.conani.gob.do), [www.invi.gob.do](http://www.invi.gob.do) and [www.inavi.gob.do](http://www.inavi.gob.do).

***Territorial Co-ordination***

The Planning and Investment Law created several tools to improve the co-ordination process at the territorial level, including municipal, provincial and regional plans, as well as development councils at the municipal, provincial and regional levels.

As of today, the government of the Dominican Republic has made important progress in identifying the territorial disparities in the country through the Poverty Atlas and the SIUBEN. Nonetheless, given the lack of enacting regulations, and in the absence of the single planning regions, there still much to do in order to achieve co-ordination at the territorial level. Institutions still use their own regionalisation structures to plan at the territorial level, making it difficult to steer a whole-of-government approach using a common planning unit. For example, the Ministry of Education has 18 planning regions and the Minister of Health has 9 planning regions.

The Regional, Provincial and Municipal Development Councils were created by the Planning and Investment Law to co-ordinate and advice on the preparation of regional, provincial and municipal plans. These councils don't exist in practice, with some exceptions at the municipal level. However, there has been some progress associated with the preparation of municipal plans, mainly due to the technical support of the international community, the Ministry of Public Administration and the Dominican Federation of Municipalities (FEDOMU), a non-governmental organisation that promotes municipal development and democracy. Out of the 155 municipalities and 231 municipal districts, only 36 municipal development plans have been prepared, which represent less than 10% of the plans that should be prepared.

An evaluation of the structure of several of these plans reveals that the level of depth of the plans varies by municipality. Nonetheless, most of the plans are well structured and include a profile of municipal investment projects, municipal programmes with their respective budget, and a SWOT (strengths, weaknesses, opportunities, and threats) analysis. Although some of the plans make reference to the NDS 2030, they do not seem to be in line with the strategy. One explanation for this could be that the municipal plans were prepared prior to the approval of the NDS 2030.

Given the multidimensional nature of inequalities, and the need to achieve joined-up outcomes, it is important that the planning and implementation process of policies takes place in a homogenous space. The absence of a regionalisation scheme that helps to effectively co-ordinate actions in the territory undermines co-ordination at the territorial level, and does not allow for a territorial unit to become the unifying unit for policy co-ordination. There is currently a bill in Congress proposing five single planning regions

that should lead to the harmonisation of the sectorial regional schemes. This proposal is based on the Colombian experience of the “*Regiones Administrativas y de Planificación Especial*” that integrates several departments into an administrative unit to facilitate policy co-ordination and joined-up outcomes.

There is also a sequencing aspect to planning that would allow for better co-ordination between the central planning system and municipal planning. When the NDS was prepared, many municipal plans were already developed and therefore did not take into consideration the policy guidelines of the NDS. However, it is to be expected that the municipal plans prepared once the new municipal administrations are inaugurated in 2016 will be aligned with the NDS.

The Dominican Republic is a highly centralised country, with more than 50% of the population concentrated in 7 of the 32 provinces, this means that many of the Municipal Development and Planning Units lack the technical skills necessary to meet the demands of the new planning process. In addition, most of the training provided has been focused on the Institutional Planning and Development Units, while training for the Municipal Planning and Development Units has not been fully deployed. Under the *Programa de apoyo a la Sociedad Civil y Autoridades Locales* (PASCAL) programme, only 40 municipal governments have received training, which represent 10% of municipal and municipal district governments that should be involved in the preparation of the municipal development plans.

### ***The special case of key social programmes***

The banking crisis of 2003-2004 created an internal shock that forced the government to rethink the governance framework for the delivery of social services. Reform focused on mitigating the impact of the crisis in poor households, with particular attention to the areas of health and education.

In 2005, Presidential Decree 536-05 created the programme *Solidaridad*. Under this new programme, the government consolidated the three most emblematic stand-alone social assistance programmes managed by the Office of the President: 1) *Comer es Primero*, which provided monthly cash transfers to poor households to buy food; 2) *Incentivo a la Asistencia Escolar*, which provided cash transfers to poor families with children between the age of 6 and 16 to offset the costs of educational materials; and 3) *Dominicanos con Nombre y Apellido*, which provided monetary assistance to offset the cost associated with the process of obtaining a national ID. The decree also transferred the responsibility of *Solidaridad* and the new Single Beneficiary Selection System (SIUBEN) to the Social Policy Co-ordination Cabinet.

In 2012, *Solidaridad* was merged with *Progresando* (Presidential Decree 488-12), a programme that was under the Office of the First Lady, resulting in PROSOLI. In addition, the government created the Social Subsidies Management Office (ADESS) to manage the cash transfer and subsidy mechanisms. The government also introduced *Quisqueya Sin Miseria* as a strategy to enhance the effectiveness of social policy. This strategy has three main components: 1) *Plan Nacional de Alfabetización Quisqueya Aprende Contigo*, a programme that aims to eliminate illiteracy in the country; 2) *Plan Quisqueya Empieza Contigo*, which is focused on providing access to early childhood (0 to 5 years old) services; and 3) *Quisqueya Somos Todos*, which is focused on enhancing the productivity of local communities and developing Integrated Local Development Plans. To manage QUISQUEYA, the new administration created (Presidential Decree



491-12) the Direction of Special Programmes (DIGEPEP) under the Ministry of the Presidency. Box 2.16 summarises the responsibilities of this new institution.

### Box 2.16. Selected responsibilities of DIGEPEP

- Design interventions and promote institutional co-ordination to reduce poverty.
- Promote formulation and implementation of Integrated Local Development Plans.
- Promote concentrated and co-ordinated actions of all institutions to support *Quisqueya sin Miseria*.
- Monitor and evaluate the activities related to *Quisqueya sin Miseria*.

*Source:* Presidential Decree 491-12 that create the General Direction of Special Programmes.

The consolidation of safety net programmes, first under SOLIDARIDAD and then under PROSOLI, followed the trend in the region, particularly regarding Brazil's *Bolsa Familia* and Mexico's *Oportunidades*. However, since these programmes were consolidated under the Social Policy Co-ordination Cabinet, rather than line ministries, a number of co-ordination issues have emerged. First, the nature of the Social Policy Co-ordination Cabinet has been reoriented towards implementation, leaving a co-ordination vacuum in the sector.

In addition, the creation of DIGEPEP has generated an overlap of functions with the Social Policy Co-ordination Cabinet and with other institutions affiliated to the Cabinet. Currently, the government has two bodies co-ordinating programmes associated with poverty reduction. The Social Policy Co-ordination Cabinet is responsible for PROSOLI, and ADESS is responsible for co-ordinating the implementation of the strategy *Quisqueya sin Miseria*. In addition, there is an overlap in the interventions of ADESS and other institutions affiliated to the Social Policy Co-ordination Cabinet.

For example, the National Council of Children and Adolescents and *Quisqueya Empiza Contigo* target the same population and offer similar services. These programmes are also run and managed independently from complementary efforts led at the sector level by the corresponding ministries (e.g. Ministry of Education, Ministry of Health). The Dominican Republic could benefit from further consolidation and rationalisation efforts, as has been the case in other countries in the region (Box 2.17).

### Box 2.17. Co-ordination approaches to key social programmes

*Bolsa Familia* (Brazil) and *Oportunidades* (Mexico) are two of the most successful examples of CCT programmes in the world. The success of these programmes relies on a strong underlying co-ordination mechanism.

*Bolsa Familia* and *Oportunidades* are under the jurisdiction of the Ministry of Social Development. In both cases, centralisation was the result of a consolidation process of several stand-alone social protection programmes at the federal level. For example, in the case of Brazil, *Bolsa Escola*, *Bolsa Alimentação*, *Cartão Alimentação*, and *Auxílio-Gás* were consolidated under *Bolsa Familia* and transferred to the Ministry of Social Development.

In both cases, the programmes have strong technical co-ordination bodies that facilitate vertical and horizontal co-ordination. For example, in the case of Mexico, the co-ordination body is the *Comisión Nacional de Desarrollo Social* (National Commission for Social Development). The Commission is chaired by the Minister of Social Development and its members include the ministers of education, health, labour, agriculture and environment, as well as the local government officials responsible for social development policies in each state, and one representative of the national municipal associations. According to the institutional framework, the main responsibility of the Commission is to co-ordinate the programmes, policies and investments necessary to achieve the objectives of the Social Development National Policy.

In the case of Brazil, co-ordination at the federal, state and municipal levels is the responsibility of the *Comissão Intergestores Tripartite* (Tripartite Inter-Management Committee) of the Unified Social Assistance System. The Committee is headed by the Ministry of Social Development and is responsible for co-ordinating the interventions associated with *Bolsa Familia* at the federal, state and municipal level. For this, there is a protocol that establishes the necessary procedures to guarantee the supply side of the programmes associated with *Bolsa Familia*.

Sources: Gob (2016), Gob website, [www.gob.mx/sedesol](http://www.gob.mx/sedesol).

Ministério do Desenvolvimento Social e Combate à Fome (2016), Website, Ministério do Desenvolvimento Social e Combate à Fome, [www.mds.gov.br](http://www.mds.gov.br) (accessed October 2016).

Cámara de Diputados Del H. Congreso de la Unión (2004), *Ley General de Desarrollo Social de los Estados Unidos Mexicanos*. , Secretaría General, Secretaría de Servicios Parlamentarios, Retrieved from [www.diputados.gob.mx/LeyesBiblio/pdf/264\\_010616.pdf](http://www.diputados.gob.mx/LeyesBiblio/pdf/264_010616.pdf).

BIT (2014), *Co-ordination institutionnelle et socle de protection sociale: Expériences en Amérique latine: Argentine, Brésil, Chili, Mexique, Uruguay*, Bureau international du Travail, Geneva.

World Bank Group (2004), *Brazil's Bolsa Familia Programme*, Shanghai poverty conference: case study summary, [http://web.worldbank.org/archive/website00819C/WEB/PDF/CASE\\_-63.PDF](http://web.worldbank.org/archive/website00819C/WEB/PDF/CASE_-63.PDF).

## Monitoring and evaluation

Monitoring and evaluation allows the government to test the impact of policies in action toward achieving inclusive growth, and allows them to make the necessary corrections to ensure the desired goals are met. Even though the monitoring and evaluation function had existed in the Dominican Republic (traditionally by monitoring budget execution) since 1965, it was not until recently (Presidential Decree 267-15) that the national system for monitoring and evaluation was launched (Box 2.18).

### **Box 2.18. The new national system for monitoring and evaluation**

Presidential Decree 267-15 outlines a series of instruments that will be part of the national monitoring and evaluation systems. These include a National Evaluation Agenda and accountability mechanisms including an Annual Progress Report on NDS and the PNSPN, and institutional reporting, including of sectorial, institutional and regional plans, and presidential priorities.

The Decree also establishes a commission to govern the system, chaired by the Vice Ministry of Planning of MEPyD and including: 1) the Vice Ministry of Co-ordination and Governance of the Ministry of the Presidency; 2) the Vice Ministry of Budget of the Ministry of Finance; 3) the Vice Ministry of Public Services Monitoring of the Ministry of Public Administration; and 4) the National Office of Statistics (ONE).

*Source:* Presidential Decree 267-15 that Regulates the National System for Monitoring and Evaluation.

A key aspect of the monitoring and evaluation national system, launched in 2016, is to strengthen the flow of information from the sectors and the regions to the centre of government, interconnecting all the monitoring and evaluation systems available in public institutions. Today, the government has in place a number of systems devoted to monitoring and evaluation, albeit not integrated:

- The national system of public investment (SNIP), managed by MEPyD, defines a set of rules, instructions and procedures that aim to order the process of public investment. The system contains information planning, technical analysis, monitoring and evaluation of investment projects across the public sector.
- Financial Management Integrated System (SIGEF) is the financial management information system of government. It allows the Ministry of Finance to monitor the financial management practices of public sector institutions, and to better manage resources through the Single Treasury Account. For citizens, it improves transparency and accountability by providing real-time information on public spending. There are 245 public sector institutions covered by SIGEF, with 65 still not incorporated.
- Governance Management System (SIGOB) is an online management system that keeps the Office of the President informed about the progress and obstacles related to the 118 presidential goals. SIGOB also facilitates co-ordination with the managers responsible for each goal through a system of intermediate-goals and alarms.

In practice, and following the planning system described earlier, two key monitoring processes focused on results are currently taking place without being fully integrated: one is related to the implementation of the NDS, managed by the MEPyD and leading to an annual color-coded report, and the other to presidential priorities (Box 2.19).

### Box 2.19. SIGOB-METAS: Managing goals and objectives in Colombia

Modelled on Colombia's SINERGIA, SIGOB is a system to programme and manage goals and objectives directly linked to the presidential goals. It has the following objectives: 1) keep the Office of the President informed on the progress and restrictions of the goals; 2) influence the implementation of the programmes and projects relevant to the goals through an alarm system; 3) organise the workflow through task forces; 4) keep citizens informed of the progress of the goals.

The management network behind SIGOB is composed of:

- **Manager of the goal:** is a technical focal point for the presidential goal and responsible for monitoring the implementation of the actions associated with the goals and reporting.
- **Institutional co-ordinator:** is responsible for co-ordinating all the actions associated with the presidential goals in the realm of the institution, and keeping senior management informed about the progress.
- **Senior manager:** is responsible for monitoring the progress associated with the presidential goals at an aggregated level, and decides on risk-mitigating actions.
- **Committee of Presidential Goals:** is the accountability mechanism of the system that keeps the Office of the President informed about the progress of the goals and any associated transversal risks.

*Source:* Ministerio de la Presidencia de la República Dominicana (2016), Metas Presidenciales, <http://minpre.gob.do/metas-presidenciales-rd/>, (accessed October 2016).

As the new national monitoring and evaluation system advances, a focus on integrating dispersed systems and building capacity would be highly desirable. SIGOB could be strengthened to fulfil that role, following the steps of Colombia's SINERGIA (Box 2.20) by first expanding its scope to include the objectives of the NDS, second by introducing an evaluation component, third by expanding institutional coverage, and in the future by integrating a territorial dimension.

### Box 2.20. Monitoring government performance: Colombia's SINERGIA

Colombia has developed and refined a comprehensive information system to monitor and evaluate how the country is reaching its main goals. This system has allowed the country to discuss its priorities and identify its biggest challenges. Through SINERGIA, Colombia has integrated all of the information from the different entities and sectors, with diverse indicators, clear guidelines and targets. Through a complete set of indicators, the government has developed user-friendly dashboards and traffic lights to display the information.

SINERGIA is led by the Directorate of Public Policy Evaluation within the National Planning Department. SINERGIA must be implemented by all sub-national governments, with the aim of aligning municipal and departmental policy interventions and investment agendas with those of the National Development Plan (this monitoring component is called SINERGIA TERRITORIAL). SINERGIA measures the progress and goals of the projects included in the National Development Plan through three main tools:

**Box 2.20. Monitoring government performance: Colombia’s SINERGIA**  
(continued)

- SISMEG (monitoring): A set of performance indicators that measure policy outputs and outcomes as identified by the National Development Plan. The system is built following a pyramidal structure with three main levels: strategic, sector and management. Strategic indicators are at the top and are related to the main government pillars as stated in the National Development Plan. These are followed by the President and the Council of Ministers. Sector indicators describe sector-specific goals and are monitored by the President and each minister in bilateral meetings and within each ministry. Finally, management indicators are standard indicators that are measured for all of the entities to track institutional efficiency.
- SISDEVAL (Sistema Nacional de Evaluaciones): A system to evaluate the outcomes of the main public policies and programmes implemented within the framework of the National Development Plan. Every year, the policies that will be evaluated are elected by a committee of the Department of National Planning (DNP) and approved by the National Commission on Economic and Social Policy (CONPES). Policies are evaluated by a recognised and experienced third party (consultancy) in order to guarantee objectivity and transparency in the process. Since the creation of SISDEVAL, the number of evaluations has increased significantly, from one evaluation in 2003 to 32 in 2011.
- Polls: Nationwide polls are carried out periodically to compare public perception and government results. The results of the polls are public and can be found on the SISDEVAL website. Surveys measure perception of the way the government is achieving the goals it has set.

Through SINERGIA, follow-up is readily available. The presidency, the government and citizens can follow up on the government’s performance. It is an essential tool for building trust in government.

Source: OECD (2013), *Colombia: Implementing Good Governance*, OECD Public Governance Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264202177-en>.

***Capacity building efforts will be required to achieve full implementation***

A critical issue that may undermine the full implementation of the new national monitoring and evaluation system is the lack of capacity in public Institutional Planning and Development Units. According to the new institutional framework, the Institutional Planning and Development Units are responsible for conducting the monitoring and evaluation of policies, programmes and projects in their sectors.

However, these units, with few exceptions in the education and health sectors, do not have the resources to conduct monitoring and evaluation, and when they do, it is usually focused on specific programmes, mainly as a result of their need to comply with the needs of international financial institutions. Moreover, given that not all the sectorial and institutional plans are in place, it is difficult for these units to determine the monitoring and evaluation agendas, which transfers many of these responsibilities to the upstream ministries (e.g. Ministry of Economy, Planning and Development) or the Office for National Statistics (ONE) that are already overstretched in terms of resources.

The capacity of ONE will need to be strengthened. Statistics and indicators are fundamental elements for monitoring and evaluation as they provide the quantitative

information that will serve as a benchmark to measuring the progress achieved and the impact of policy implementation. If the quality of the statistics being produced is not technically sound and does not follow certain standards, then the information that is being produced by the monitoring and evaluation process will not produce the necessary information to make the adjustments in policy implementation or to draw significant lessons for policy design. In the case of the Dominican Republic, despite recent efforts to standardise the production of statistics in certain areas, ONE still faces challenges associated with insufficient resources and political leverage to co-ordinate the National System of Statistics, including: 1) capacity to co-ordinate with other public institutions on the production of statistics; 2) enacting regulation, methodology and standardisation to systematise the production of statistics; and 3) support from public institutions that do not understand the importance of statistics.

Currently, ONE is working on improving the production of statistics in the areas of economy, agriculture, education, environment, health and social security. However, it also faces internal organisational challenges, including: 1) an unstable and possibly insufficient budget; 2) high turnover rate of personnel and lack of qualified technical staff to meet the demands for statistical information; 3) absence of a clear remuneration policy; 4) an inconsequential performance evaluation system; and 5) lack of a training programme tied to career advancement. There are also implementation issues associated with the lack of resources available to strengthen the National System of Statistics.

In order to achieve the full potential of the national monitoring and evaluation reform, it will be critical to prioritise the interconnection between the systems available for monitoring and evaluation (SNIP, SIGEF and SIGOB). As explained, monitoring and evaluation are key elements for ensuring inclusive growth as they provide fundamental inputs to ensure that the policies implemented are achieving the desired outcomes. The Ministry of Public Administration, as the governing body of the co-ordination and institutional strengthening system, has developed certain tools to evaluate performance, but these efforts seem to lack articulation with existing government systems, which will be discussed in the next section. In the case of the Dominican Republic, monitoring and evaluation have mostly been stand-alone practices that are not fully integrated into the policy cycle or the whole-of-government approach.

## **Accountability**

Accountability is important for inclusive growth for several reasons, including the creation of incentives for horizontal co-ordination to deliver joined-up outcomes, and protection of the under-served population against the organised interests of powerful groups. This section will discuss four types of accountability that matter for improving public service delivery in the Dominican Republic: 1) vertical accountability to the centre of government to account for policy objectives and joined-up outcomes; 2) internal accountability for institutional strengthening; 3) client accountability to improve the quality of services; and 4) social accountability to build trust and strengthen transparency.

### ***Vertical accountability***

Organisational alignment ensures that all aspects of a government's operations are focused on the realisation of its purpose, both strategically (management to achieve the government's vision) and operationally (the ability to deliver on the government's objectives). This involves setting and monitoring performance objectives effectively, including the ability to generate and use performance data, and a strong audit and control

environment, which includes governance mechanisms that empower staff and ensures accountability government-wide.

The NDS, the PNPSN and their monitoring tools provide a framework to enhance vertical accountability in the Dominican Republic. In addition, the 2016 Budget includes three initiatives to provide indicators and results that can be used to hold some public sector institutions accountable: 1) a multi-year result-based budget for the Immunisation Programme (PAI); 2) product-based and result-based budgets in the ministries of health, education, agriculture and labour; and 3) product-and-service-based budgets in 63 institutions (Box 2.21).

### **Box 2.21. Budget initiatives in the Dominican Republic**

With the new Organic Budget Law (No. 423-06), the Dominican Republic introduced changes to the budget process that allow for the implementation of results-based budgeting as a step towards results-based management. This reform implies that the country will move away from its traditional input-based approach towards a greater focus on impact. To further test different approaches, the government is implementing the following initiatives:

#### **Multiannual Result-Based Budget of the Expanded Immunisation Programme (PAI):**

PAI is an initiative of the World Health Organization to improve vaccination coverage and eliminate certain diseases. The results-based budget document for this programme includes spending projections for the period 2016-2019, identifies the value chain of the programme from product to impact, and outlines the goals to be achieved by 2019, linking them to the goals of the NDS. The Budget Office indicates that this initiative has allowed for the linking of programme goals with financial needs, but recognises the need for a cultural change to ensure that budget programming is based on performance and not on an incremental approach, as has been the tradition.

#### **Result-based budgeting pilots in the ministries of education, health, labour, and agriculture:**

The Dominican Republic has been piloting results-based budgeting in four ministries since 2013 to distil lessons that can help shape the implementation of this initiative across government. In the 2016 budget, the government introduced some elements to allow this agenda to advance, including: improvements in the definition of the budget programmes to facilitate the link of financial resources with concrete objectives, and improvements in the financial management system to support the monitoring of the financial resources and the objectives they are helping to achieve. In the case of the four pilot ministries, the budget document includes information on the mission, vision and objectives of the organisations, as well as information on NDS objectives their programmes contribute to achieving. The biggest challenge so far has been the inclusion of cost estimates of public production, given the lack of necessary information generally available.

*Source:* DIGEPRES (2016), *Anexo al Proyecto de Ley de Presupuesto General del Estado*, Presupuesto Físico 2016, Tomo III, [http://www.digepres.gob.do/?page\\_id=847](http://www.digepres.gob.do/?page_id=847).

Despite this progress, the few organisations conducting monitoring and evaluation are not interconnected, and in practice there is no formal process to use the information produced to inform policy-making and policy-shaping cycles. The information between the sectors and the centre of government is not shared on a consistent basis but rather upon request, and the lack of periodicity in measurements undermines impact evaluation. Different evaluation systems report on different priorities (e.g. presidential goals or the



NDS), which undermines a whole-of government mechanism to enhance vertical accountability that is aligned with the national vision. Moreover, despite the existence of these and other tools (including those focused on institutional strengthening), there is a general absence of an incentive system that punishes and/or rewards performance, which also undermines vertical accountability.

As discussed earlier, full implementation of the new national monitoring and evaluation system will be essential to overcome existing fragmentation. An example of good practice in this regard is provided by Scotland. Their website *ScotlandPerforms.com* is a simple-to-understand tool that helps stakeholders track progress towards a reduced set of whole-of-government strategic objectives (see Box 2.22).

**Box 2.22. Scotland Performs: Measuring and reporting on government progress towards strategic objectives**

“*ScotlandPerforms.com*” is a website that measures and reports on the progress of government in Scotland towards its strategic objectives. The website explains the importance of the National Outcomes, describes the elements that influence these National Outcomes, and the role of the government. Each National Outcome is also clearly related to a strategic objective and measured by a set of national indicators. Altogether, 50 national indicators track progress towards the achievement of the National Outcomes, and, ultimately, the delivery of the purpose of the government. Users can see how Scotland is progressing through “direction of travel” arrows on the “Performance at a Glance” page, which indicate whether performance is improving, worsening or staying the same.

There is close alignment between the evidence-based approach adopted by *Scotland Performs*, and the outcome-based accountability approaches used in the implementation of major strategic initiatives in Northern Ireland, such as the *Delivering Social Change Framework*.

*Source:* Scottish Government (2011), “An introduction to Scotland’s National Performance Framework”. Retrieved from <http://www.gov.scot/Resource/Doc/933/0124200.pdf>.

### ***Internal accountability***

The Dominican Republic has put in place several initiatives that promote institutional strengthening and offer an opportunity to enhance internal accountability within public sector institutions. These initiatives are mostly driven by MAP, given its role as governing body of the institutional strengthening system, and include the Common Assessment Framework and the National Quality Award.

The **Common Assessment Framework (CAF)** is a methodology to self-evaluate institutional performance. The European Institute of Public Administration indicates that this methodology is “based on the premise that excellent results in organisational performance, citizens/customers, people and society are achieved through leadership driving strategy and planning, people, partnerships, resources and processes”. The CAF consists of a self-evaluation process that promotes an honest dialogue between the members of the organisation, and should result in a plan to improve the areas that need to be strengthened.

Closely linked to the CAF, the **National Quality Award** recognises best practice in the context of institutional performance. Organisations can apply for this award by submitting their annual CAF self-evaluation and their proceedings to MAP. The winners are selected by a panel consisting of members of civil society, the private sector, and the



education sector. Out of the 330 organisations that have applied, 118 have been recognised.

### Box 2.23. The National Quality Award

National quality awards are an effective means, used by several OECD and partner countries, to foster change in the organisational culture of public institutions, and improve service delivery through the diffusion of best national and local practices, promoting innovation in the public administration and other sectors.

In the Dominican Republic, MAP co-ordinates and organises a successful annual international quality week (*Semana de la Calidad*), during which a high-profile conference is held on good and promising practices in the Dominican public administration. Exemplary practices are presented by all state bodies, and prizes are awarded by the President or Vice-President of the Dominican Republic. The jury is a mix of public, private, civil society and academia representatives. The main objective of the annual conference – linked to the National Quality Award (launched in 2005) – is to acknowledge, stimulate and exchange quality practices in order to achieve better public services for citizens and businesses. It is also a strong incentive for public institutions to systematically evaluate themselves, by applying the CAF model, and to participate in the Monitoring System for the Municipal Public Administration (SISMAP).

Another valuable instrument developed by MAP are bench-learning seminars, during which the national award winner and the winners in the category of promising practices share their knowledge, experience and lessons learned with the rest of the Dominican public administration. The latest bench-learning seminar was also attended by representatives from the private sector.

Recent “big prizes” have been awarded to *Hospital Quirúrgico y Traumatológico* (Surgical and Trauma Hospital Juan Bosch) in 2015; *Junta de Aviación Civil* (Civil Aviation Board) in 2014; and *Seguro Nacional de Salud* (SeNaSa, National Health Insurance) in 2013.

Source: MAP (2015), Organizaciones Reconocidas Periodo 2005-2015, Ministry of Public Administration, Santo Domingo, Dominican Republic, <http://map.gob.do/wp-content/uploads/2012/03/Organizaciones-reconocidas-Periodo-2005-2015.pdf>.

Both initiatives have great potential to become powerful tools to enhance internal accountability, but the absence of a system of incentives undermines their impact. For example, in the case of the award, the organisations that receive an award for their performance do not receive a budget incentive or any other type of support to continue promoting internal institutional strengthening. Moreover, these initiatives are not connected to the tools and systems associated with vertical accountability, which breaks the link between the institutional performance of organisations and their capacity to deliver better results for citizens. The United States (Box 2.24) has successfully bridged internal accountability with vertical accountability by linking institutional performance to the planning and budget process.

### Box 2.24. Performance dialogue in the US federal government

The Government Performance and Results Act (GPRA) was introduced in 1993 with the aim of fostering the use of performance information among federal managers. However, its success remained limited. Mainly it did not sufficiently succeed in involving leadership and focusing on prioritisation or management. As a result, the Bush administration introduced the Performance Assessment Rating Tool (PART; 2003-08) in an attempt to overcome the shortcomings of the GPRA. Nevertheless, although PART focused more on programmes, and more data and information have been produced in the scope of these programmes, the use of the produced information remained limited.

The GPRA Modernisation Act was adopted in 2010 (enacted in 2011). It established performance improvement roles and responsibilities across all levels of government, a goal framework and performance reviews, and modernised performance reporting. A major innovation regarding performance responsibilities has been the establishment of a full-time Performance Improvement Council, which advances and expands the practice of performance management and improvement by supporting the achievement of cross-agency and agency priority goals, as well as by creating opportunities for best practice exchange and capacity building. The established goal framework consists of three groups of goals:

- The federal cross-agency priority goals (15 in total, at the time of writing), which are set by the President every four years, and reviewed quarterly by the Director of the Office of Management and Budget (OMB) and by the Performance Improvement Council. These goals are meant to increase the co-ordination on outcomes that cut across multiple agencies and focus on the impact through improved implementation.
- The agency priority goals (96 in total, at the time of writing), set by agency heads every 2 years and reviewed quarterly by the respective agency's chief operating officer and the performance improvement officer, drive progress on near-term, implementation-focused priorities. They do not reflect every priority, but complement the broader set of goals included in the agency's strategic plan.
- The strategic goals and objectives (303 in total, at the time of writing), set every four years and reviewed strategically on an annual basis by agencies and the OMB, are supported by multiple strategies, programmes and performance indicators. The strategic objectives break down the broad strategic goals of an agency. There are about 10-30 strategic objectives for each major agency.

Performance assessment and reporting are essential for improving the usefulness of performance and programme information. The OMB states in its analytical perspectives for the fiscal year 2011: "The ultimate test of an effective performance management system is whether it is used, not the number of goals and measures produced" (OMB, 2010: 73). Thus, in the scope of the GPRA Modernisation Act, the performance information of agencies is put on a central website<sup>1</sup> with quarterly updates on priority goals, and annual updates on all goals. Furthermore, a government-wide list of programmes has been set up, which is updated annually.

The review of the strategic goals and objectives synthesises available performance information and evidence to inform budget, legislative and management decisions. They are conducted by the agencies for each strategic objective in an agency's strategic plan. The reviews are designed to help meet the needs of leadership in identifying opportunities for reform proposals, executive actions, communication opportunities, etc. Detailed agency guidance on the process is made available.

Note: <sup>1</sup>[www.performance.gov](http://www.performance.gov).

Sources: Moynihan, D.P. and S. Lavertu (2012), "Does involvement in performance reforms encourage performance information use? Evaluating GPRA and PART", *Public Administration Review*, Vol. 72, No. 4, pp. 592-602.

Mirza, A. (2014), "Improving government performance in the US", presentation at Portugal-OECD seminar, Lisbon, 27-28 October.

Internal accountability can also be strengthened through a solid performance management system across the civil service. For further discussion and recommendations, see OECD (2015b).

### *User accountability*

Understanding user needs and experiences allows governments to tailor services provision and improve access, including for disadvantaged groups. The solution to many contemporary societal challenges is not necessarily more public services, but rather better targeted, better designed services that improve access for the most hard-to-reach users. The traditional model of service provision, based on individual administrative transactions, should be replaced with whole-of-government solutions, recognising the need to make users part of the design of relevant services (OECD, 2016).

In the case of the Dominican Republic, the following tools could be leveraged to inform the design and improvement of services, building on user experience and feedback: the Observatory of Public Services, SERVQUAL, 311, and the Citizens' Charters.

The **Observatory of Public Services** is an online portal to monitor the quality of public services managed by MAP and currently under development. The Observatory has the following components planned: 1) a directory of public services that contains all the services provided by the government; 2) a section on users' expectations that describes user needs both in terms of access and quality; 3) a section on best practices to inform the redesign of services and promote knowledge exchange; and 4) a section that contains surveys associated with user feedback. The three most important areas of the Observatory, which are the directory of public service and sections on user expectations and best practices, are still under construction.

**SERVQUAL** is a survey that measures the level of satisfaction among public service users at the-point-of-service, taking into consideration five dimensions: 1) the tangible dimension that measures the appearance of physical facilities, equipment, personnel, and communication materials; 2) the reliability dimension that measures the ability to perform the promised service dependably and accurately; 3) the responsiveness dimension that measures the willingness to help customers and provide prompt service; 4) the assurance dimension that measures the knowledge and courtesy of employees and their ability to convey trust and confidence; and 5) the empathy dimension that measures the caring and the individualised attention provided.

**311** is an online and phone service that allows citizens to submit complaints and suggestions about public sector providers. Once the complaints are received, they are transmitted to the service provider in order to improve the effectiveness and efficiency of service delivery.

**Citizen Charters (CCs)** are public agreements between citizens and service delivery providers that clearly codify expectations and standards in the realm of service delivery (Box 2.25). In the Dominican Republic, they are also used as a tool to promote the simplification of processes in public sector institutions. Currently, there are 17 CCs in place and 10 under preparation, out of 300 that should exist (not counting local governments).

### Box 2.25. The benefits of developing Citizen Charters

Citizen Charters (CCs) are public agreements between citizens and service delivery providers that clearly codify expectations and standards in the realm of service delivery. “Effective CCs typically share a number of key characteristics, including clear and simple language; realistic and measurable performance standards; a dedicated grievance redress mechanism; and an effective public relations strategy to increase users’ awareness about the CC. If designed and implemented correctly, CCs have the potential not only to foster greater public satisfaction with a government’s performance, but also to ameliorate corruption-related risks and provide benchmarks that stakeholders can use to monitor government’s performance in the realm of service”.

Potential benefits of CCs include:

- Enhance accountability by providing citizens with a clear understanding of service delivery standards, including timetables, user fees for services, and options for grievance redress.
- Increase organisational effectiveness and performance by making a public commitment to adhere to measurable service delivery standards.
- Create a way for both internal and external actors to objectively monitor service delivery performance.
- Create a more professional and client-responsive environment for service delivery.
- Foster improvements in staff morale.
- Decrease opportunities for corruption by increasing transparency and citizen awareness.

*Source:* Post, D. and S. Agarwal (2011), “Citizen charters: enhancing service delivery through accountability”, *Social Development how to series*, World Bank, Washington, DC, <http://documents.worldbank.org/curated/en/543241468135929562/Citizen-charters-enhancing-service-delivery-through-accountability>.

Within sectors there are a number of specific, albeit isolated, initiatives to capture and measure performance based on user feedback, particularly in the realm of hospitals (Box 2.26).

### Box 2.26. Performance management in hospitals

The Ministry of Public Administration and the Ministry of Health signed a Memorandum of Understanding to strengthen the institutional capacity of hospitals and improve service delivery. The process was based on the CAF methodology and the plans for institutional strengthening that resulted from the self-evaluation exercise. Institutional strengthening focused on the following areas to promote change management: teamwork, interpersonal relations, leadership, strategic planning, report writing and presentation, and conflict resolution. At time of writing, more than 11 000 staff have been trained in 59 hospitals.

*Source:* Information provided by MAP during fact-finding mission to Dominican Republic.

Despite the availability of these tools, their potential is not fully realised. First, their implementation has been very limited. The Observatory is under construction and the directory of service delivery and the sections on user expectations and good practices are still missing, and SERVQUAL has only been implemented in one province. There is no interconnection between these tools and there is no evidence that the information gathered on performance is used in the planning process. The feedback mechanism associated with the 311 is apparently not working properly, and there is no evidence of any follow-up action once a complaint is received.

The Observatory of Public Services is one of MAP's key initiatives, but its full operational definition remains to be defined, including what role other organisations, even those outside government, would play. International experience indicates that Observatories should be either the responsibility of civil society organisations (CSOs) or a joint effort between CSOs and government to establish a dialogue to improve services and make service provision more transparent. The expected section on user expectations could be useful to inform the design of services, as long as the feedback loop and the follow-up mechanisms are strengthened, which seems to be a systemic problem in the Dominican Republic. The directory on service provision could also be linked to the one-stop-shops in different sector, offering an opportunity to further integrate service provision from the perspective of service users. In addition, greater involvement of CSOs could help feed information to the Observatory on the access, quality and transparency of service provision regarding social accountability.

Partnering with citizens to enhance transparency builds trust and support for service delivery. In the Dominican Republic, there are three key initiatives:

- **Anticorruption Participatory Initiative (IPAC):** A multi-stakeholder coalition (civil society, private sector and government) to enhance transparency. It is organised around 10 working groups. Each working group has produced a policy matrix identifying key reforms, a time framework for the implementation of the reforms and the institution responsible for implementation. These matrixes are monitored using a colour-coded system that denotes the progress of the reforms. The Ministry of the Presidency uses the progress reports to hold accountable the public institutions responsible for the reforms. So far, the initiative has helped to speed up reforms, particularly related to the establishment of the government single account and improving procurement processes.
- **Dominican Initiative for the Quality of Education (IDEC):** Follows the same approach as the IPAC, but in the education sector. It is organised in 10 working groups. The reforms in the education sector are still ongoing and, according to the report of the first semester of 2014, most are moving forward as planned.
- **Institutional Oversight Commissions:** The main objective of these commissions is to oversee the procurement process of public sector institutions to ensure transparency and discourage corruption. The Commissions are composed of renowned members of civil society, including journalists. Currently there are 15 active Oversight Commissions.

In the past five years, the Dominican Republic has been able to build a strong relationship with CSOs, despite a history of confrontation. The approval of 4% of GDP for the education sector helped to build trust and created a space for co-operation between CSOs and government. However, there are some issues that could undermine this relationship. The government should focus on ensuring follow-up actions and meeting

their commitments regarding the initiatives detailed above, or create new initiatives that promote strategic partnership with CSOs in order to consolidate a partnership relationship rather than a relationship based on ad-hoc interests.

### ***Shared accountability challenges***

Despite a strong network of accountability mechanisms, a number of challenges undermine their full integration into informed decision making, and possibly the transparency of government reporting. First, the lack of incentives in vertical, internal and client accountability systems significantly undermines their impact. Incentives are the driving force behind the motivation for institutions to deliver better and more efficient results, regardless of the client. In the Dominican Republic, vertical accountability is mainly enforced through the monitoring of the NDS and the PNSPS, and through some initiatives associated with performance-based budgeting. However, none of these tools include enforcing mechanisms for if an institution derails from its commitments. The same is true for internal and client accountability systems. For internal systems, neither the CAF nor the National Quality Award include strong incentives for organisations to continue improving their performance, particularly if costly actions are required for them to meet their institutional strengthening objectives. For client accountability systems there is no clear understanding of the implications for an organisation that delivers below standard services.

Second, there is a lack of interconnection between the different tools. This challenge is mainly associated with user accountability, for which at least four tools co-exist but are not integrated. It is not clear how the information being produced is fed into the policy-making and policy-shaping cycle. On the one hand, these tools seem to be gathering information on user experience, but on the other hand, it seems that the information gathered is neither systematised nor centralised to draw common lessons that can lead to the development of a sound strategy by the Ministry of Public Administration to enhance the quality of service provision.

Finally, there is slow progress in the implementation of the different tools, possibly due to co-ordination and capacity concerns. Even though most tools have been designed, their level of implementation is relatively low. The most relevant modules of the Observatory, the directory of the public services and the section on user expectations, are still missing. The SERVQUAL has only been deployed in one province, and the number of CCs, including those under preparation, covers less than 10% of organisations.

## **The role of the Ministry of Public Administration**

### ***Structure of the Ministry of Public Administration***

The Ministry of Public Administration (MAP) is the governing body of the public administration and of the institutional strengthening system. Its responsibilities include: regulating public administration, promoting institutional strengthening, promoting e-government, designing and implementing the performance evaluation of public sector management, and ensuring the quality of public services. MAP is composed of the following vice ministries:

- **Vice Ministry of Public Function:** Responsible for the professionalisation and regulation of the civil service.

- **Vice Ministry of Institutional Strengthening:** Responsible for leading the reform and modernisation process of public sector institutions and promoting change management. It has the following departments: 1) Department of Assessment and Organisational Design, which is in charge of advising and guiding public sector institutions in the optimisation of their organisational structure; 2) the Direction of Process Simplification, which is in charge of promoting the implementation of quality management models and approving and evaluating the Citizen Charters; and 3) the Department of Change Management, which is responsible for promoting a culture of change management to improve performance.
- **Vice Ministry of Municipal Support:** Responsible for promoting, advising and supporting the implementation of measurements to improve the performance of municipalities.
- **Vice Ministry of Public Services Monitoring:** In charge of designing and implementing the mechanisms to monitor and evaluate public services. Its main responsibility is the Observatory of Public Services, although it can also develop guidelines and tools to measure citizen perception of service provision.
- **Vice Ministry of Institutional Performance:** Responsible for establishing the standards for evaluating the performance of public sector institutions, as well as implementing performance evaluations. It has the following departments: 1) the Department of Institutional Management Evaluation, which is in charge of conducting evaluations and advising public sector institutions on the implementation of the CAF, as well as promoting the principles of efficiency, effectiveness and transparency in the public administration; and 2) the Department of the National Quality Award, which manages all of the processes related to the award.
- **Vice Ministry of Innovation and Modernization:** In charge of designing and implementing projects to improve access to services. It has two departments: 1) the Department of e-government, which is in charge of promoting the use of ICT to improve access to services; and 2) the Department of Public Administration Research, which is responsible for conducting research to inform the policy-making processes associated with public administration.

In addition to the six vice ministries, MAP has a subsidiary institute, the National Institute of Public Administration (INAP), which is responsible for designing, co-ordinating and implementing training programmes for the civil service (a full description of INAP can be found in OECD, 2015b).

### ***Current initiatives and identified challenges***

The Strategic Plan of MAP 2012-2016 (2014 Revision) includes the actions the ministry is implementing to strengthen its role as governing body of the public administration system. The most important activities are summarised in Box 2.27.

**Box 2.27. Selected activities included in the Strategic Plan of MAP (2012-2016)**

- Training of human resource departments on methodology to evaluate the performance of civil servants and to plan for human capital needs to improve service provision.
- Simplification of processes in public sector institutions, mainly focusing on expanding the scope of Citizen Charters and on implementing pilots to streamline processes in a small number of institutions.
- Strengthening of the internal capacity to conduct monitoring and evaluation of the institutional performance initiatives that result from the CAF, including strengthening the capacity of the Direction of Monitoring and Evaluation and increasing the number of institutions conducting self-evaluations that could apply for the National Quality Award.
- Compilation of public sector services to develop the directory of public services of the Observatory. Currently MAP has collected around 50% of the services available.
- Development of regulation for the national monitoring system to measure the quality of services and of the public service law.

Source: MAP (2014), *Plan Estratégico del MAP, Revisión 2014*, Ministry of Public Administration, Santo Domingo, Dominican Republic, <http://map.gob.do/wp-content/uploads/2012/04/PLAN-ESTRATEGICO-MAP-2012-2016-2da-Rev-Sept-2014.pdf>.

MAP is the only governing body out of the three created by the third wave of reforms that evolved from a national office to a ministry. However, this evolution did not imply a significant adjustment in budget allocations, undermining the capacity of MAP to implement the necessary measures to improve the performance of the public sector. As a result, there are significant lags in the deployment of the Observatory of Public Services or capacity building needs for public sector innovation.

In addition, public sectors institutions have not yet fully adapted to the new role of MAP. This, in combination with an unfunded and ambitious strategy that focuses on many important actions at the same time, could risk the ability and credibility of the ministry to become an agent of change.

***MAP and service delivery***

Given its mandate, MAP can play an important role in improving service delivery, particularly by promoting the elimination of duplicities and the rationalisation of the public administration, including the rationalisation of social programmes. In addition, MAP can play a key role in developing the necessary regulation for the Council of Ministers to become operational, while creating a strong link with the Policy Co-ordination Cabinets. By doing so, MAP would help bridge the whole-of-government approach with the sectorial co-ordination mechanisms. In addition, it could support a transformation and operationalisation of the Policy Co-ordination Cabinets into co-ordination bodies that are flexible, cut across silos and focus on demand-driven issues, along the lines of Ministerial Cabinets in Chile. This will add flexibility to the cabinets and will make them more efficient by reducing the number of members and by emphasising the priority goal, instead of the sector.



Regarding the quality of public services, MAP should continue training and promoting the tools available in its toolkit (CCs, SERVQUAL, and Observatory) to influence the quality of service delivery. However, the success of this strategy will depend on two factors: 1) the development of a system of incentives that awards institutions that are performing well and penalises those that are not; and 2) the integration of all available tools into a system that interconnects all the information being produced. For example: CCs can provide the baseline to measure the quality of service provision, SERVQUAL can be used to measure the quality of service provision using the CCs as a benchmark, and the Observatory and the 311 system can help to verify the information provided using third-party monitoring.

Regarding institutional strengthening, MAP can play an important role, but its ultimate impact would likely rely on its own institutional capacity to provide support to the organisations that are developing or implementing their institutional strengthening plans as a result of the CAF. It is key for MAP to develop the necessary credibility that will allow it to steer the institutional strengthening of the public administration.

## Conclusions and recommendations

Strong underlying governance structures, particularly those focused on co-ordination, information sharing and strong centre of government direction, are an essential building block for improving service delivery and, ultimately, achieving inclusive growth. The Dominican Republic could benefit from the following recommendations, which seek to build upon the many efforts and structures currently in place.

*Leverage the potential of the existing whole-of-government planning process and tools to inform policy design and implementation by:*

*In the short term*

- **Reactivating the role of the Council of Ministers in defining the next four-year programme of the government.** The recent elections offer a unique opportunity for the Council of Ministers to exercise the whole-of-government steering role the law attributes to it, as it is the first time that an NDS will be in place to guide the definition of the PNPS. The preparation of the next PNPS 2016-2020 would thus benefit from: 1) ensuring full alignment with the priorities and goals set forth in the NDS; and 2) ensuring that implementation and/or co-ordination gaps identified throughout the implementation period of the current PNPS are addressed. In this regard, an evaluation of the implementation of the PNPS (2012-2016) would be essential to help distil lessons to address implementation challenges and identify further co-ordination opportunities.
- **Aligning institutional and municipal plans with the guidelines of the NDS and the future PNPS 2016-2020.** Alignment is a key challenge to achieving the full potential of the current planning processes and instruments. In this regard, the recent elections offer an opportunity to revisit existing plans in order to revise, update or, in some instances, prepare them in alignment with the whole-of-government planning documents. MEPyD, with support from MAP, could prepare and disseminate guidelines in late 2016/early 2017 to allow the institutions and municipalities to revise, update or prepare the institutional and municipal plans by the first half of 2017.

*In the medium term*

- **Strengthening the capacity of the Institutional Planning and Development Units to better articulate sectorial planning, monitoring and evaluation with the central systems.** As key agents in the preparation of institutional plans and the monitoring of their implementation, Institutional Planning and Developing Units should be strengthened in terms of their human and technical capacity to steer the planning, monitoring and evaluation framework. In addition, higher levels of interaction between these units across sectors would be highly desirable, not only to facilitate increased co-ordination and joined-up efforts towards delivering shared outcomes, but to act as go-between and articulation mechanisms across government to facilitate the institutionalisation of guidelines, priorities, systems and processes.
- **Leverage the role of MAP as a change and institutional strengthening agent.** MAP is tasked with supporting capacity building efforts across the public sector and should be leveraged as a strategic partner. To better perform this function, MAP would benefit from revisiting its strategic plan and sequencing its interventions based on priorities. In parallel, MAP could reinforce the Vice Ministry of Institutional Performance to better advise public sector institutions on how to improve their performance and promote change management to set up the necessary institutional conditions that will lead to improvements in service provision.

*In the longer term*

- **Building a stronger link between the medium-term vision set out in the NDS and budget and spending decisions.** Translating goals into action requires alignment between strategy and resource allocation. A first step would be to ensure that the costs of the most relevant programmes are included in the PNPSF to strengthen the link with the budget process. Inclusive growth outcomes, by their nature, are typically visible over a multiyear period (unlike output and activity measures). For this reason, alignment with the MTEF should be built in order to ensure the sustainability of key national indicators beyond those affected by special programmes, and guide annual allocations of resources.
- **Consider conducting multidimensional ex ante budget impact assessments to determine the long-term impact of budget decisions, particularly in key areas of spending.** Understanding the potential impact of budget allocation is fundamental for prioritising interventions and identifying policy trade-offs. In the long term, the government could benefit from conducting such ex ante budget assessments in key areas of spending, including poverty, household income and well-being impacts (OECD, 2016).

*Achieve the full potential of existing information systems to inform planning, monitoring and evaluation through a stronger focus on interconnection and needs assessment for policy design by:*

*In the short term*

- **Evaluating how the information generated by the Poverty Atlas, SIUBEN and the ENIGH and ENHOGAR tools are integrated, or not, into policy design and evaluation in key areas of government.** Available government

information systems are able to produce important information with a good level of detail, to inform policy design, and support new evaluation efforts. However, as discussed there is a gap between potential and actual use of the information available. The government should undertake an in depth evaluation effort to understand where the gaps are and what the drivers are across different sectors and institutions, with a priority focus on the social sectors, so that mechanisms and incentives can be put in place to ensure the full integration of information currently available into policy making. The Inter-institutional Technical Committee for Poverty Measurement (Presidential Decree 112-15), with support from MAP, can play a key role in undertaking this assessment and formulating the necessary measures to correct existing gaps.

*In the medium term*

- **Interconnecting the available government systems that produce key information for demand assessment and monitoring and evaluation, particularly in the social sector.** The Dominican Republic has several systems that are able to provide useful information to conduct monitoring and evaluation. However, this information remains within each system, thus undermining the potential for data analysis that integration would bring. Achieving integration at the level of needs and progress assessment systems (Poverty Atlas, SIUBEN, ENIGH and ENHOGAR surveys) would not only facilitate a more integrated approach to information management, but increase the possibility for the use of this information for programme design and evaluation across the public administration, and beyond through special programmes.

*In the longer term*

- **Strengthening ONE's capacity to develop guidelines for the production of statistics and to co-ordinate and govern the National System of Statistics.** Having a strong baseline and indicators that measure the impact of policy implementation is fundamental to ensure a functioning monitoring and evaluation system. According to ONE, one of their biggest challenges to achieving this is the lack of culture and capacity at the sectorial level to produce sound statistics and indicators. The government should assess the needs of the statistic system and provide the necessary resources to ensure that the sectorial institutions have the capacity to produce sound statistics to guarantee that the information generated by monitoring and evaluation is useful for policy making and policy shaping.

***Strengthen co-ordination at the centre of government to deliver a whole-of-government approach for better service delivery:***

*In the short term*

- **Enabling and leveraging the co-ordination role of the Council of Ministers. The Council of Ministers, introduced by the 2012 Public Administration Law, is the main policy co-ordination body of the executive.** However, the necessary regulation that gives content and process to this mandate remains to be enacted, undermining its steering and co-ordination potential. To make the Council fully operational, the government should first develop the mechanisms through which the Council will co-ordinate, monitor and evaluate policy, including its articulation with the Policy Co-ordination Cabinets. Second, it

should develop the protocol for decision making, including the nature of the resolutions, i.e. mandatory vs. recommendations, reporting mechanisms etc.

- **In parallel, rationalising and updating Policy Co-ordination Cabinets to fulfil their role in steering the design, implementation and assessment of policies.** While originally designed to support the Council of Ministers in its co-ordination role, the Policy Co-ordination Cabinets (economic, social, environmental and institutional) have, to date, not operated as planned. Only the Social Policy Co-ordination Cabinet is active, and it has a strong focus on the implementation of key social programmes. These co-ordination functions are essential, however, particularly as many of the outcomes reflected in the NDS, and thus in the future PNPSP, will require efforts across sectors to be achieved. The government would benefit from reactivating these co-ordination structures under a more flexible approach in order to focus on particular policy priorities and goals that require inter-sector co-ordination. These committees could be supported with a technical secretary unit that would report to the Secretary of Presidency (given its co-ordination role of the Council of Ministers), as a means to support and monitor the implementation of its resolutions.

*In the medium term*

- **Fully leveraging the role of MAP to strengthen the institutional foundation for whole-of-government co-ordination.** As governing body of the public administration, and co-ordinator of the institutional strengthening system, MAP plays a key role in transforming the public sector in the Dominican Republic. Proactively involved in a number of initiatives, MAP would benefit from stronger budgetary and means capacity, and increased ability to push forward transformational change, including, for example, the rationalisation of the public sector in the Dominican Republic.

*In the longer term*

- **Developing a system of incentives that create a culture of co-ordination among the highest levels of government.** To date, policy co-ordination usually takes the form of one-on-one meetings between sectorial institutions and the Ministry of the Presidency. In order to encourage institutional incentives towards horizontal co-ordination and co-operation, the Ministry of the Presidency should focus on reinforcing this co-ordination mechanism through a system of incentives, and by holding organisations accountable for the decisions made in the Council. Signalling at the highest levels will be an important driver of change. For instance, the Ministry of the President could enhance its co-ordination role, while delegating its current implementation and delivery focus on line administrative structures (e.g. social sectors).

***Strengthen co-ordination mechanisms between the central and local levels of government by:***

*In the short term*

- **Approving and implementing the creation of single planning regions.** Since 2000, the Dominican Republic has been trying to organise the country into development regions to create administrative structures that better allow for co-

ordinating policies, identifying synergies and achieving joined-up outcomes in single territorial units. To date, territorial planning is hampered by the existence of multiple regional schemes in the different sectors that undermine policy co-ordination. Following Colombia's example, and as planned already in a draft law, the country could benefit from the creation of single planning regions to organise the planning exercise in the territory. This should be followed by a reorganisation of the planning regional structures of the different sectors to facilitate policy co-ordination and enable the operationalisation of the regional committees.

*In the medium term*

- **Taking advantage of the opportunity created by the incoming administrations at the national and local levels to launch and articulate the municipal, provincial and regional committees, which would create the conditions to implement the municipal, provincial and regional plans.** According to the legal framework, territorial cohesion would be the result of an articulation between central planning and territorial planning. However, territorial co-ordination and the development of the plans at the regional, provincial and municipal level cannot take place if the bodies to co-ordinate policies do not exist. One option that the government has is to create these structures in pilot regions, with their respective provinces and municipalities, to test their functionality and articulation before deploying them across the territory.

*In the longer term*

- **Developing the capacity of Municipal Planning and Development Units so that they have the competencies necessary to articulate municipal planning with central planning.** One of the biggest challenges of the current governance framework for service delivery is the capacity gap in the Municipal, Planning and Development Units to cope with recent reforms. The government should develop a strategy to develop these capacities as an initial step before centralising all the functions associated with municipal planning, budget, monitoring and evaluation and institutional strengthening in these units. The efforts initiated under the joint programme between MAP and the Dominican Federation of Municipalities (FEDOMU), which has led to the development of 36 municipal plans, as well as efforts undertaken as part of increasing capacity building through the PASCAL programme, should be continued and deepened.

***Rationalise and strengthen co-ordination and alignment in the social sector by:***

*In the short term*

- **Appointing and defining a clear co-ordinating structure to enable the effective co-ordination of social policy.** According to the existing legal framework, the Social Policy Co-ordination Cabinet is the body responsible for co-ordinating social policy. However, its day-to-day activity has veered towards implementation. In parallel, a new General Direction of Special Programmes has been created, also tasked with a co-ordination mandate. In practice, this raises duplicity risks, while undermining much needed whole-of-government steering in the social sector. The government should rationalise existing structures, and fully grant co-ordination and steering capacity to a single entity. A possibility could be

to reinforce the co-ordination role of the Social Policy Co-ordination Cabinet, supported by an advisory function at the level of Presidency.

*In the medium term*

- **Rationalising the size and administrative structure in the social sector.** An assessment of the composition of the social sectors in the Dominican Republic reveals the presence of institutional duplicities that affect the efficiency of the sector. A number of programmes pursuing similar objectives are being implemented from different administrative structures. In addition, co-ordination mechanisms have been tasked with implementation mandates. The government, supported by MAP, could benefit from an assessment of competencies in the social sectors, regrouping functions and eliminating the institutions that do not add value to social policy.
- **Focusing on co-ordination and information sharing mechanisms to deliver joined-up outcomes across administrative structures and specific programmes.** To strengthen the capacity of the government to achieve joined-up outcomes, particularly in key initiatives such as PROSOLI, co-ordination and information sharing protocols should be put in place and implemented between key players, including the Ministry of Health, the Ministry of Education and the existing information systems, special programmes and supporting management structures. These could be integrated into the future PNSPN and specific performance assessment measures.

*In the longer term*

- **Considering alternative institutional set ups to facilitate an integrated approach to social programmes.** The size and importance of social programmes in the Dominican Republic has led to increasing and visible investments, particularly through special programmes. However, many of the objectives pursued by these programmes are complementary, and directly or indirectly linked to activities at the line ministry level. In addition, the information systems developed to support these programmes have not yet been institutionalised across the public administration. In order to minimise duplicity and maximise the use of existing information and infrastructures, for example between PROSOLI and Quisqueya sin Miseria, the government could explore alternative institutional set-ups to co-ordinate, steer, and implement key social goals and programmes. Different examples in the region, including from Mexico, Chile or Brazil, can provide useful insights (Box 2.17).

***Fully capitalising on the vision of the new national monitoring and evaluation system by:***

*In the short term*

- **Assessing the integration of existing performance management systems.** The government can benefit from pursuing the interconnection of SIGEF, SNIP, SIGOB, the Monitoring System for the Municipal Public Administration (SISMAP) and other available systems at the sectorial level, in order to centralise all of the information relevant to performance management. This integration can

be further leveraged by focusing on rendering operational information in real-time on a number of key goals that are closely linked to the NDS and PNSPS.

- **In parallel, launching the interconnection of all systems that exist to gather user feedback and identifying avenues for the use of this information on service improvement, monitoring and re-design.** Interconnecting user feedback tools to enhance client accountability. MAP has several tools available to monitor service delivery from the user perspective that are not well articulated, such as CCs, SERVQUAL, 311 and the Observatory. The government can gain from interconnecting all of these tools and centralising the information being produced, which would allow it to better evaluate services, design more efficient interventions, and strengthen the feedback loop. For example, CCs can provide the baseline to measure the quality of service provision, SERVQUAL can be used to measure the quality of service provision regarding the CCs, and the Observatory and the 311 system can help to verify the information provided using third-party monitoring.

#### *In the medium term*

- **Strengthening the link between vertical accountability and internal accountability to improve institutional performance.** In the Dominican Republic, the link between vertical accountability and internal accountability is not clear, even given the evidence that institutions with sound management practices usually perform better. The Dominican Republic could explore options to include plans in the performance contracts indicators associated with the institutional strengthening to reinforce this link and force organisations to base their institutional strengthening plans on their performance needs. The goal is not to create a system that measures everything, but rather to ensure that what matters is adequately measured and performance appraised. The revised US Performance system (Box 2.24), which focused on priority goals, including cross-agency priority goals, can provide a useful example of how to combine accountability and performance without overwhelming the system. Assessing and distilling lessons learned from the experience of performance and results-based budgeting pilot initiatives could help further refine the system.
- **Strengthening internal accountability by enhancing incentives for institutional strengthening.** To promote change management and improve the performance of institutions, the government of the Dominican Republic relies on the Common Assessment Framework and the National Quality Award. To further advance this agenda, the government could provide budget incentives for the organisations that receive an award. Part of the incentive could be used by the winning institutions to finance institutional strengthening plans or training activities for staff.

#### *In the longer term*

- **Consider an integrated approach to monitoring the quality and impact of key services, including through direct user feedback.** Several OECD countries have introduced a life event approach to service delivery to improve the planning process and the quality of service delivery. The "life events" or "user's journey" approach designs service delivery around the key life events of a user and provides a framework for the government to collect evidence that services are

delivered in an effective and fair manner from the user's point of view. First, the key life events of a typical user are selected (e.g. giving birth, graduating from university, or starting up a business). Second, a representative survey identifies how many users have recently experienced a particular life event and how many of them find administrative steps related to this life event complicated (fair, inclusive, etc.). Third, a focus group of users who recently experienced a particular life event goes through a "customer journey mapping" to identify the concrete bottlenecks in service delivery. This approach helps governments to focus resources on the most problematic areas of service delivery, identify opportunities for co-ordination, and improve transparency and accountability, especially when done repeatedly (OECD 2016).

- **Building partnerships with civil society organisations to strengthen the Observatory of Public Policy.** The Dominican Republic has several stand-alone initiatives in the area of social accountability, but none are formally integrated into the Observatory of Public Policy. The government could benefit by integrating third-party monitoring to the Observatory and by establishing a dialogue with CSOs to improve services and make service provision more transparent.



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### *Chapter 3.*

## **Regulation and administrative simplification to deliver better public services in the Dominican Republic**

*This chapter introduces the governance arrangements that guide and shape the delivery of public services in the Dominican Republic, and that set the foundation for other policy levers to be fully effective, such as digital government, public innovation and administrative simplification. It describes the current institutional framework governing the provision of services in the Dominican Republic and the numerous reforms that have been undertaken in the past 50 years. The challenges to realise the full potential of the current institutional setting are discussed. On the one hand, the challenges related to whole-of-government co-ordination and coherence, and on the other hand, the integration of existing information systems, including those that collect feedback and experience from users and beneficiaries, capacity building and administrative structure. The role of MAP as a natural institutional leader is also discussed. The chapter concludes with recommendations to improve the governance underpinnings of service delivery in the Dominican Republic.*

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

## Introduction

Alongside spending and taxing, regulation is one of the key policy tools available to governments to promote social welfare and economic prosperity. The *OECD Regulatory Policy Outlook* (OECD, 2015a) argues that there is scope for countries to use regulatory policy to take a more systematic approach to promoting inclusive growth. If applied systematically, the key principles and tools of regulatory policy can help to clarify the broader consequences of regulatory decisions and the potential trade-offs across various dimensions of inclusive growth. For example, they can ensure the voices of regulated groups and other stakeholders are heard during rule making, thus helping to identify how particular regulations affect specific groups and point to areas where corrective actions may be needed. The application of regulatory policy principles can help to ensure the effectiveness and efficiency of regulation in achieving the inclusive growth objective (OECD, 2015b).

The concept of well-being goes beyond income levels and includes access to high quality healthcare, education and employment as critical drivers of equal opportunity and inclusion. However, evidence shows that the potential of regulatory policy in this regard remains largely untapped, and that despite progress, countries still struggle to ensure that inclusive growth issues are consistently and systematically addressed as part of regulatory frameworks (OECD, 2015b). Provision of public services is subject to government regulations. If the regulatory framework is too complex, it may contribute to restricting access to public services for certain groups of citizens, or creating unnecessary regulatory burdens for public authorities/service providers, which leads to inefficiencies. Therefore, one regulatory management tool that can contribute to improve the quality and broaden the access to public services is administrative simplification (see Box 3.1 for a definition on administrative simplification).

Administrative simplification can be understood as the set of principles and actions aimed at identifying, analysing, classifying and proposing permanent improvements to administrative procedures. The objective is reducing burdens for citizens, businesses, civil society organisations (CSOs) and public sector organisations, alongside designing more expedite administrative procedures; the challenge remains to ensure that this exercise improves the quality and access of public services. Simplification programmes should comprise the removal of burdens and obstacles in order to foster an agile and dynamic competitive regulatory framework for citizens and businesses as a means to facilitate inclusive growth.

Many OECD countries have designed and implemented administrative simplification initiatives as part of their broader regulatory policy programmes to alleviate burdensome regulations for citizens, business and the government, some of which are focused on service delivery. General examples concerning the results and relevance of the programmes in a few jurisdictions are presented below:

- In Germany, by simplifying electronic invoices, the annual administrative burden for enterprises was reduced by approximately EUR 3.3 million between 2006 and 2011.
- In the United Kingdom, the “war on red tape” has produced GBP 10 billion in savings for businesses in the last four years.
- In 2015, the Mexican Institute of Social Security (Instituto Mexicano del Seguro Social, IMSS) embarked on a simplification and digitisation programme that

allowed for the reduction of formalities from 56 to 25, alongside a raise in revenues of 4.6% compared to 2014.

- Regarding public sector service providers, the Danish government implemented the Burden Hunters Project that contained 105 measures to reduce administrative burdens, which freed up to 3 million working hours annually for service provision.
- The government of the Netherlands created a programme for professionals working in public services in health and education. The objectives included reducing the amount of information that must be recorded and developing standardising definitions to free working hours.

### **Box 3.1. What is administrative simplification?**

Regulations and administrative procedures are important tools used by governments to provide services and to carry out public policies in many areas. Administrative burdens have tended to grow in number and complexity as governments need more information to implement their policies and target their regulations and instruments at more specific issues and populations. The growing use of administrative procedures has become a major problem, known as “red tape” or administrative burdens. Administrative procedures increase costs and multiply barriers for businesses through the time and money needed for compliance. This can, in addition, reduce regulatory certainty, a key parameter for businesses.

Administrative simplification is a regulatory quality tool to review and simplify administrative regulations. Administrative simplification has remained high on the agenda of most OECD countries over the last decade. With the complexity and dynamism of societies and economies creating a demand for new and revised regulations, the intricacy of the regulatory framework, and the burden it presents for citizens, businesses and the public sector, has become excessive.

The advantage of this regulatory management tool is that it can be adapted to improve a certain sector. In other words it can focus on the improvement of quality and delivery of public services by spotting unnecessary bureaucracy and cutting red tape in sectors such as health and education. This would allow, among other things, for the freeing up of working hours for the public administration, which would improve efficiency and quality, increase state revenues, and enable citizens to undertake procedures via the Internet.

*Source:* OECD (2010), *Why Is Administrative Simplification So Complicated: Looking beyond 2010*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264089754-en>.

The *2012 Recommendation of the Council on Regulatory Policy and Governance* invites countries to engage in conducting administrative simplification. Principle 5 states that countries should “conduct systematic programme reviews of the stock of significant regulation against clearly defined policy goals, including consideration of costs and benefits, to ensure that regulations remain up to date, cost justified, cost effective and consistent, and deliver the intended policy objectives” (OECD, 2012a). One of the regulatory management tools used to attain this objective is the implementation of administrative simplification programmes. This chapter will draw on the OECD’s principles and recommendations to review, assess, and recommend further actions for the Dominican Republic’s current administrative simplification programme and how it could advance in order to improve public service delivery. Box 3.2 contains the 12 principles of the Recommendation.

### **Box 3.2. OECD Recommendation of the Council on Regulatory Policy and Governance**

The Recommendation sets out the measures that governments can and should take to support the implementation and advancement of systemic regulatory reform to deliver regulations that meet public policy objectives and that will have a positive impact on the economy and society. These measures are integrated into a comprehensive policy cycle in which regulations are designed, assessed and evaluated ex ante and ex post, revised and enforced at all levels of government, and supported by appropriate institutions.

1. Commit at the highest political level to an explicit whole-of-government policy for regulatory quality. The policy should have clear objectives and frameworks for implementation to ensure that, if regulation is used, the economic, social and environmental benefits justify the costs, the distributional effects are considered and the net benefits are maximised.
2. Adhere to principles of open government, including transparency and participation in the regulatory process to ensure that regulation serves the public interest and is informed by the legitimate needs of those interested in and affected by regulation. This includes providing meaningful opportunities (including online) for the public to contribute to the process of preparing draft regulatory proposals and to the quality of the supporting analysis. Governments should ensure that regulations are comprehensible and clear and that parties can easily understand their rights and obligations.
3. Establish mechanisms and institutions to actively provide oversight of regulatory policy procedures and goals, support and implement regulatory policy, and thereby foster regulatory quality.
4. Integrate Regulatory Impact Assessment (RIA) into the early stages of the policy process for the formulation of new regulatory proposals. Clearly identify policy goals, and evaluate if regulation is necessary and how it can be most effective and efficient in achieving those goals. Consider means other than regulation and identify the trade-offs of the different approaches analysed to identify the best approach.
5. Conduct systematic programme reviews of the stock of significant regulation against clearly defined policy goals, including consideration of costs and benefits, to ensure that regulations remain up to date, cost justified, cost effective and consistent, and deliver the intended policy objectives.
6. Regularly publish reports on the performance of regulatory policy and reform programmes and the public authorities applying the regulations. Such reports should also include information on how regulatory tools such as Regulatory Impact Assessment, public consultation practices and reviews of existing regulations are functioning in practice.
7. Develop a consistent policy covering the role and functions of regulatory agencies in order to provide greater confidence that regulatory decisions are made on an objective, impartial and consistent basis, without conflict of interest, bias or improper influence.
8. Ensure the effectiveness of systems for the review of the legality and procedural fairness of regulations and of decisions made by bodies empowered to issue regulatory sanctions. Ensure that citizens and businesses have access to these systems of review at reasonable cost and receive decisions in a timely manner.
9. As appropriate apply risk assessment, risk management, and risk communication strategies to the design and implementation of regulations to ensure that regulation is targeted and effective. Regulators should assess how regulations will be given effect and should design responsive implementation and enforcement strategies.

### **Box 3.2. OECD Recommendation of the Council on Regulatory Policy and Governance** *(continued)*

10. Where appropriate, promote regulatory coherence through co-ordination mechanisms between the supranational, the national and sub-national levels of government. Identify cross-cutting regulatory issues at all levels of government to promote coherence between regulatory approaches and avoid duplication or conflict of regulations.
11. Foster the development of regulatory management capacity and performance at sub-national levels of government.
12. In developing regulatory measures, give consideration to all relevant international standards and frameworks for co-operation in the same field and, where appropriate, their likely effects on parties outside the jurisdiction.

*Source:* OECD (2015c), *Recommendation of the Council on Regulatory Policy and Governance*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264209022-en>.

This chapter discusses how the framework to manage regulation works in the Dominican Republic, and describes the current context for regulatory reform. There is an assessment of how current administrative simplification efforts, including the simplification programme, one-stop shops, centralised registries and service charters, could focus on improving access and quality of public services. The assessment shows how six key enablers could revamp the simplification strategy in the Dominican Republic.

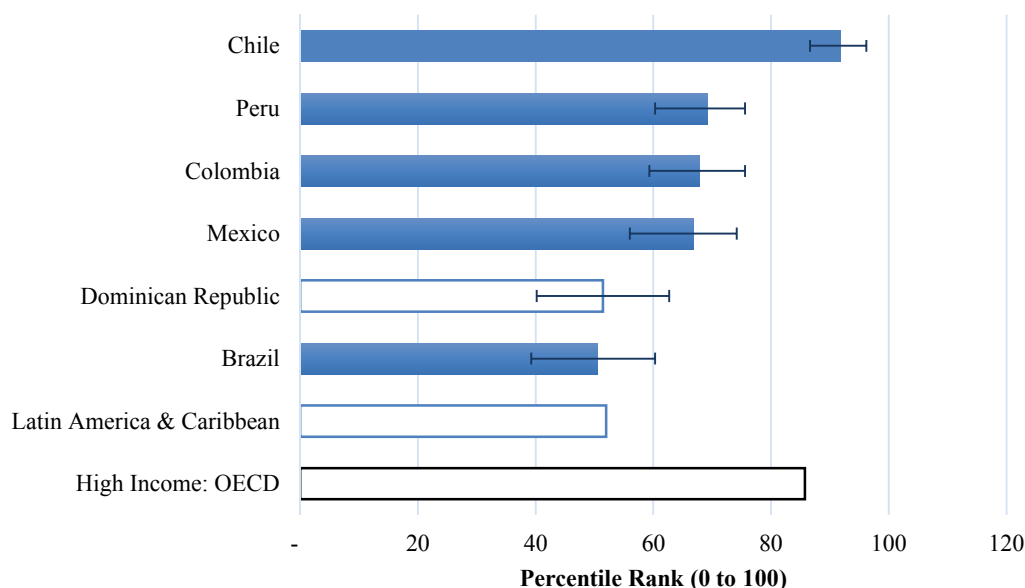
## **The context for regulatory reform in the Dominican Republic**

The foreseen moderation of commodity prices challenges the government and society's ability to do more with less, especially in the Latin American and Caribbean (LAC) region. Furthermore, in the current context of an inefficient public service delivery system in the Dominican Republic, regulatory reform can help attain policy objectives such as economic growth and social welfare. Reforms aimed at improving the quality of laws, especially public service delivery, can help stimulate economic activity and promote well-being (OECD, 2015a).

Even though the Dominican administration has undergone public sector reforms, as mentioned in Chapter 2, regulatory quality still remains a big challenge, according to both the Worldwide Governance Indicators (WGI) and the Doing Business Index from the World Bank. Both measures show that there is still some progress to be made.

The regulatory quality dimension of the Worldwide Governance Indicators captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. As shown in Figure 3.1, the quality of institutions, and the stability of the Dominican Republic's regulatory framework, are lagging behind compared to those of OECD and other LAC countries. The indicators show the processes and institutional set-up required for regulatory activities. Although these comparisons should be assessed with care, they do not offer evidence of policy outcomes, and show the need for the Dominican Republic to engage further in strengthening their rule-making process, as well as how the existing stock of regulation is managed. Improving the strength and reliability of its institutions would have a favourable effect on inclusive growth.



**Figure 3.1. Regulatory quality in the Dominican Republic**

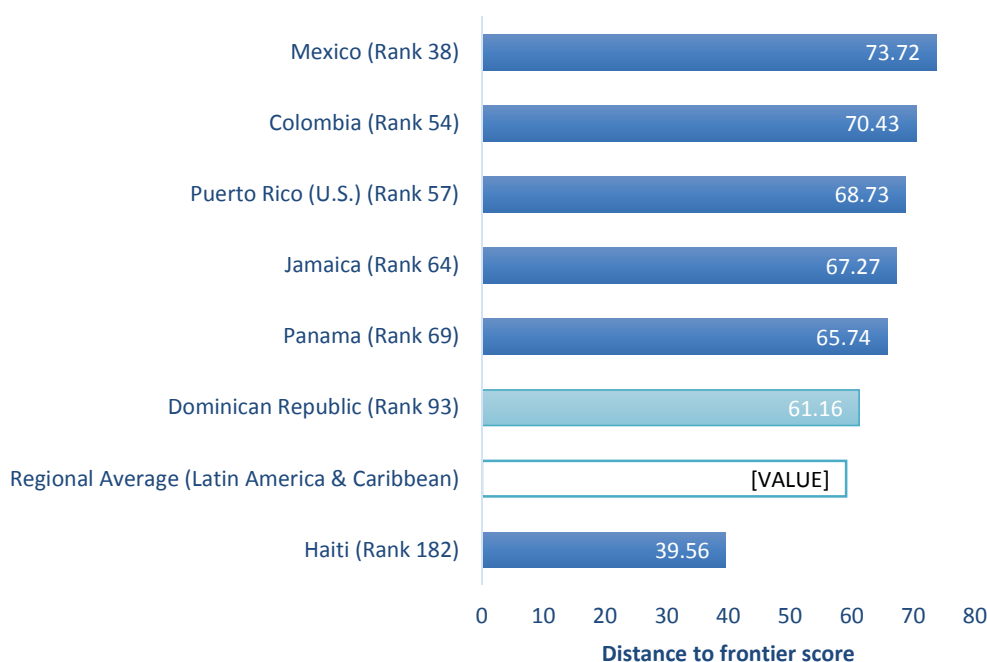
*Note:* The Worldwide Governance Indicators are a research dataset summarising the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organisations, international organisations, and private sector firms. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

Each of the six aggregate indicators, such as regulatory quality, are reported in two ways: 1) in their standard normal units, ranging from approximately -2.5 to 2.5; and 2) in percentile rank terms from 0 to 100, with higher values corresponding to better outcomes. This results from using an Unobserved Components Model (UCM) to construct a weighted average of the individual indicators for each source.

*Source:* Kaufmann D., A. Kraay, and M. Matruzzi (2010), *The Worldwide Governance Indicators: Methodology and Analytical Issues*, [www.govindicators.org](http://www.govindicators.org).

The 2016 Doing Business Report indicates “how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. It measures and tracks changes in regulations affecting 11 areas in the life cycle of a business” (World Bank, 2016). Regulatory reform should be a continuous and systematic process for governments. The Dominican Republic ranked 117<sup>th</sup> in 2014, 90 in 2015 and then decreased three positions to rank 93 in the latest 2016 Report, which implies the necessity to further implement regulatory management tools. Figure 3.2 compares the Dominican Republic with the region’s economies. Although it ranks above the LAC regional average, it is outranked by other jurisdictions in the region such as Jamaica and Puerto Rico.



**Figure 3.2. Ranking of ease of doing business in the Dominican Republic**

*Note:* The rankings are benchmarked to June 2015 and based on the average of each economy's distance to frontier (DTF) scores for the 10 topics included in this year's aggregate ranking. The distance to frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each Doing Business indicator. An economy's distance to frontier score is indicated on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier. For the economies for which the data cover two cities, scores are a population-weighted average for the two cities.

*Source:* World Bank (2016), *Doing Business 2016: Measuring Regulatory Quality and Efficiency*, World Bank Group, Washington DC, <http://dx.doi.org/10.1596/978-1-4648-0667-4>.

LAC countries, including the Dominican Republic, have a history of highly regulated environments. Hence the importance of establishing mechanisms of regulatory reviews that aim to keep the regulatory stock up-to-date. The World Bank's Doing Business and WGI indicators underscore the need for the Dominican Republic to engage in broader regulatory reforms. An administrative simplification programme could serve as a first step towards this kind of reform.

### The governance of administrative simplification

The Organic Law for the Public Administration enacted in 2012 sets the legal basis for the Ministry of Public Administration (MAP) to be the governing body for administrative simplification. Article 84 states that all entities of the public administration are obliged to collaborate with MAP in order to strengthen the institutional framework. Article 85 of the same law describes the powers given to MAP, including the development of simplification strategies and one-stop shops.

The Dominican Republic has already created some building blocks for establishing a whole-of-government simplification programme. The National Development Strategy

2030 (*Estrategia Nacional de Desarrollo 2030*, END) recognises administrative simplification as one of the Dominican Republic's long-term objectives. END, under the third pillar and Article 25, states that the Dominican Republic should develop a regulatory framework that fosters pro-competitiveness and that reduces costs, administrative procedures, and transaction time and authorisations, and eliminates duplicity of functions and powers in the different ministries, according to international standards.

Furthermore, the National Multiyear Plan for the Public Sector 2013-2016 (*Plan Nacional Plurianual del Sector Público*, PNPS) adds administrative simplification as an expected outcome. The PNPS, as part of the competitiveness presidential goals, states under general objective number 11, Boosting Competitiveness and Innovation; and its specific objective number 18, Business investment climate and pro-competitiveness: “develop a regulatory framework for the orderly functioning of the markets and a competitive business environment.”

The PNPS also indicates expected outcomes, indicators and goals based on the World Bank's Doing Business Index (see Table 3.1). The expected outcomes only take into consideration the criteria under which the Doing Business Index is created. While this may be a good approach to set some measurable criteria for progress, the Doing Business indicators focus only on a limited area of business development of small size, limited liability companies. It does not take into account other elements of social welfare or address the improvement of the quality and delivery of public services. However, the expertise and capacities built while addressing these goals should help as input for a broader simplification programme.

In Mexico, the Federal Commission for Regulatory Improvement (*Comisión Federal de Mejora Regulatoria*, COFEMER) is in charge of overseeing a simplification programme that obliges the Federal Public Administration to elaborate Better Regulation Programmes (BRP). The BRPs aim to simplify administrative procedures that involve not only the criteria evaluated by the Doing Business Index, but that are burdensome for citizens in general, which allows for a larger impact.

The goals and objectives described in Table 3.1 are under the responsibility of the Exports and Imports Centre (*Centro de Exportación e Inversión*, CEI-RD) and the investment one-stop shop (*Ventanilla Única de Inversión*, VUI). MAP collaborated in the PNPS project as the entity mandated to oversee the national policy on simplification of administrative procedures.

**Table 3.1. Expected outcomes, indicators, and goals detailed in the PNPS 2013-2016**

Expected outcomes	Indicators	Baseline 2012	Goal 2016
Improve the starting a business process	Number of procedures: Starting a business	7	3
Reduce the cost to start a business	Cost (% of the GDP per capita) 5 240: Starting a business	17.3%	10%
Eliminate a minimum capital to start a business	% (of the GDP per capita) 5 240: Starting a business	49.3%	0%
Improve the construction permits process	Number of days: Construction permits	216	90
Simplify administrative procedures to obtain a construction permit	Number of procedures: Construction permits	14	7
Improve the connection to electricity process	Number of days: Getting electricity	87	40
Reduce the cost of getting electricity	Cost (% of the GDP per capita) 5 240: Getting electricity	322.3%	100%
Reduce time for registering a property	Number of necessary days: Registering property - DB	60 days	20 days
Simplification of administrative procedures to pay tax	Number of annual payments: Paying taxes – DB	9	4
Decrease corporate rate (% earnings)	Rate (% earnings): Paying taxes – DB	42.5%	38%
Reduce number of documents for exports	Number of documents to export: Trading across borders - DB	6	2
Reduce number of documents for imports	Number of documents to import: Trading across borders - DB	7	3
Reduce the time it takes for a resolution on a commercial dispute	Number of days: Enforcing contracts - DB	460	150

*Sources:*

National Multiyear Plan for the Public Sector 2013-2016 (Plan Nacional Plurianual del Sector Público, PNPS)

World Bank (2016), *Doing Business 2016: Measuring Regulatory Quality and Efficiency*, World Bank Group, Washington, DC, <http://dx.doi.org/10.1596/978-1-4648-0667-4>.

MAP has an Institutional Strategic Plan 2012-2016 (*Plan Estratégico del MAP 2012-2016*) that sets the objectives of the ministry. Its purpose is to direct the everyday work of the ministry's administrative units and make them responsible for the work stemming from the cited plan. The Institutional Strategic Plan comprises seven strategic axes; the second one, institutional strengthening, mandates MAP to promote “the development and implementation of tools conducive to the simplification of administrative procedures in the public sector”. This axis sets the basis for the implementation of regulatory management tools, which could be the first step towards a broader agenda that can help improve the quality of regulations in the Dominican Republic.

The following outputs stem from the Institutional Strengthening axis of MAP's Strategic Plan 2012 - 2016:

- Develop the national policy on simplification of administrative procedures.
- Document and simplify key processes of identified public institutions.
- Develop and approve the framework to implement one-stop shops.

- Establish one-stop shops.

The Institutional Strategic Plan is a good foundation to design and establish a broad administrative simplification programme in the Dominican Republic. The legal documents that enable MAP to be the governing body are in place, and there is an administrative unit that could be in charge of a wider programme. However, its cross-cutting competences would need to be strengthened and a top-level support for such a programme expressed clearly in a government document.

In 2014, MAP established a programme on the simplification of administrative procedures through the Vice Ministry of Institutional Strengthening (*Vice Ministerio de Fortalecimiento Institucional*). The administrative unit implementing the programme is the Simplification of Administrative Procedures Division (*Dirección de Simplificación de Trámites*). Even though MAP is mandated to be the governing body, and the existence of a dedicated administrative unit is in place, the government could largely benefit from establishing formal co-ordination mechanisms, such as advisory bodies or task forces.

## Reviewing the management of the Dominican Republic's existing regulations

Periodic evaluations and reviews are needed to assess the impact of regulations and whether the desired outcomes are being accomplished. The Dominican Republic should use administrative simplification as a starting point for creating a more complex, whole-of-government regulatory policy. Simplification programmes represent a good way to start broader programmes of regulatory reform, as their results are relatively easy to measure and present to politicians and high-level decision makers, as well as businesses and general public.

Different approaches used in the general framework of administrative simplification across OECD countries comprise, among others, burden hunter programmes, one-stop shops, centralised and codified registries, and service charter programmes. This section will describe the current simplification efforts in the Dominican Republic and shed some light on how current efforts can be used as building blocks to allow for the establishment of a fully-fledged simplification programme that will help improve the quality and delivery of public services to attain inclusive growth.

### *Programme on simplification of administrative procedures*

Simplification programmes in the OECD have historically focused on enhancing the business environment. However, in recent years, countries have identified the importance of broadening their programmes to include citizens and the public sector, due to the benefits this yields regarding easier access to public services. This is also the case in the Dominican Republic, where the current simplification of administrative procedures includes the simplification of public services.

The administrative simplification programme launched in 2014 and run by MAP is not a cross-cutting programme for administration as a whole, but is a first step. The Institutional Strategic Plan 2012-2016 mentions that the current goal is to work with four institutions with one formality each year until the end of 2016.

The Simplification of Administrative Procedures Division has worked with twelve government entities, of which some belong to the central government (five government institutions) and some lie within the sub-national level (seven municipalities). The objectives of the administrative simplification programme are to: 1) reduce response

times; 2) improve the quality of services offered for business and citizens; 3) cut red tape; 4) avoid duplicities; and 5) take into account the efficient use of resources for a given formality.

There is no clear standardised criteria that define which institutions should take part in the programme or which administrative procedures should be simplified. Institutions and municipalities are invited to participate in the programme, but they can refuse. Institutions are invited with the intention of covering each sector of the public administration, and complaints received by the 311 System (<http://311.gob.do/>). Institutions that are invited and agree to be part of the programme can stop the process when they see fit.

The institutions that show interest in the programme go through an administrative simplification procedure established by the Simplification of Administrative Procedures Division. The first pilot project included five public sector institutions, including one municipality, as shown in Table 3.2. A team is selected for each of the institutions, and MAP offers them a course on process modelling and management taught by the National Institute of Public Administration (*Instituto Nacional de Administración Pública*, INAP).

The teams, consisting of no more than nine technical level officials from each of the chosen institutions, decide which formality to re-engineer based on several characteristics: the resources to be mobilised, how often the service is demanded, if that service has received many citizen or business complaints, and the impact within the institution. The simplification programme uses a methodology that derives from the Business Process Model (BPM) method. According to the monitoring and evaluation report of the operation plan of 2015, the goal was to simplify five formalities. The ministry reported a compliance of over 100% as the output achieved involved simplifying eight formalities, as seen in Table 3.2.

**Table 3.2. Institutions and corresponding simplified administrative procedures**

No.	Institution	Administrative procedure
1	Ministry of Public Health/ Sanitary Products, Food and Medicines Division (Digemaps).	Procedure 1: Licensing of pre-packaged food (national - new and renewals) Procedure 2: Licensing of pre-packaged food (imported - new and renewals)
2	National Institute of Public Administration (INAP)	Procedure 1: Payment of facilitators
3	Ministry of Public Administration (MAP)	Procedure 1: Application for performance bonus payment Procedure 2: Personnel commissions process
4	Superintendency of Health and Labour Risks (Sisalril)	Procedure 1: Request for reimbursement for medical expenses
5	Municipality of Santo Domingo - East (ASDE)	Procedure 1: No objection certification Procedure 2: Land use permit

*Source:* Information provided to the OECD by MAP.

### ***One-stop shops***

The implementation of one-stop shops, physical or electronic, is a common administrative simplification measure adopted across OECD countries. The different versions of one-stop shops can compile several formalities in a given space, which allows citizens and business to reduce transaction costs. One-stop shops supply a high variety of services ranging from the provision of information about the business environment and its requirements, to licensing and issuing permits to enter specific business activities. In a

perfect situation, there is only a “single window” to contact in order to access all the services entrepreneurs may need for business licenses and permits (OECD, 2010).

The Dominican Republic has several scattered and disconnected one-stop shops that solve particular issues. Not all of the shops can be accessed electronically. There is no co-ordination or co-ordinating body amongst them in practice; however, the Office of the Presidency for Information Technologies and Communication (OPTIC) issued the technical norm NORTIC A5/2015, which identifies MAP as the institution responsible for the regulation, control and co-ordination of one-stop shops. Furthermore, there is a draft bill to regulate and manage one-stop shops co-ordinated by MAP. The draft law is expected to incorporate administrative simplification tools, which are currently not in place.

Some of the one-stop shops found are:

1. Investment one-stop shop (Ventanilla Única de Inversión, VUI) managed by the Export and Investment Centre of the Dominican Republic (Centro de Exportación e Inversión de la República Dominicana, CEI-RD). The current modality does not allow electronic operability.
2. VUCE trade one-stop shop managed by the National Council for Competitiveness & Customs Office (Dirección General de Aduanas y Consejo Nacional de Competitividad). The current modality has e-modules that allow electronic transaction.
3. Business registry one-stop shop managed by the Chamber of Commerce and Production of the Municipality of Santo Domingo (Cámara Comercio y Producción Santo Domingo) & Ministry of Industry and Commerce (Ministerio de Industria y Comercio, MIC).
4. Punto GOB managed by the Office of the Presidency for Information Technologies and Communication (Oficina Presidencial de Tecnologías de la Información y Comunicación, OPTIC). The current modality does not allow electronic operability.
5. Health formalities one-stop shop managed by the Ministry of Public Health (Ministerio de Salud Pública, MSP).

### **Box 3.3. One-stop shops in Mexico and Finland**

The Mexican government, with the support of the OECD, and under the framework of the Programme for Strengthening of Economic Competition and Regulatory Improvement for Competitiveness in Mexico, has instrumented a one-stop shop for business start-ups.

This portal is an online site that allows entrepreneurs to comply with the five federal formalities needed to legally constitute a commercial entity in a simplified and streamlined manner. Prior to the instrumentation of the portal, entrepreneurs needed to visit different government offices, fill several forms and questionnaires providing the same information several times, wait in line to submit information, and wait several hours or days to receive an official response. With the portal [tuempresa.gob.mx](http://tuempresa.gob.mx), entrepreneurs just fill one single form online, and after visiting a notary or an authorised commercial broker, they receive and can download official responses from the website.

The portal connects several government databases, making possible the sharing of information between different ministries. By eliminating the need to submit the same

### Box 3.3. One-stop shops in Mexico and Finland (*continued*)

information several times, the portal benefits entrepreneurs by lowering opportunity costs.

OECD estimates show that administrative burdens for the entrepreneur are reduced by 65% with the instrumentation of the portal, decreasing from an equivalent of 16% of the GDP per capita of Mexico of 2007 to just 6% (OECD and Secretaría de Economía, 2009).

It is expected that the portal will decrease the barriers that promote the informal economy, and will help to boost the number of new start-ups.

In Finland, one-stop shops are being developed for citizens to offer public administration services centrally from a single location. This is considered especially important for Finland as a means of ensuring a variety of high-quality services across the country, both in sparsely populated areas and in population centres. A main goal is to expand and standardise the range of services offered. The development of a physical citizens' services network will be complemented by the provision of services electronically and via call centres.

*Source:*

OCDE and Secretaría de Economía (2009), Programa de Medición del Costo Administrativo Empresarial en México: Primera Etapa, Informe de Resultados.

OECD (2010), *Why Is Administrative Simplification So Complicated?: Looking beyond 2010*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264089754-en>.

Although one-stop shops provide an easier approach to formalities on behalf of citizens, the real benefit comes from simplifying the combined administrative procedures or formalities before making them accessible to the public. Consequently, using digital government tools that allow for electronic transactions would have a larger impact on the administrative simplification effort. The challenge is to focus on citizens as well as business.

### ***Centralised registries***

The government does not have a centralised registry of all administrative procedures and services in the public service. It is a common practice that ministries publish their legal framework on their websites, but this is far from having a centralised registry where all regulations can be consulted. A citizen-centred approach should take into consideration that users do not necessarily know, nor need to know which ministry they must address for a given formality.

As mentioned, there is a registry published by OPTIC with information provided by each institution of the central government. In addition, MAP has a catalogue of services embedded in the Observatory for the Quality of Public Services. The registries do not combine all administrative procedures and services in the Dominican Republic, nor are they linked to each other. Therefore there is no single database where a citizen could see all formalities together.

In Mexico, COFEMER manages the Federal Registry of Formalities and Services (RFTS), which serves as a repository of administrative procedures in Mexico. Ministries and decentralised entities must submit to COFEMER and keep updated the information that is registered in the RFTS. The RFTS is binding, meaning that formalities not registered in the RFTS cannot be enforced. Agencies and decentralised bodies were required to simplify at least 20% of the formalities listed in the RFTS and to further

analyse regulatory improvement alternatives for high impact formalities (OECD, 2014a). Because of this, the codified and centralised registry becomes a simplification effort which incentivises agencies to keep the registry updated and improve the quality and regulatory transparency of formalities for citizens.

A consolidated and centralised registry would offer the possibility to: 1) inform the public; and 2) serve as a starting point for a thorough and broad administrative simplification programme by simplifying the most demanded administrative procedures. Those regulations not included in the registry would not be valid after the end of the project.

### ***Service charters programme***

The European Commission includes service charters as part of their toolkit aimed at improving the quality of public administration. They define the purpose of the service charters as “the radical idea to give rights to the clients of public services. These rights are not statutory, but the pressure of the promise is such that the organisation will do a great deal to fulfil the commitments it has made. With this approach, the user charter helps the client switch from a relatively passive role of waiting for what the organisation has in mind for him or her. The offered rights stimulate the idea that the organisation treats them with respect. This gives the client a certain dignity. It also helps to build trust in the administration” (European Commission, 2015).

The Dominican Republic has implemented a policy regarding service charters. The programme is compulsory for all of the public administration according to Article 11 from Presidential Decree 211-10 in 2010. However, only thirty institutions have complied with the decree, out of approximately 300 institutions in the public sector. From the thirty institutions involved, seventeen are currently valid and ten more are in progress. MAP implements a yearly evaluation in order to determine the status of the service charters, and is able to determine if some become no longer applicable according to the Service Charter Guide and Decree 211-10.

#### **Box 3.4. User charters in healthcare: The Netherlands and the United Kingdom**

The concept of the service charter was originally developed in commercial organisations and was then adopted by public services and healthcare. In the United Kingdom, the concept has been used in all National Health Service hospitals since 1991 in the form of the Patient’s Charter. Healthcare organisations in Italy, the United States and the Netherlands have also adopted the concept. In several Dutch healthcare services, the multi-attribute specific service charter is used. This consists of a number of promises covering the patient’s journey from general practitioner referral through to discharge from the hospital and follow-up arrangements. The specific goals in implementing service charters are:

- Increasing the responsiveness of healthcare services to the wishes of patients.
- Making healthcare services more accountable.
- Ensuring patients know what to expect so that they can become more equal partners in the healthcare process.
- Being used as a listening mechanism.
- Increasing feedback from patients.



**Box 3.4. User charters in healthcare: The Netherlands and the United Kingdom**  
(continued)

- Improving patient satisfaction.

In the Netherlands, an integrated regional stroke service involving five organisations has developed and implemented a single service charter. Integrated care is an organisational co-ordination process that seeks to achieve seamless and continuous care that is tailored to the patient’s needs and based on a holistic view of the patient.

Three phases of the integrated stroke service can be distinguished: 1) acute care involving the emergency department and stroke unit of the regional hospital; 2) rehabilitation involving rehabilitation centres, specialised nursing homes and home care; and 3) long-term support. Delivering optimal care with this range of providers requires a complex mix of collaboration at operational and individual levels involving streamlining information flows and the transfer of acute patients. At a tactical level, this can involve performance indicators on the care-chain level and, at the strategic level, financial and logistical agreements. These interventions aim to improve patient care and medical outcomes, objectives that fit into the general goals of care integration: enhancing patient satisfaction and quality of life, efficiency and outcomes.

*Source:* European Commission (2015), *Quality of Public Administration, A Toolbox for Practitioners*, Publications Office of the European Union, Luxembourg.

Service charters are also used by member countries of the OECD, such as Spain and Mexico, to promote quality in the delivery of public services. As mentioned in Chapter 2, service charters are documents that inform citizens on what to expect of a given service and commit the institution to a certain quality standard. Service charters make public the conditions, requirements, legal basis, and cost of a certain formality or service. MAP gives technical assistance to government institutions in order for them to create and publish their own service charters. Service charters could serve as a starting point whereby MAP could have a gatekeeping function and carry out the simplification process for the institutions involved in the programme before they are able to post their service charter.

The tools of administrative simplification, such as the simplification programme, one-stop shops, the codified and centralised registries, and the service charters programme, can serve as building blocks to map and simplify which formalities would yield better results in improving access and quality of public services that reconcile economic growth and social inclusion. Even when administrative simplification should not displace other regulatory reform tools and policies, it can be used as a “foot in the door” to create momentum and help to gain support from stakeholders for wider reforms.

### **Untapping the potential of the simplification programme to deliver better public services**

The OECD publication *Cutting Red Tape: Why is Administrative Simplification so Complicated*, indicates six principles that serve as building blocks for a successful administrative simplification programme that delivers better public services. These principles are:

- Broaden and widen administrative simplification projects.
- Quantify, but cautiously.
- Integrate administrative simplification and digital government.
- Strengthen communication with stakeholders.

- Create efficient institutional structures, including sub-national governments.
- Assess programmes' effectiveness.

The current simplification efforts can be used as a foundation to create a wider and more ambitious programme that spurs better services for inclusive growth. In order to do so, the following sections will shed light on how to improve the simplification programme according to the stated six principles, which are based on best practices within OECD countries. Each principle will be explained, and comparative examples will be described to clarify and share possible ways forward for the Dominican Republic.

### ***Principle 1: Broaden and widen administrative simplification projects***

The OECD recommends that governments broaden the focus of their simplification programmes. As stated above, most simplification efforts were designed and implemented with a view to enhancing the business environment in countries, which is also the case in the Dominican Republic. The rationale was that freeing some of the resources spent on obligations contributes to economic growth. The first principle invites countries to aim for benefits that are currently untapped by simplifying procedures that focus not only on business, but on citizens and the public sector as well.

The Dominican Republic has already implemented two essential building blocks to broaden its simplification efforts. First, following the National Multiyear Plan for the Public Sector 2013-2016, the Dominican government undertook a simplification effort to attract foreign and national investment, which materialised in the form of the investment one-stop shop. Second is the simplification of administrative procedures programme that seeks to reduce bureaucracy, as seen in Table 3.2. Both projects, but especially the latter, allow for the regulatory management tool to be adopted as a means to improve public service delivery by addressing areas other than business development.

#### **Box 3.5. Good international practice on broadening simplification projects to include citizens and the public sector: The United Kingdom and Belgium**

The **United Kingdom** implemented the “cutting bureaucracy for public services initiative” as part of the reforms aimed at improving public services. The initiative focuses on removing unnecessary bureaucracy and empowering frontline public sector workers (such as teachers, police and health professionals who are in direct contact with citizens for the provision of public services) to respond better to the public. The strategy was published in June 2007 by the Better Regulation Executive (BRE). The centrepiece is a commitment to reduce the data and information that central departments and agencies request from frontline workers by a net 30% by 2010. There has been no single, systematic attempt to establish a quantified baseline. According to the BRE, there are methodological difficulties in making a precise calculation, and it is best to leave some leeway for a tailored approach, so that departments can judge what is necessary or unnecessary bureaucracy (justice and accountability, for example, require that the police keep some forms). Instead, the BRE has agreed approaches with each relevant department for reducing the data burdens. Some departments are calculating their burden reduction in numeric terms; whereas others are assessing their reductions on the basis of burdens (i.e. cost or time saved rather than numbers of datastreams).

The Agency for Simplification of the Administration (ASA) was created in **Belgium** for the purpose of promoting independent businesses, and its key target was the business community. However, in 2004 it was instructed to undertake streamlining initiatives for the benefit of all citizens. The current streamlining projects are carried out regardless of the target group. Moreover, citizens may be considered from the point of view of their specific profiles:

**Box 3.5. Good international practice on broadening simplification projects to include citizens and the public sector: The United Kingdom and Belgium**

*(continued)*

employees, people receiving benefits, individuals, members of a family, etc. Projects on various themes such as people qualifying for benefits (the disabled, people taking early retirement), civil status formalities, registering foreigners, qualifying for tax preferences and other financial grants have been undertaken.

Source: OECD (2010), *Why Is Administrative Simplification So Complicated?: Looking beyond 2010*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264089754-en>.

While these simplification efforts in the Dominican administration are a sound first step in terms of creating the expertise for this kind of project, they are far from including the most burdensome formalities as there is no previous measurement of administrative burdens. An important element of broadening the scope is measuring the costs of regulation on citizens and the public sector. Many countries have realised this situation and are trying to focus on costs that aren't administrative, and addressing regulatory burdens.

However, when trying to reduce regulatory costs for citizens and the public sector, countries should target their efforts and not try to make a full baseline measurement of all administrative procedures (OECD, 2010). Quantitative methods should be complemented by qualitative methods, taking into account the irritation factor. The next principle for further explores this issue.

***Principle 2: Quantify, but cautiously***

Governments should target their efforts and resources on administrative procedures or regulations that are the most burdensome and/or the most irritating for those subjected to regulations. A quantitative and qualitative method that takes into account irritation factors should be sought to target the efforts, complemented by a quantitative approach that measures administrative burdens.

Many OECD countries focus resources by adopting a 20/80 rule of thumb in order to better quantify and target the most burdensome requirements or information obligations (OECD, 2010). Country experiences have shown that in most cases, 20% of regulations cause 80% of the total administrative burdens for citizens and businesses. Collecting information on the impact of regulation on the public, including their perception of regulation, could help improve the efficiency and effectiveness of the simplification efforts by focusing only on priority areas that MAP could identify in co-operation with regulated subjects. Also, it can help governments collect more information and resources, increase compliance, and reduce uninformed opposition. Some examples regarding the complementarity of quantitative and qualitative approaches to design simplification projects are shown in Box 3.6 below.

### Box 3.6. Good international practices on focusing simplification efforts using quantitative and qualitative techniques: Mexico, Denmark, and Netherlands

**Mexico** has recently adopted the Standard Cost Model, which brought a renewed impetus across the federal government to reduce administrative burdens generated by administrative procedures. Mexico invested reasonable resources in producing a baseline measurement of administrative burdens by embarking on the collection of data from around 500 interviews, and using a combination of statistical techniques and internal assessments to extrapolate the data to estimate burdens. Following international practices, Mexico set the objective of reducing 25% of administrative burdens as part of the regulatory improvement programmes for the years 2011-2012 submitted by line ministries and agencies of the federal government.

In 2007, the **Danish** government initiated the Burden Hunters Project. This was the first step in the development of a more systematic approach towards the reduction of irritation burdens. Staff from the Danish Commerce and Companies Agency (DCCA) and representatives of line ministries visited businesses to get concrete and specific knowledge about how they experience interactions with government authorities and services provided. The Danish government presented an action plan containing 105 measures to reduce administrative burdens on public sector service providers expected to free up three million working hours annually for service provision. In the **Netherlands**, the perception of businesses towards regulatory burden reduction is measured yearly as part of an initiative called the Business Sentiment Monitor. It focuses not only on the reduction of administrative burdens, but also includes costs to comply with regulations, requirements of supervisory bodies, and the constantly changing rules. The Netherlands aims at increasing the number of businesses that claim they have very little irritation from unnecessary information obligations by 25%.

Sources: OECD (2014a), *Regulatory Policy in Mexico: Towards a Whole-of-Government Perspective to Regulatory Improvement*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264203389-en>.

OECD (2010), *Why Is Administrative Simplification So Complicated?: Looking beyond 2010*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264089754-en>.

Adopting the life events approach, which aims to understand the subjective satisfaction of individuals and companies with public authorities in specific life events, can complement qualitative and quantitative mechanisms as a way of understanding administrative burdens. As explained in Chapter 2, the process for the life events approach is the following. First, the key life events of a typical user are selected (e.g., giving birth, graduating from university, or starting up a business). Second, a representative survey identifies how many users have recently experienced a particular life event and how many of them find administrative steps related to this life event complicated (fair, inclusive, etc.). Third, a focus group of users who recently experienced a particular life event goes through a “customer journey mapping” to identify the concrete bottlenecks in service delivery (OECD, 2015b).

For example, in 2014, Germany adopted this mechanism and, as a first step, chose 22 life events for individuals and 10 events for companies based on an online survey of 1 000 people. The survey analysed the frequency of occurrence of the life events analysed, and users’ satisfaction with the provision of public service in case these life events occur. The survey was complemented by a workshop undertaken with business associations and trade unions. For citizens, the survey identified childbirth and unemployment as life events that should be targeted as a priority; for businesses, key life events were taxation and insolvency (Federal Statistical Office of Germany, 2016).

The next step in Germany’s life-event process included mapping the relevant institutions that participate in the delivery of such services in “customer journey maps”.

The maps provide the public with basic information about the steps involved in a specific life event. Telephone surveys were conducted with a total of 5 666 individuals and 1 572 companies. They were asked about their level of satisfaction with public authorities in the pre-selected life events according to 16 factors, such as understanding of the law, opening hours, and corruption factors. Next steps in this process will include identifying fields of action and possibilities for improvement based on the perspectives of individuals and companies (Federal Statistical Office of Germany, 2016). The life events methodology also has the potential to improve service delivery and access for disadvantaged groups by tailoring services.

A complementary tool used to qualitatively evaluate regulations and/or administrative procedures are perception surveys. These are used in OECD countries to find and focus resources on formalities that citizens find irritating so that they can be simplified or streamlined. The OECD *Measuring Regulatory Performance: A Practitioner's Guide to Perception Surveys* explains the challenges involved in the design and use of business and citizen perception surveys, and possible ways to overcome these challenges. Box 3.7 presents the ten policy messages to take into consideration when designing a perception survey that, in the case of the Dominican Republic, could help boost trust in the public sector by involving stakeholders in the definition of burdensome administrative procedures or life events.

### **Box 3.7. Guide to perception surveys: Policy options**

This guide presents ten key policy messages to help officials plan perception surveys to evaluate and communicate progress in regulatory reform:

1. Understanding and improving the perception of the regulatory environment matters to performance. Positive perceptions of regulations can influence investment decisions and promote respect for and compliance with regulations.
2. Perception surveys are increasingly used in OECD countries to evaluate the performance of regulatory reform programmes, in particular in the area of reducing administrative burdens. Perception surveys are further used to obtain information on the level of awareness and confidence in regulatory reform programmes among businesses and citizens, and as a diagnostic tool to identify areas of concern to business and citizens in order to inform future regulatory reforms.
3. If pitfalls in survey design are ignored, survey results become unusable for policy makers. There are a surprising number of pitfalls in designing surveys. For example, even the order and phrasing of questions can affect responses and the quality of survey results.
4. Using good practice methodologies will improve the quality of results considerably and help to avoid pitfalls. For example, it is advisable to run pilot surveys to identify questions that respondents have difficulty understanding and then adjust questions accordingly.
5. Perceptions, and hence survey results, are shaped by many factors; the actual quality of regulations is only one. For example, perceptions of the quality of regulations can be influenced by trust in government, the current economic situation, experience with frontline services, prior expectations, and the content of government (and general media) communication.
6. It is necessary to look beneath survey results. The same survey results may be driven by very different underlying factors. In-depth questions and selected qualitative research

### **Box 3.7. Guide to perception surveys: Policy options** *(continued)*

techniques can prove very valuable in bringing to light the reasons for the results and drawing concrete policy conclusions.

7. Irritation from experiences with regulation and frontline service can account for a significant degree of business and citizen dissatisfaction with regulation. This experience is often more negative than might be suggested by the measurable costs of administrative burdens.
8. Perception surveys also have their limitations. Experience suggests the likelihood of a disparity between the perceived quality of regulations as reported by business and citizens and the measurable results of regulations is not trivial. For example, in many countries surveys have tended to reveal negative perceptions of the quality of regulations, while more fact-based measurements have shown an improvement. This appears to apply particularly to programmes targeted at reducing administrative burdens.
9. A comprehensive evaluation system should include different types of indicators, each revealing different information for policy evaluation. Discrepancies in results can highlight the need for deeper analysis to evaluate and inform policies.
10. Perception surveys are an integral part of a two-way communication strategy with stakeholders. They can serve as a means to communicate stakeholder views to the government, and discussion of the results can lead to fruitful exchanges between government and stakeholders in the case of regulatory reform. Survey results can also help to evaluate the success of the government's communication strategy by assessing stakeholders' level of awareness of recent initiatives.

*Source:* OECD (2012b), *Measuring Regulatory Performance: A Practitioner's Guide to Perception Surveys*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264167179-en>.

Despite current efforts, there is no quantitative or qualitative information on the administrative burdens resulting from the simplification programme, and no estimation of the savings achieved through the simplification programme realised by the Dominican government has been undertaken. To some extent, this limits the understanding of the impacts of the programme, as the numbers available only indicate the formalities that have been simplified, and there is no data on the impacts in terms of reducing administrative burdens.

MAP has the opportunity to design a simplification programme that focuses on improving access and quality for public services in order to reconcile economic growth and inclusiveness. The programme would largely benefit in shifting from the current goal of four (almost randomly selected) formalities simplified per year, to a principle-based (e.g. social inclusiveness through the life events approach) or sector-based (e.g. health, education, social protection) project. The initiative should take into account quantifying administrative burdens and setting quantitative targets for their reduction in an estimated timeframe for the sake of efficiency and communication to the general public. Setting quantitative goals and making them public can also help put pressure on participating agencies by a “name and shame” mechanism.

### ***Principle 3: Integrate administrative simplification and digital government***

Administrative simplification and digital government are often perceived as disconnected areas of work; however, the linkage between these policy levers can



improve quality and access in the delivery of public services. Efforts should be integrated with other activities in the area of regulatory reform. Information and communication technology (ICT) is a major tool to simplify administration, and government policies on digital government and simplification should be closely integrated (see Chapter 4).

Digital government and administrative simplification policies are often designed, conceived and implemented separately, even when the synergy of both can yield better results in terms of the accessibility and social inclusiveness of public services. The two main institutions involved in administrative simplification and digital government in the Dominican Republic are MAP and OPTIC. The Dominican Republic could greatly benefit from a systematic co-ordination between these two institutions in order to link both programmes of work.

**Box 3.8. Co-ordination of administrative simplification and digital government: Japan, Sweden, Slovenia, Korea and Finland.**

In **Japan**, the department promoting e-government is the Administrative Management Bureau (AMB) in the Ministry of Internal Affairs and Communications. It also holds jurisdiction over streamlining administrative organisation and the method of administrative affairs.

ICT is a key support tool for the Action Plan on Administrative Burden Reduction in **Sweden**, linked to the government's policy on ICT for the public sector. The Action Plan assumes an extensive deployment of ICT, for example electronic filing of documents, one-stop shops, and forms for downloading from agency homepages.

In **Slovenia**, mixed project teams consisting of lawyers and information technicians are created for the main e-government projects. The aim is that the content is prepared as much as possible and in co-operation with implementing institutions.

The online administrative service system, Government for Citizen (G4C) in **Korea** offers various Internet-based administrative services, such as receiving 1 200 types of paper application, issuing 188 kinds of certificates (e.g. the certificate of residence) and providing information on 71 types of registration, for example property registration. In its upgraded version, the service items will be significantly increased to 4 000, 2 000 and 300 types, respectively. Through these and other measures, Korea expects to save up to KRW 600 billion in costs and public benefit effects, as less time and money will be spent by citizens' agency visits, civil service fees, paperwork and management and public servant labour costs.

In **Finland**, e-government is seen as a key way to reduce administrative burdens, and the development of e-government has been explicitly included in the national action plan to reduce administrative burdens on businesses as a horizontal priority area. The reduction of administrative burdens, both on businesses and citizens, is one of the objectives of the government's recent e-government development measures.

*Source:* OECD (2006), *Cutting Red Tape: National Strategies for Administrative Simplification*, Cutting Red Tape, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264029798-en>.

MAP is the institution responsible for the regulation, control and co-ordination of one-stop shops and the respect of Law 107-13 on people's rights in their interaction with the administration and administrative procedure. According to the norm NORTIC A5/2015 regarding digital one-stop shops, MAP is also the governing body. However, OPTIC has created a Formalities Registry (<http://servicios.dominicana.gob.do/index.php>) where administrative procedures are being mapped and digitised. The requirements for each formality are sent by the agencies in charge of each formality. MAP does not have

an oversight (gatekeeping or challenging) function in this process. There is a risk that formalities are being digitised without being simplified before their digitisation.

The Formalities Registry has several classification labels and options where administrative procedures and formalities are shown for the general public; one of the classifications is “most required services”. This means that OPTIC has knowledge of which formalities citizens are requesting the most based on services that receive the most clicks. This flags an opportunity to co-ordinate efforts between MAP’s simplification programme, OPTIC’s registry, and the institutions in charge of a given formality. The “most required services” could be simplified to improve quality in the delivery of those services offered that are already digitised.

The IMSS in Mexico does not allow digitisation before the simplification process is complete in order to reap the most benefits out of the simplification effort. This allowed the IMSS to reduce formalities from 56 to 25, alongside a raise in revenues of 4.6% compared to 2014. The Dominican Republic could benefit from simplifying formalities, even when they are already digitised.

#### ***Principle 4: Strengthen communication with stakeholders***

Stakeholder engagement is a crucial part of any administrative simplification programme. Reaching out and communicating with citizens and businesses during several phases of the simplification process can foster a more sound and successful effort, as well as help improve trust in the government. Principle 2 of the recommendation invites governments to consider “structuring reviews of regulations around the needs of those affected by regulation, co-operating with them through the design and conduct of reviews including prioritisation, assessment of regulations and drafting simplification proposals” (OECD, 2012a).

Traditionally, Dominican citizens do not seem to perceive their public services as being generally of high quality, as seen in Figure 1.5, Chapter 1. Through increased transparency and public participation, open government enables public scrutiny, gathers facts from those affected by proposals, safeguards against corruption, and promotes citizens’ trust in government. It facilitates the goal of non-discrimination by supporting equal access and treatment for all citizens under the law (OECD, 2012a). A process of communication, consultation and engagement can improve trust in government. It may also enhance transparency and accountability as interested parties gain access to detailed information on potential effects of regulation.

Those regulated have real-life experience with specific regulations and therefore can be engaged, or consulted, on several matters such as: 1) the data collecting phase where information on the costs regarding compliance is difficult to get, as stated in the previous section; 2) after the regulated subjects have been identified, it is important to bring them on board to note what the most irritating (not necessarily the most burdensome) formalities are; 3) business or citizen associations can contribute with simplification proposals; 4) developing good communication of the results, as well as the implementation of the programme in its various stages; and 5) an ex post evaluation period to realise if the objectives are being met.

Stakeholders are concerned with and affected by regulation, they include citizens, businesses, consumers, and employees (including their representative organisations and associations), the public sector, non-governmental organisations, and international trading partners. The consultation process must have clear rules that are drafted in plain language



and as transparent as possible. The regulated subjects' comments on the programme should be carefully assessed, and explanations should be provided if a certain suggestion could not be taken into consideration. Otherwise there lies a high risk of losing confidence in the process and the consultation's purpose not having the desired effect.

### **Box 3.9. Does public perception reflect results?**

Despite the popularity of administrative burden reduction programmes among civil servants and politicians, the perception by those who should mainly benefit from such programmes, i.e. businesses and/or citizens, sometimes varies. Even in countries where administrative burden reduction programmes have brought significant results, businesses did not express much enthusiasm about the outcomes.

In the Netherlands, for example, the government met its goal to reduce administrative burdens on businesses by 25% in 2007. Despite this achievement (OECD, 2007), businesses have expressed frustration at what they consider to be slow progress, and the failure to tackle issues that really matter from their perspective.

Reasons for this negative perception by regulated subjects may be the following:

- The absolute and relative numbers representing the burden reduction may seem impressive when related to the whole society or the business sector in a given country. However, when expressed in terms of individual company/citizen, they may not represent such significant savings. Thus, billions of euros saved by a 25% reduction of administrative burdens may be perceived by an individual entrepreneur as cents or euros saved yearly.
- There may be a delay in the visibility of results from removing administrative burdens to the stakeholders. The legislation process takes time, and even when changes in regulation resulting in simplification and/or removal of unnecessary regulatory burden are applied, the impacts may appear later and stakeholders may not connect them with administrative simplification projects.
- Some countries or agencies may focus on easily removable red tape, for example, regulations that are obsolete and/or not actually complied with, and regulations that affect the biggest part of the regulated sector (which means that removal of the costs they impose multiplied by the number of affected subjects will be significantly higher). This is done just to meet the adopted quantitative target.
- Governments do not take into account the perception of regulations by regulated subjects. Sometimes, regulations perceived by regulated subjects as most irritating may not be those that are the most burdensome from the result of a quantitative measurement. Alternatively, regulations identified by quantitative measurement as the most burdensome may be perceived by subjects as non-important or necessary, and therefore not so irritating. Regulations dealing with obligations to provide data for statistical purposes are a good example. Very often, regulated subjects are not familiar with the purpose and benefits of such surveys, and the obligation to provide data is irritating. On the other hand, when measured, total administrative burdens of such regulation may not be that high, since it usually concerns only a limited number of subjects (a statistical sample). Removal or reduction of some of these obligations may nonetheless be welcomed by the regulated subjects.
- Communication with stakeholders may have been neglected in the past. The results of simplification projects, especially those with quantifiable outcomes, such as the reduction of administrative burdens by 25%, may be attractive for the media. On the other hand, expressing the overall reduction in total numbers may be too abstract for individual citizens or entrepreneurs in terms of their own benefits.

### Box 3.9. Does public perception reflect results? (continued)

Some countries have tried to strengthen communication with stakeholders both in the process of administrative simplification itself, but also when regarding the results of such efforts. The perception of regulatory burden by regulated subjects is often taken into account, and qualitative criteria for the identification of potential “candidates” for reduction among regulations are being used as a complement to the quantitative criteria.

The summary of current trends and experiences show that administrative burden measurement and reductions based on the Standard Cost Model or its modified version remains the core tool to simplify administration. Other tools and processes do not match these efforts, and sometimes present only ad hoc activities that are either poorly co-ordinated or not co-ordinated at all with the mainstream efforts.

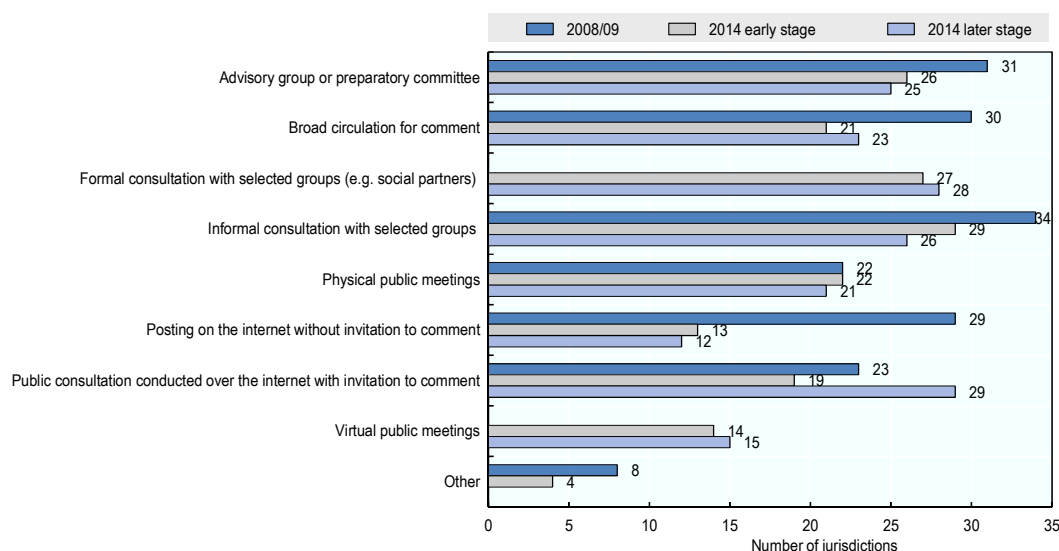
As the perception of beneficiaries is sometimes not sufficiently positive, countries try to find ways to make administrative burden reduction efforts more efficient and better accepted by stakeholders, such as through better and more efficient communication. Since many countries are sharing similar experiences, it is the right time to analyse this experience, trying to find some common principles and policy options that governments may wish to follow in the near future.

#### Sources:

OECD (2007), *Administrative Simplification in the Netherlands*, OECD Publishing, Paris. DOI: <http://dx.doi.org/10.1787/9789264037496-en>.

OECD (2010), *Why Is Administrative Simplification So Complicated?: Looking beyond 2010*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264089754-en>.

Figure 3.3. Types of stakeholder consultation



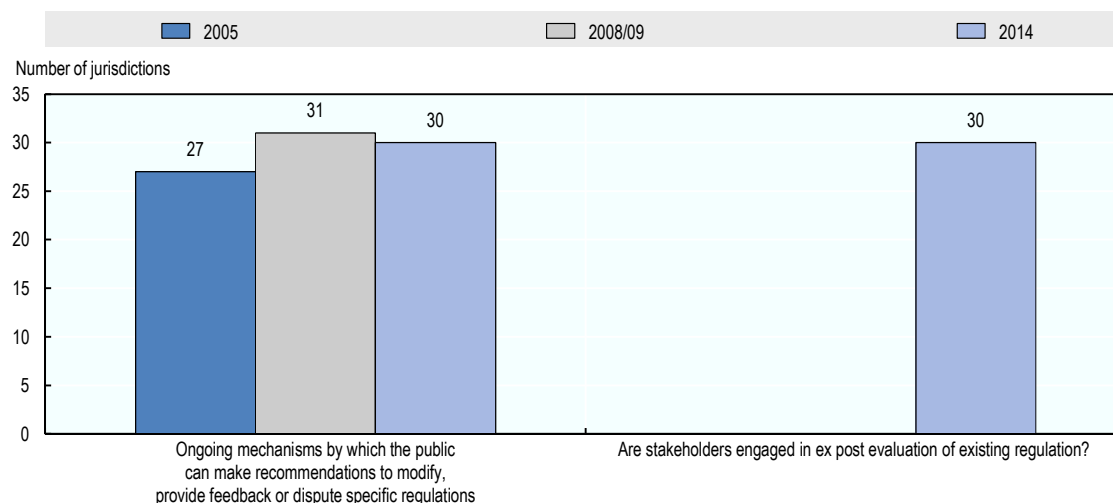
*Notes:* Early stage refers to stakeholder engagement that occurs at an early stage, to inform officials about the nature of the problem and to inform discussions on possible solutions. Later stage consultation refers to stakeholder engagement where the preferred solution has been identified and/or a draft version of the regulation has been issued.

Based on data from 34 countries and the European Commission.

*Source:* Arndt, C., et al. (2015), "2015 Indicators of Regulatory Policy and Governance: Design, Methodology and Key Results", OECD Regulatory Policy Working Papers, No. 1, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5jrnwqm3zp43-en>.

Stakeholder involvement should be sought using a wide range of consultation tools in order to engage a broad section of the population. Figure 3.3 identifies the array of mechanisms used to consult stakeholders. The government of the Dominican Republic, through MAP, could benefit from setting up the channels for engaging stakeholders (government website, working groups and committees, social networks) at the early stages of the next implementation cycle of their current simplification programme. The diversity of channels should be created not only for a one-time occasion, but maintained in a systematic manner.

**Figure 3.4. Stakeholder engagement in ex post evaluation**



*Note:* Based on data from 34 countries and the European Commission. Chile, Estonia, Israel and Slovenia were not members of the OECD in 2005 and so were not included in that year's survey.

*Source:* Arndt, C., et al. (2015), "2015 Indicators of Regulatory Policy and Governance: Design, Methodology and Key Results", OECD Regulatory Policy Working Papers, No. 1, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5jrnwqm3zp43-en>.

OECD countries also involve stakeholders in the process of reviewing the stock of regulations, as shown in Figure 3.4, which identifies that 30 jurisdictions out of 35 currently engage stakeholders. To date, however, such initiatives have usually been driven from the top, and haven't sufficiently taken the view of regulated subjects into account. This might explain the often unfavourable perception of their achievements. Some countries are, however, now actively seeking input when shaping administrative simplification and the reduction of administrative burdens (OECD, 2015a). Examples like the Red Tape Challenge (see Box 3.10) initiative in the United Kingdom illustrate an innovative approach to using external input from stakeholders to simplify existing regulations. The Dominican Republic could carry out this exercise by having a panel of business and citizen representatives that would contribute with simplification proposals.

### Box 3.10. The Red Tape Challenge and the use of crowdsourcing

The Red Tape Challenge, launched by the UK government in 2011, was designed to crowdsource the views from business, organisations and the public on which regulations should be improved, kept or scrapped. The comments received influenced the decisions to scrap or modify over 3 095 regulations out of the 5 662 examined by November 2012. Crowdsourcing is a means of decentralising decision making by asking the “crowd” to express their views, propose solutions and give insights on a particular issue, and then using these views in public policy (Afuah and Tucci, 2012). The crowdsourcing in the Red Tape Challenge programme consisted of inviting the general public to comment via the internet on the usefulness of regulations within a set time limit. People could comment (anonymously) both publically or privately on the rules in question. Those comments were then used to assess whether regulations should be kept, scrapped or improved. One part of the Red Tape Challenge focused specifically on enforcement issues. Crowdsourcing succeeded in significantly broadening the range of correspondents engaging with government in the policy process, as over 30 000 comments from the public were received during the Red Tape Challenge.

According to some academics, the use of crowdsourcing was only partially successful (Lodge and Wegrich, 2015). Although it did give government officials additional information on the utility of rules and regulations, the usefulness of the comments received was not always satisfactory. However, the Red Tape Challenge was the biggest experiment with using ICT in an innovative way to gather comments and views on such a wide spectrum of laws and regulations.

*Sources:*

Afuah, A. and C.L. Tucci (2012), “Crowdsourcing as a Solution to Distant Search”, *Academy of Management Review*, Vol. 37, No. 3, p. 355.

Lodge, M. and K. Wegrich (2015), “Crowdsourcing and regulatory reviews: A new way of challenging red tape in British government?”, *Regulation & Governance*, Vol. 9, pp. 30–46.

### **Principle 5: Create efficient institutional structures, including sub-national governments**

The 2012 *Recommendation of the Council on Regulatory Policy and Governance* encourages governments to foster the development of regulatory management capacities at the sub-national level. Regulatory quality at the sub-national level should be improved in order to address inconsistencies in the application of a given regulation, as well as barriers and administrative burdens for citizens. The recommendation further develops into advising governments to support capacity building for regulatory management at the sub-national level through the promotion of digital government and administrative simplification when appropriate, and relevant human resource management policies.

As stated in Chapter 1, service delivery remains fragmented and with different quality of services across regions, which is the case for regulatory frameworks in the Dominican Republic. Having discretionary requirements pending on the sector or municipality not only irritates citizens, but hampers trust in government.

The Vice Ministry of Municipalities (*Vice Ministerio de Apoyo a la Municipalidad*) within MAP is charged with overseeing and verifying the functioning and management of municipalities through the Monitoring System for the Municipal Public Administration (*Sistema de Monitoreo de la Administración Pública Municipal*, SISMAP Municipal). MAP has the opportunity to become an agent of change to improve and broaden service delivery in the Dominican Republic, as stated in Chapter 2, by co-ordinating and introducing a mechanism that enables municipalities and regional agencies to achieve high quality regulation.

The municipal SISMAP<sup>1</sup> is a monitoring system aimed at measuring the development levels of municipal management in terms of efficiency, effectiveness and compliance with regulatory frameworks and procedures that influence municipal administrations. It does this by monitoring the percentage of compliance regarding 7 indicators and 22 active sub-indicators. The expansion of the monitoring programme is foreseen to include 30 sub-indicators, none of which are related to the simplification of administrative procedures, even though municipalities are often the responsible authorities for everyday administrative procedures. Improving certainty and reducing irritating or outdated requirements should be included in the existing sub-national work undertaken by MAP through SISMAP.

Even though SISMAP doesn't explicitly measure administrative simplification, it helps to achieve it by helping central governments co-ordinate with municipalities. As part of the simplification programme, MAP, in co-operation with seven municipalities (see Table 3.3), is currently simplifying and standardising requirements for the land-use permit (*certificación de uso de suelo*). This procedure was chosen because it is one of the most burdensome administrative procedures due to its lack of organisation, large quantity of documents required, lengthy response times, and discretionary tariffs across municipalities. The land-use permit is granted by local authorities and is necessary for building or formalising any type of industry in the Dominican Republic. There are no clear standard guidelines for the land-use permit process for all municipalities; it remains discretionary to the local authorities.

**Table 3.3. Municipalities currently undergoing simplification efforts**

No.	Municipality
1	Bani
2	Haina
3	Distrito Nacional
4	Puerto Plata
5	Moca
6	Villa Tapia
7	Ramón Santana

The government of the Dominican Republic has announced that there will be a forthcoming municipal monitoring system called municipal SISMAP II. The system could further develop municipal capacities, as mandated by Article 204 of the Constitution, by introducing a sub-indicator that comprises administrative simplification aimed at improving access to public services.

<sup>1</sup> [www.sismap.gob.do/municipal](http://www.sismap.gob.do/municipal).

### **Box 3.11. National support to develop regulatory policies at the sub-national level: Belgium and Mexico**

In 1999, Belgium created the Administrative Simplification Agency (ASA) ([www.simplification.be/](http://www.simplification.be/)) in the Chancellery of the Prime Minister. It has the autonomy and mandate to solve administrative complexity for the business environment. ASA evolved to encourage and co-ordinate simplification efforts across different administrations. Its tasks include: organising co-operation between the different federal administrations; organising dialogue on administrative simplification with all levels of authority; establishing a dialogue with administrations over simplification projects for citizens; and managing the “Kafka contact point”.

The Belgian “Kafka contact point” is an initiative in which the government collects suggestions for administrative simplification proposed by stakeholders. When it receives a message in which the municipalities are cited, ASA forwards the message to the relevant municipality, which is required to answer the complainants and to resolve the issue. In the case of administrative streamlining projects in which the municipalities are involved, ASA tries out the solutions proposed in respect of the selected municipalities.

A higher level of involvement by sub-national levels of government lies in making them a part of the project, meaning that some simplification measures are directly aimed at regulations adopted at the sub-national level. The states/regions (or in some cases municipalities) can be given their own reduction targets. The power of the centre to require sub-national levels of government to reduce regulatory burden and to fulfil these targets is dependant on the degree of autonomy.

In Mexico, the Federal Law on Administrative Procedure grants COFEMER the mandate to promote regulatory quality in states and municipalities. Accordingly, COFEMER helps states develop their own laws on regulatory improvement. In total, 20 out of the 31 federal states and the Federal District have a law on better regulation, which mandates state authorities and, sometimes, municipalities, to pursue regulatory improvement policies. In addition, eight states have laws on economic development containing a section on regulatory improvement.

One of the main multi-level co-ordination mechanisms used in Mexico consists of agreements between COFEMER, states and municipalities. These agreements establish that COFEMER will provide training, advice, and implementation assistance concerning regulatory policies and tools. For example, COFEMER has led the implementation of the system for quick business start-up (SARE), which is a simplification programme for start-up procedures. Up until October 2011, 189 SARE had been implemented, leading to the establishment of 264 489 businesses and 701 157 jobs, with an investment of MXN 42 441 million. According to COFEMER, the turnaround time for the municipal start-up licence went down from 25.2 to 2.4 days in the municipalities that established SARE between March 2010 and November 2011.

Recently, COFEMER started promoting a regulatory governance cycle approach in states and municipalities. This has helped states and municipalities to develop and apply not only regulatory reviews, but also to build centralised registries.

*Source:*

Adapted from OECD (2014a), *Regulatory Policy in Mexico: Towards a Whole-of-Government Perspective to Regulatory Improvement*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264203389-en>.

OECD (2010), *Why Is Administrative Simplification So Complicated?: Looking beyond 2010*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264089754-en>.

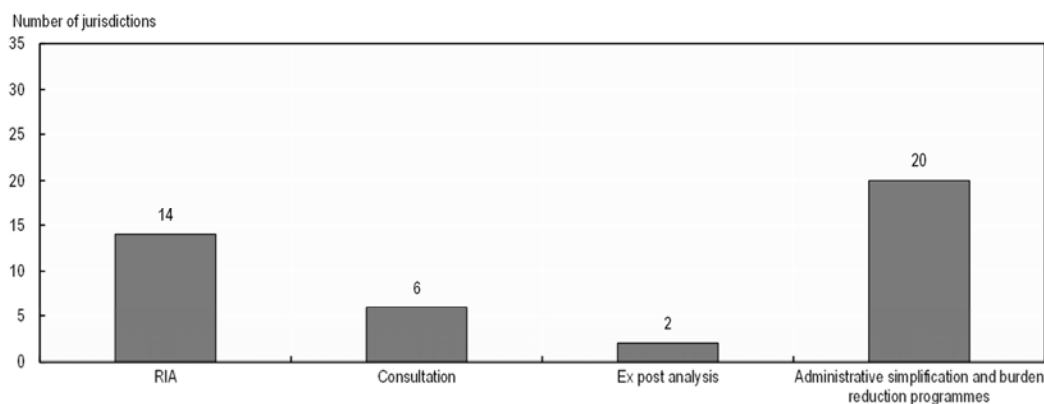
### ***Principle 6: Assess programmes' effectiveness***

The relevance of ex post evaluation in the policy cycle has been largely documented. There is a fundamental value in determining whether policy goals or economic and social objectives of a certain public programme are being achieved or not. This can only be fully assessed after the programme has been set in motion, although the evaluation strategy should be developed before launching the project.

Anecdotal evidence from MAP indicates that a second phase in the simplification programme is foreseen, where an ex post evaluation of the administrative simplification programme will take place. The evaluation will be carried out by the Division of Management and Citizenship (*Dirección de Gestión y Ciudadanía*) in co-ordination with the Simplification of Administrative Procedures Division. It will take place six months after implementation of the simplified processes was carried out. The assessment should focus on the quantification of administrative burdens reduced, as well as on other outcomes and effects of the programme.

An important element of carrying out ex post evaluations is making the results publicly available, as this contributes to accountability and transparency measures. Figure 3.5 shows the number of OECD countries that publish reports on results regarding regulatory management tools, including administrative simplification and burden reduction programmes. Regulatory transparency comprises not only ex post evaluation, but also the publishing of how the actual programme works.

**Figure 3.5. Publicly available indicators on the functioning of regulatory management tools/programmes**



Source: OECD (2014b), *OECD Framework for Regulatory Policy Evaluation*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264214453-en>.

Ex post evaluation should not be considered as the final stage in the life of regulations, but as a deliberate and responsible “loop back” into the regulatory cycle that provides an understanding of areas for potential improvement and possible issues with implementation. This will enable public officials in MAP to learn from experience and improve the programme so that the quality of public services in the Dominican Republic can be advanced.



### ***Creating standard guidelines to enable other simplification efforts***

The 2012 Recommendation of the Council on Regulatory Policy and Governance invites governments to “issue a formal and binding policy statement underpinning regulatory reform including guidelines for the use of regulatory policy tools and procedures.”

In the case of the Dominican Republic, it would be helpful to document and systematise the current simplification projects to build on current expertise and help increase capacities within the government. For example, the Ministry of Finance, specifically the General Policy and Tax Legislation Division, has pushed for simplifying the processes inside the division, and making available digital government solutions in the form of an e-module within the trade one-stop shop (*Ventanilla Única de Comercio Exterior*, VUCE) for online processes regarding tax exonerations. There was no co-ordination with MAP or OPTIC in this regard, and no clear methodology implemented, other than to eliminate obligations that remained in practice but were no longer required by law.

Anecdotal evidence from the interviews described how the General Policy and Tax Legislation Division found outdated requirements that created bottlenecks and a large amount of red tape both for citizens and the government. This was resolved by simplifying the procedures and formalities through re-engineering their most required processes and administrative procedures. The political entrepreneurship shown by the division illustrates the gap that could be seized by MAP to develop a set of principles or a manual that could advance the public administration in having simplified processes regarding citizens and the government.

There are no guidelines or public indicators that show how the simplification programme works. There is a wide margin of improvement that could stem from developing a generic manual that fosters and encourages simplification efforts within the Dominican Republic’s administration. This manual could be spearheaded by MAP in co-ordination with INAP, the two institutions currently involved in the simplification programme, and could build on their expertise to develop guidelines and standards to be disseminated and build a shared vision of quality.

## **Conclusions and recommendations**

Governments need to establish information obligations regarding citizens to implement their policies and target their regulations on special needs and issues. As a result, administrative burdens have grown both in number and complexity, creating regulation that is difficult to follow and comply with. Administrative burdens and irritating formalities increase costs and multiply barriers for citizens and the public administration in order to better deliver public services. In the Dominican Republic, there is an opportunity to match simplification efforts and initiatives with broader government reforms and priorities. The following recommendations present ways forward for the Dominican Republic to leverage the potential of a more ambitious simplification programme.

***Broaden the scope of simplification efforts to include formalities and processes aimed at citizens and the public sector, not only the business sector. Prioritise areas where the outcome improves the delivery and inclusiveness of public services. In order to do so, the government should assess administrative burdens (quantitatively and qualitatively) with efficiency in mind to better target resources and outcomes by:***



*In the short term*

- **Broadening the scope of simplification efforts to include citizens and the public administration.** Traditionally, simplification programmes have focused on improving the business environment; the government should broaden the scope to include procedures on citizens and the public sector to make public service delivery more accessible.
- **Deciding on areas or sectors where simplification would enable citizens and the public sector to better deliver public services.** The current Institutional Strategic Plan 2012-2016 commits the Dominican government to simplify four administrative procedures per year, which are randomly selected. The government should evaluate which areas or sectors would benefit most from a simplification programme in order to reach the programme's potential and focus resources and target goals. Once defined, the government should include them in the next Institutional Strategic Plan 2016-2020 of MAP as governing body, and the strategic plans of the agencies included in the referred sectors. Some examples would be the health, tax, environment, education and/or housing sectors, these would impact on inclusive growth and citizens' everyday life.
- **Naming simplification officials in each of the ministries and agencies of the areas or sectors to be prioritised by the simplification programme run by MAP.** One of the biggest challenges of the simplification programme is the co-ordination and communication between the governing body and the expertise inside the institutions that will simplify their formalities. The government should enable a network and strategy to develop these capacities in these units. The liaisons should have the highest political level possible.

*In the medium term*

- **Preparing the broader whole-of-government simplification strategy, identifying regulations and formalities, and the mechanisms to conduct reviews.** MAP has several initiatives at hand to carry out administrative simplification, such as the simplification of formalities programme, service charters or the close link with digital government to eliminate burdensome requirements. Selecting the most burdensome formalities is of utmost importance, as is their link to current government priorities. Relevant knowledge and experience should be taken advantage of, such as the expertise on mapping procedures that lies with the personnel in charge of the VUCE trade one-stop shop.
- **Using the administrative burden quantification process to identify potential simplification proposals with the data found during the measurement.** The government should pay close attention to the measurement process where possible discrepancies, exaggerated time responses, possible exemptions for certain regulated subjects and duplicities might be flagged, not only for the quantitative results of the measurement. The life events approach could be adopted, and customer journey maps prepared to identify bureaucratic and burdensome administrative procedures. Some examples can be found in Box 3.5.
- **Engaging with stakeholders as a way to find irritating administrative procedures and possible simplification proposals.** Quantitative measurement should be complemented with qualitative measurements, such as perception

surveys or other sources of information, for example the 311 or the Observatory for the Quality of Public Services. The regulated subjects know where the hassle of complying with government requirements lies, so it is relevant to take into account their input when deciding which formalities to simplify.

- **Setting targets and accountability mechanisms bound to those targets, where each public sector entity commits to simplify the most burdensome formalities and services within their purview by a specific number or percentage.** These can be either sector-based or by ministries/agencies. Entities could define binding targets to reduce red tape yearly and be considered in the SISMAP. This could be done systematically year after year, with MAP spearheading the efforts.

#### *In the longer term*

- **Reviewing the stock of regulation periodically ex ante and ex post to guarantee regulatory quality.** Reviewing the stock should be a constant and systematic task. In the long-term strategy, MAP should incorporate ex ante quality control mechanisms on preventing new burdens from the flow of regulation. This should develop into a fully-fledged implementation of Regulatory Impact Assessments (RIA) (see also the last recommendation).

*Strengthen the institutional structures supporting burden reduction, including engaging with stakeholders; providing sufficient political support; and improving co-ordination, including at the sub-national level. Next steps include:*

#### *In the short term*

- **Creating a high-level regulatory committee within the government that supports and oversees regulatory improvement efforts, including administrative simplification.** The establishment of a regulatory committee is intended to provide important oversight and support for regulatory improvement. It also raises the awareness of senior officials about the better regulation agenda, or, in this case, burden reduction. It should meet three or four times a year to monitor the progress of the regulatory agenda and set strategy.
- **Establish a network of “simplification officials” inside relevant agencies to meet regularly.** Hand responsibility for identifying administrative burden reductions to ministries and agencies, given their expertise and contact with regulated subjects. Agencies have been proven to have incentives to improve and achieve reductions that benefit their own work, which creates ownership and minimises additional costs to governments. These officials should be in charge of advocating for simplification efforts inside their public entity.
- **Making all administrative procedures and formalities easily accessible by the public via a centralised registry.** The government should consolidate a complete and up-to-date formalities and services database in a searchable format. Both MAP and OPTIC have a catalogue of services, however, none of these catalogues compile the totality of administrative procedures and services in the Dominican Republic, nor are they linked to each other. There is no single database where a citizen could see all formalities together. After completing and updating the information, MAP should aim to present it by life events, as explained above and in Chapter 2.

*In the medium term*

- **Open a channel of communication with stakeholders to improve regulatory proposals.** The government should establish an advisory committee composed of business associations, civil society organisations, consumer protection organisations and/or academia to help MAP find out where bottlenecks or burdensome administrative procedures can be found, as well as to enable the receipt of simplification proposals from outside the government. The advisory committee could also help communicate results in this area and guarantee the continuation of the projects that transcend presidential terms.
- **Harmonise simplification efforts with the ongoing digital government initiatives.** There are several digital government initiatives that could benefit from simplification prior to digitisation. MAP should establish a collaboration mechanism with OPTIC to guarantee synergies between digital government and administrative simplification.
- **MAP, as the governing body, should have enough political support and tools to put pressure on ministries and agencies for the completion of simplification efforts.** MAP needs to develop a range of tools to enforce simplification programmes in the public sector. Some ways forward could be setting individual targets and publishing regular reports to the government or parliament on the performance of ministries and agencies, or including regulatory improvement as part of SISMAP.
- **Developing the capacity of civil servants at the sub-national levels of government.** One of the main challenges for tackling administrative burden is the capacity gap at lower levels of government concerning the better regulation agenda. The government should support capacity building for regulatory management at the sub-national level, as well as the promotion of digital government and administrative simplification, where practical. Monitoring should be included in the municipal SISMAP as indicators of regulatory performance.

*Develop an evaluation strategy for the simplification programme that can be used as input for the improvement of further simplification efforts and initiatives by:*

*In the short term*

- **Implement periodical reviews to guarantee the effectiveness of the programme.** An ex post evaluation should be made periodically to assess if agencies and ministries have reached their simplification goal, and if MAP has reached the overall administration goal, matching the new targets for 2016-2020 to the evaluation strategy. The government should take this opportunity to build upon the expertise that stems from the implementation of simplification initiatives, such as the VUCE one-stop shop or the work done in the General Policy and Tax Legislation Division and the Ministry of Tourism and the Ministry of Health.

*In the medium term*

- **The evaluation and accountability strategy should evolve to assessing outcomes and not only outputs.** The ex post evaluation should not only focus on the quantitative side of burdens reduced, but on other effects and outcomes for

society against a range of possible criteria, such as if public service delivery improved. This should be done before the implementation of a new programme in order to determine what modifications are needed to reach the potential of the simplification programme.

- **Communicating the results of the assessments to the public.** Regulatory transparency can incentivise agencies to improve their performance. Furthermore, releasing reviews and performance data allows the general public to comment and propose further reforms on the simplification programme, as well as on the performance information.

*In the longer term*

- **Developing guidance on the most effective and efficient means of reducing regulatory burdens.** As part of the evaluation strategy, MAP, alongside INAP, should collect best practices, lessons learned, and overall challenges as input to develop guidelines on reducing administrative burdens to be disseminated through the high-level committee and the regulatory officials' network. This could also serve as a repository or communication tool for best practices within ministries and/or across sub-national governments.

*Develop a regulatory policy strategy to be implemented so that the Dominican Republic could introduce other regulatory management tools, apart from administrative simplification.*

*In the medium term*

- **Compile under one umbrella all the simplification efforts to gain an oversight and co-ordination of the overall strategy.** One of the challenges is preventing the flow of new administrative burdens in the rule-making process by assessing their impact, and possible burden, before enactment. It is equally important to liaise and consolidate co-ordination with digital government initiatives that serve as simplification tools.

*In the longer term*

- **Design and establish a regulatory policy for the Dominican Republic.** Simplification programmes can be seen as a first step to a broader regulatory reform as they have less potential to fundamentally disturb vested interests than other regulatory reforms. However, they should not displace the possibility of implementing other necessary regulatory management tools to systematically review the stock of regulation and help maintain regulatory quality, such as regulatory impact assessments, public consultations, finding regulatory alternatives, and ex post evaluation of the stock of regulation.
- **Establish an administrative body in charge of overseeing better regulation.** Build upon the expertise and establishment of the high-level committee, if practical, to establish a body whose main functions would be to advocate and oversee regulatory reform in the Dominican Republic. This body could also have gatekeeping (quality control) and challenging functions.

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## ***Chapter 4.***

### **Digital government for better services and more inclusive growth in the Dominican Republic**

*This chapter assesses the potential of digital government to improve service delivery and support inclusive growth in the Dominican Republic. It assesses digital governance as a way of building a whole-of-government approach to the use of digital technologies. It then looks at how to improve the access and uptake of digital public services, as well as participatory approaches in service design, delivery and evaluation. Untapped potential in alternative service delivery channels, such as social media and mobile devices, and open government data to support user-driven service delivery and public value creation, are addressed. Finally, this chapter assesses the potential of digital technologies and data to foster public sector productivity and the institutional competitiveness of the Dominican public sector. It ends by formulating recommendations that seek to reinforce public sector intelligence of the Dominican government for evidence-based policy making and more tailored service design and delivery.*

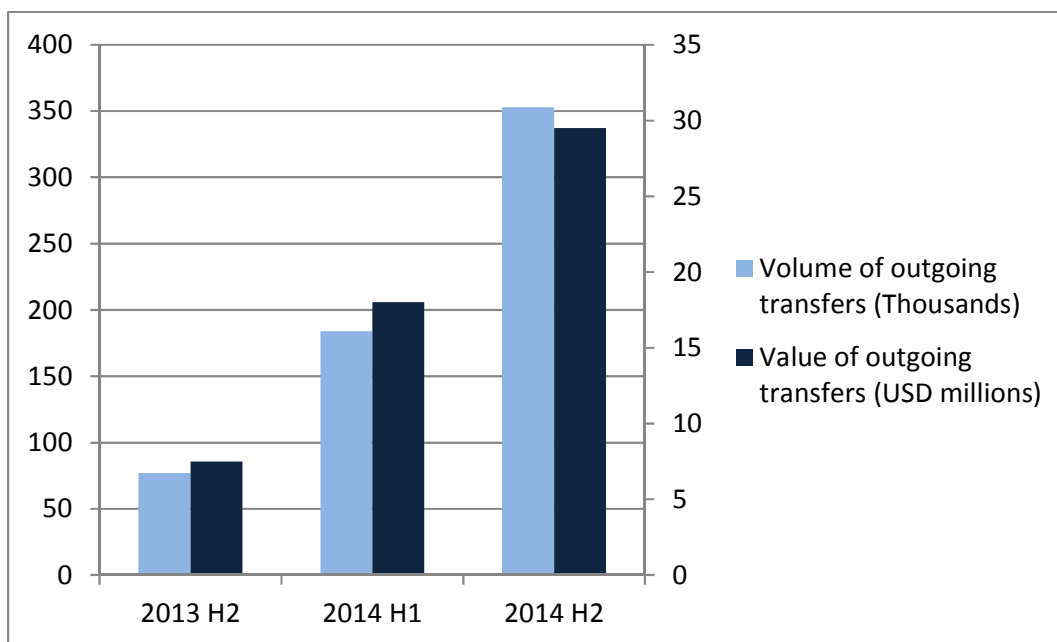
The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law

## Introduction

By providing more convenient and accessible ways to share data and information, digital technologies, such as the Internet, mobile phones, and social media, are dramatically changing how people socialise, work, think and solve problems. New technologies provide individuals and organisations with the opportunity to be better connected and informed and become more efficient, increasing the overall performance of their daily activities.

The rapid uptake of information and communication technologies (ICT) is not exclusive of high-income countries or the private sector; low-income countries also experience high levels of mobile penetration, providing new, disruptive and inclusive service delivery arrangements (OECD/ITU, 2011). For instance, despite the importance of remittances for vulnerable groups in Africa, the lack of adequate infrastructure has traditionally increased transaction costs of these services, making prices significantly higher than in other parts of the world. The development of mobile payments and cross-border mobile cash transfers has provided more affordable alternatives, leading to their rapid adoption. Some of the poorest populations in the world are now able to receive remittances directly to their mobile phones without the need of a data plan. SMS-enabled payments provide faster, more secure and cheaper ways to provide much required relief income for financially excluded populations and enable them to acquire goods and services (World Bank, 2011). In Kenya, the use of mobile cash transfers drastically changed the domestic remittance landscape. By 2009, nearly 60% of all domestic remittances in Kenya were made through mobile payments (World Bank, 2011). Cross-border mobile cash transfers are also on the rise (see Figure 4.1).

**Figure 4.1. Orange Money cross-border mobile cash transfers between Mali, Ivory Coast and Senegal**



Source: GSMA (2015), *Mobile money crosses borders: New remittance models in West Africa*, Mobile Money for the Unbanked, London, [www.gsma.com/mobilefordevelopment/wp-content/uploads/2015/04/2015\\_MMU\\_Mobile-money-crosses-borders\\_New-remittance-models-in-West-Africa.pdf](http://www.gsma.com/mobilefordevelopment/wp-content/uploads/2015/04/2015_MMU_Mobile-money-crosses-borders_New-remittance-models-in-West-Africa.pdf).



Digital technologies also provide governments with the opportunity to redesign back-office processes to become more efficient. The use of these technologies enables the public sector to build more direct relations with its constituents and develop more transparent, accountable and participatory forms of governance in a cost-effective way. Closer relations to citizens and businesses may help public authorities to better respond to expectations and secure, or (re)build, much needed trust in public institutions.

The strategic use of digital technologies may also improve the co-ordination of government actions and support public sector intelligence. Information systems tailored to government needs allow the government to articulate planning, budgeting, spending, monitoring and evaluation. Moreover, virtually all interactions with digital devices create data that provide governments with the opportunity to gain a better understanding of social trends and behaviours and a better grasp of complex policy issues, which supports the development of more targeted services and more effective policy making.

#### **Box 4.1. Leveraging digital technologies for enhanced public sector performance in OECD countries**

##### **United Kingdom: Digitising services and operations for public sector efficiency**

Created in April 2011, the Government Digital Service is a delivery unit within the United Kingdom's Cabinet Office. It was set up to leverage technologies in more strategic ways and to overhaul the public sector's operations, making public services digital by design and by default. The United Kingdom's National Audit Office certified that the ICT strategy ensured savings of GBP 316 million for fiscal year 2011-2012. A Cabinet Office report estimated savings of GBP 1.7 billion through the use of technologies using a 2010 baseline. This report was validated by the Government Internal Audit Agency. The Government Digital Service is estimated to have contributed with over GBP 600 million through direct activities.

##### **Colombia: Creating more accountable and participatory governance**

*Urna de Cristal* is a Colombian government engagement and transparency platform. The platform allows citizens to: 1) learn about government results, progress and initiatives; 2) communicate to government entities their concerns and proposals; and 3) interact and learn about the state's administration.

With the creation of *Urna de Cristal*, Colombia has taken a concrete step in building the capacity of its government to rethink public engagement using online delivery channels. This initiative, as well as a more general use of various social media channels by government officials and departments, have seen favourable levels of public engagement, which is particularly impressive considering some of the unique challenges in Colombia, such as poverty, low levels of trust in government and public institutions, and a political environment still only aspiring to move into a post-conflict era. The relative strong performance of Colombia's online citizen engagement has been recognised by international indicators. For example, Colombia scores very high on the United Nation's e-Participation Index, standing at 11th with a score of 0.8823.

##### **United States: First federal government Chief Data Scientist**

In February 2015, the United States named Dr. DJ Patil as the federal government's first Chief Data Scientist. His mission as Chief Data Scientist, as announced by the White House, is to help shape policies and practices to support the United States remain a leader in technology and innovation, and foster partnerships to help responsibly maximise the nation's return on its investment in data by improving the public sector's capacity to process it to build knowledge. The responsibilities of the Chief Data Scientist include the development of strategies to recruit and retain talented data scientists to join the government in serving the public.

#### **Box 4.1. Leveraging digital technologies for enhanced public sector performance in OECD countries** *(continued)*

The Chief Data Scientist is also expected to help government manage data as a strategic asset and identify data needs to improve policy making and public services. For instance, he is involved in the Precision Medicine Initiative, which aims to use advances in data and healthcare to provide clinicians with new tools, knowledge, and therapies to select which treatments will work best for which patients, while protecting patient privacy. He is also expected to provide leadership on the administration's momentum on open data and data science.

##### **Latvia: Leveraging ICT to bring citizen's voice to parliament**

In 2011, Latvia launched Mana Balss (My Voice), a social initiative platform that allows citizens to present and garner support for finished legislative initiatives. The platform has an integrated secure voter identification mechanism that allows all Latvian citizens over 16-years-old to provide legally recognised support to legislative initiatives of their preference. When these initiatives achieve 10 000 signatures and fulfil legal criteria, they are submitted to Parliament for discussion.

##### *Sources:*

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White House (2015), "The White House Names Dr. DJ Patil as the First U.S. Chief Data Scientist", blog post, [www.whitehouse.gov/blog/2015/02/18/white-house-names-dr-dj-patil-first-us-chief-data-scientist](http://www.whitehouse.gov/blog/2015/02/18/white-house-names-dr-dj-patil-first-us-chief-data-scientist).

The potential benefits of digital technologies for development have reached an important level of consensus. The question today is how to ensure "digital dividends" are evenly distributed (World Bank, 2016). This demands the development of a digitally inclusive society. Today, roughly half of the Dominican population is offline, which highlights the need for rigorous policies to tackle the existing digital divide in terms of access to technologies and to ICT skills. A successful transition towards an inclusive and increasingly digitally intensive economy will require the use of digital technologies to improve the performance of public institutions and the services they provide, as well as improving connectivity and the availability of digital skills in the Dominican society as a whole.

#### **Box 4.2. Building a digitally inclusive society**

A digitally inclusive society facilitates the use of new technologies by all of its members, and the broad and competitive participation of individuals in an increasingly digital intensive economy, leading to a better distribution of its digital dividends. The emergence of such a society, however, has a number of requirements:

- Political awareness and support for the digital agenda.
- Legal and regulatory frameworks that enable all social groups to reap the full benefits of ICT while managing the risks associated with digital technologies.
- Adequate market conditions that support the provision of high quality ICT services at affordable prices.
- High levels of digital literacy and a critical mass of ICT users.

### **Box 4.2. Building a digitally inclusive society** *(continued)*

Achieving a critical mass of users is essential to ensure returns on investment on infrastructure and digital public service delivery capability. Digital service delivery is not only more convenient for an increasingly connected population and economy; it is also faster, easily tailored to user needs, and has decreasing marginal costs. A digitally inclusive society provides the opportunity to reach a maximum of citizen and improve service quality and satisfaction in more efficient ways. The United Kingdom has started moving down this path with its strategy of making public services digital by default. This approach has translated into significant economies for the public sector (see Box 4.1).

Ultimately, the use of digital technologies allows the public sector to make more informed decisions through improved data and information management in a world that experiences exponential growth in the production of data. Enhanced data management and processing allows public authorities to better understand policy challenges and assess service needs, plan government action, use indicators to track progress and fine-tune policies and services as required to achieve policy objectives. A robust data and information management framework, paired with the necessary institutional capabilities, may lead to greater public sector intelligence and improve public sector performance and effectiveness, increasing its capacity to address multidimensional and complex social issues, such as inequality and poverty.

*Source:* OECD analysis.

As societies experience the digital transformation, the digitalisation of government is essential. Uncertainties in the global economy, growing fiscal pressures and budgetary rigidities are creating additional incentives for governments to use digital government strategically as a source of efficiencies. Governments around the globe have increasingly developed more structured and sophisticated approaches to the use of technologies as a way to strengthen governance and institutional performance. The Dominican Republic should ensure it can reap the benefits of the digital era, which would help it to build more competitive institutions and avoid growing productivity gaps in relation to more advanced economies.

This chapter will provide a closer look at the digital context in the Dominican Republic, assess the current governance digital technologies and digital service delivery in the Dominican government, and seek to identify specific areas of opportunity for the government to leverage technologies to improve service quality and contribute to more inclusive social conditions. First, the chapter will advance the OECD framework for assessing digital government strategies. The second section on the governance of digital government will assess the key enablers of digital government, its overarching strategic and policy framework, and the roles and responsibilities and policy levers to ensure the implementation of digital government policies. The third section will provide a detailed overview of the use of technologies for improving the access and quality of public services to support more inclusive growth. The final section is dedicated to data management policies in the public sector, and the ability of the Dominican government to collect, store, process and share data to support public sector intelligence and informed decision making.

## **OECD framework for digital government**

While the benefits of digital government are clear, the road to their realisation is challenging. ICT projects have become increasingly complex in terms of the number of

actors involved, technologies available, skills and resources required, which increases the risks of project failure. Managing these risks demands specific skills and institutional capacities. Security breaches, or important project failures, can diminish trust in governments' ability to ensure a safe transition to the digital era. Building a whole-of-government approach to the use of technologies can be challenging, as it requires adequate institutional design, political support and a shared view that ensures ownership of the digital government agenda by all relevant stakeholders. Finally, breaking down traditional ways of working that emphasise hierarchical, top-down decision making and working in silos, and changing administrative culture to promote openness, public participation, dialogue and co-creation of policies and services, is an arduous and time-consuming task that requires creativity, innovation, patience and continuous learning.

### Box 4.3. What is digital government?

Since the end of the 1990s, governments have made efforts to use technology as a driver of efficiencies. To achieve this, they have progressively developed more structured approaches to the use of technologies, steadily putting information online and creating more transactional online services. This approach came to be known as e-government.

However, as public sector organisations grew in maturity in their use of digital technologies, they realised that despite increasingly relying on the use of ICT to perform their usual activities, government processes had not drastically changed, and back-office procedures had not been made significantly more simple and integrated. Often, paper-based procedures had simply been transferred online. Moreover, public sector digital activities had become increasingly fragmented as the digitalisation activities of individual agencies were mainly guided by their own priorities, without an overarching public sector rationale. The need to make public services, processes and procedures digital by design became evident. To achieve this, a strategic approach to the use of digital technologies should be embedded in broader public sector reform strategies and efforts, clearly identifying the transition from e-government to digital government.

According to the *Recommendation of the OECD Council on Digital Government Strategies* (2014), digital government “refers to the use of digital technologies, as an integrated part of governments' modernisation strategies, to create public value. It relies on a digital government ecosystem comprised of government actors, non-governmental organisations, businesses, citizens' associations and individuals which supports the production of and access to data, services and content through interactions with the government.”

Source: OECD (2014), *Recommendation of the Council on Digital Government Strategies*, OECD, Paris, <http://www.oecd.org/gov/digital-government/recommendation-on-digital-government-strategies.htm>.

To support governments, the Council of the OECD adopted the *Recommendation on Digital Government Strategies*, which served as the first international legal instrument dedicated to digital government. This policy instrument is expected to provide policy makers with useful guidance as they design and implement their digital government strategies and activities. It also provides the conceptual framework for the OECD's work on digital government.

#### **Box 4.4. OECD Recommendation of the Council on Digital Government Strategies**

Adopted on 15 July 2014, the OECD Recommendation is a structuring element for decision makers and stakeholders that need to navigate government objectives and resources in an increasingly complex policy-making environment. Digital technologies create both opportunities and challenges for successful government reforms in any policy domain, e.g. welfare, economic development, administrative services and efficiency. A set of 12 principles, grouped under 3 pillars, guide decision makers:

##### **I. Engage citizens and open up government to maintain public trust**

1. Ensure greater transparency, openness and inclusiveness of government processes and operations.
2. Encourage engagement and participation of public, private and civil society stakeholders in policy making and public service design and delivery.
3. Create a data-driven culture in the public sector.
4. Reflect a risk management approach to addressing digital security and privacy issues, and include the adoption of effective and appropriate security measures.

##### **II. Adopt cohesive approaches to deliver public value throughout government**

1. Secure leadership and political commitment to the strategy.
2. Ensure coherent use of digital technologies across policy areas and levels of government.
3. Establish effective organisational and governance frameworks to co-ordinate the implementation of the digital strategy within and across levels of government.
4. Strengthen international co-operation with other governments.

##### **III. Strengthen government capabilities to ensure returns on IT investments**

1. Develop clear business cases to sustain the funding and focused implementation of digital technology projects.
2. Reinforce institutional capacities to manage and monitor project implementation.
3. Procure digital technologies based on assessment of existing assets.
4. Ensure that general and sector-specific legal and regulatory frameworks allow digital opportunities to be seized.

*Source:* OECD (2014), *Recommendation of the Council on Digital Government Strategies*, OECD, Paris, <http://www.oecd.org/gov/digital-government/recommendation-on-digital-government-strategies.htm>.

## **The governance of digital government in the Dominican Republic**

This section will provide a general overview of the governance of digital government in the Dominican Republic, based on the second pillar of the *OECD Recommendation of the Council on Digital Government Strategies*, which focuses on the governance and co-ordination of digital government strategies and operations. It will also mobilise previous OECD studies addressing the governance of digital government, most relevantly the *OECD Review of Digital Government in Chile* (2016a). This section will start by briefly describing the evolution of digital government reforms in the country, the digital context

in the broader society, and the national strategic framework in which digital government is currently developed. It will also provide a regional comparison of the Dominican Republic's performance. The institutional framework for digital government and the existing tools and policy levers to enforce digital government policies will be explored, followed by the legal and effective existence of key enablers for digital service delivery. The final part of the section will provide a brief assessment of the monitoring and evaluation of digital government activities in the country.

### *The overarching policy framework*

Digital government initiatives in the Dominican Republic started in 2004, after the 2003-2004 banking crisis, as part of broader efforts to modernise the public sector, improve service delivery and mitigate the consequences of the crisis. Digital government activities are developed with the mission of supporting public sector activities, making government more efficient, providing more competitive services for the private sector, and facilitating citizen access to ICT and public services.

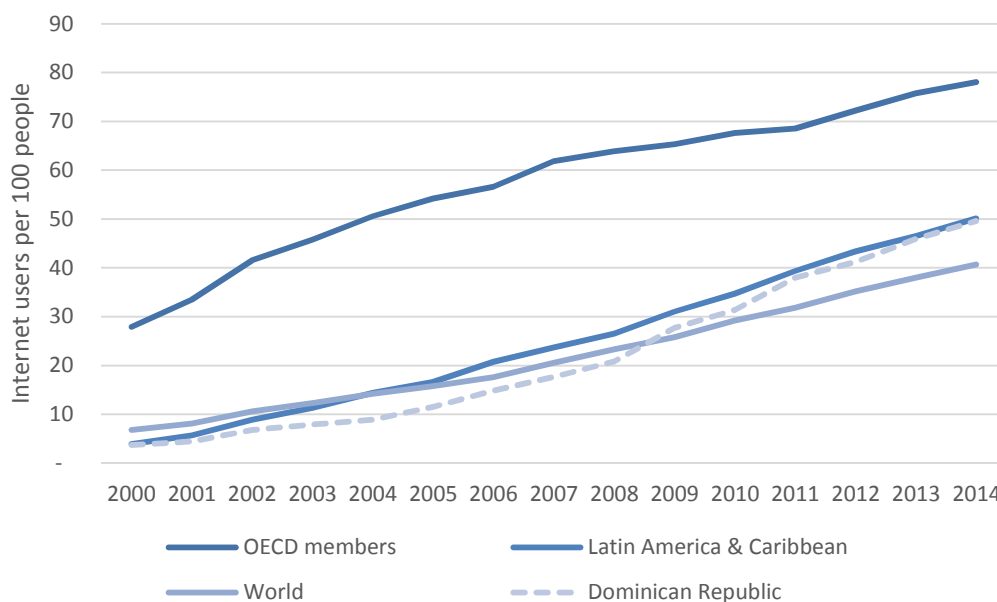
As described in Chapter 2, this wave of public sector reforms led to significant advances in the improvement of government planning and co-ordination capacities, providing the centre of government with a clearer view of existing policy challenges. Since 2012, the new administration has renewed modernisation efforts, with the development of a solid policy framework for digital government. However, there is still an evident gap between existing regulations and norms, and their implementation that cannot be uniquely explained by the normal adaptation process necessary for most new regulations. Public institutions are often not aware of existing policies and regulations, and authorities in the field of digital government do not necessarily have the tools and policy levers to ensure their enforcement and implementation.

Access to quality education, ICT, and ICT training opportunities remains unevenly distributed across the population, preventing significant social groups from enjoying the benefits of digital tools. The existing forms of digital divide in the country prevent large social groups from accessing information, services, goods, professional and social networks and educational material. These groups are therefore excluded from new economic opportunities, and their transaction costs for everyday activities are increased, which diminishes the country's ability to produce a more inclusive distribution of the benefits of the digital revolution. Overcoming this challenge calls for co-ordinated actions to continuously reduce digital divides through the development of infrastructure, skills and the legal and institutional frameworks the country needs to improve the availability, accessibility and affordability of ICT services for its citizens and businesses. These actions should be seen as essential strategic priorities as the country transitions towards a more digital and knowledge-intensive economy.<sup>1</sup> Failure to create a digitally inclusive society would not only hinder digital government efforts, but would substantially affect the country's productive capacity, leading to unfavourable economic specialisation with a stronger focus on low value-added activities. The inability to swiftly adapt to the digital age could lead to comparative losses in productivity.

Despite these potential challenges, the Dominican population, as the rest of the world, has benefitted from growing access to ICT and market conditions that have made new technologies increasingly affordable. The progressive transformation of society has increased the number of service providers and bolstered demand for technologies as they become more important to social interactions. Today, 50% of the Dominican population is using the Internet (Figure 4.2), and there are roughly 9 mobile subscriptions for every

10 people in the Dominican Republic. According to a study by GSMA Intelligence, smartphones accounted for 39% of total mobile connections in the country, above the regional average of 32%, and is expected to reach 66% by 2020. The development of app-based services has paralleled the growth of the smartphone user base. As in other Latin America and Caribbean<sup>2</sup> (LAC) countries, Internet users from the growing middle class have become avid social media users. These trends show that part of the Dominican population is becoming more sophisticated in its use of digital technologies.

**Figure 4.2. Internet users (per 100 people)**



Source: World Bank Group (2016b) *World Development Indicators (database)*  
<http://data.worldbank.org/data-catalog/world-development-indicators>.

As Dominican citizens become more educated, connected and informed, their expectations start to shift and they hope for more open, transparent and participatory forms of governance. Moreover, their experience with convenient online services offered by the private sector impacts what they expect of public services. These new circumstances are driving the Dominican government to adjust in order to better listen to and serve its constituency. In recent years, the government has doubled its investment in primary and secondary education (as a share of GDP), following citizen demands, and has created Citizen Oversight Commissions (*Comisiones de Veeduría Ciudadana*) to oversee the public procurement of specific public institutions. It has also been working on the development of an online one-stop shop for public services, a multi-channel service delivery strategy, and has established a 311 line as a feedback and reporting mechanism.

In 2004, the Dominican Government established the Presidential Office for ICT (OPTIC) through Presidential Decree No. 1090-04 to support the use of digital technologies to modernise and transform public administration and improve relations with citizens (see Box 4.3). The National Development Strategy 2030 (NDS) is the overarching policy instrument framing the planning and co-ordination of government activities. As such, all public sector strategies and policies should be aligned with this overarching framework. The NDS explicitly recognises the “development of electronic



government” as a strategic line of action supporting the creation of a more efficient, transparent and performance-based public sector. More specifically, the strategy acknowledges the value digital government activities to facilitate collaboration within the public sector and interactions with citizens and businesses (line of action of Specific Goal 1.1.1 focused on public sector efficiency<sup>3</sup>). The NDS foresees the use of ICT in the public sector as one of the cross-cutting policy areas to be developed as a lever to “improve public management, foster a culture of transparency and access to information, making public service delivery more efficient and facilitating access to these services”.

The overarching objectives determined by the NDS are expected to serve as a guide for government actions as they define their objectives. The digital government objectives specified in the Preliminary Digital Agenda 2016-2020 are nearly the same as those in the Strategic Plan of the OPTIC (2015-2020) and directly derive from the NDS, showing good high-level co-ordination and policy alignment. These objectives are to:

- Promote the use of digital technologies to improve citizen services.
- Contribute to institutional development.
- Promote the integration and consolidation of public institutions.
- Foster transparency and democratic participation.

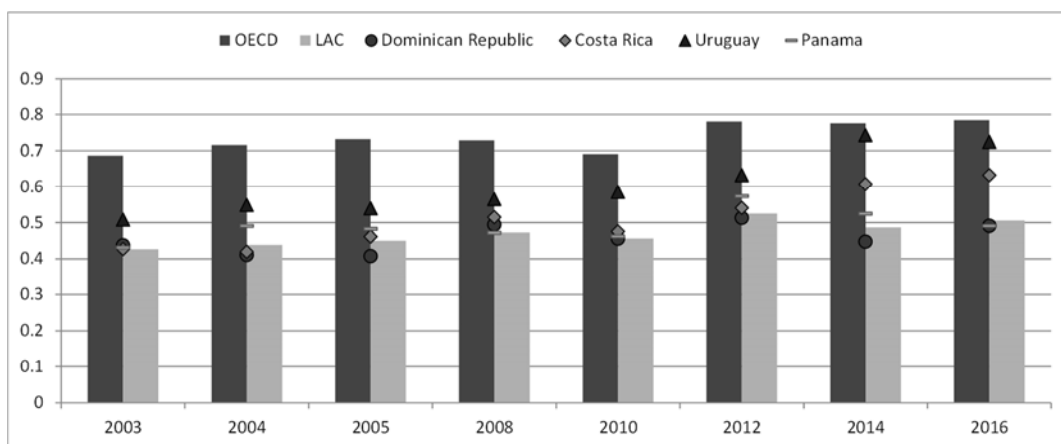
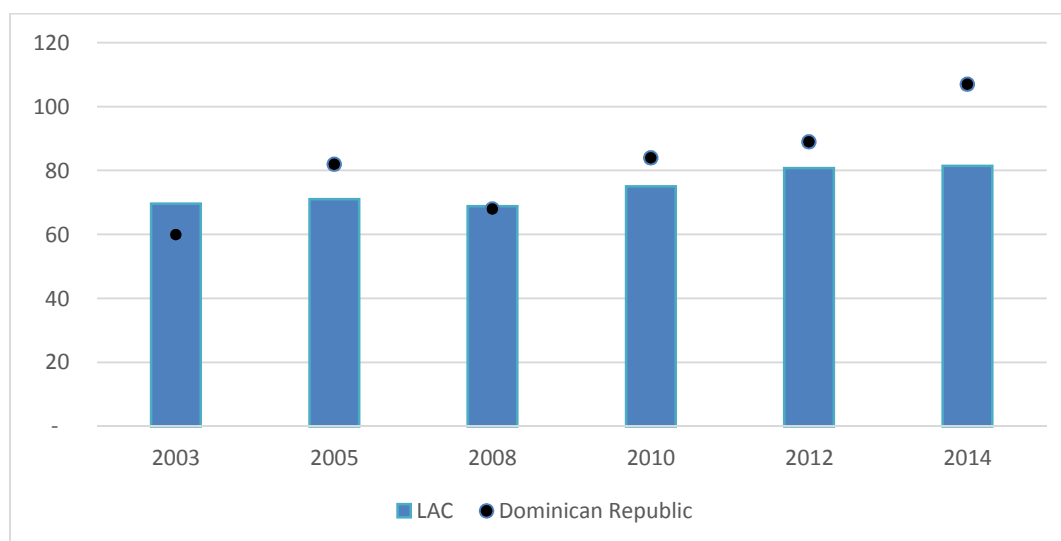
In the field of digital government, the strategic plan of the Ministry of Public Administration (MAP) (2012-2016) has specific actions to support the objective of developing an ICT culture in the public sector:

- Development of regulations for the digitalisation of public services.
- Establishing an agreement with OPTIC to define the relation, participation and collaboration between both institutions.
- Developing guidelines and regulations in the field of digital government.
- Developing a procedures guide for the Information Access Centre.

Despite clearly established national priorities in the field of digital government, concrete efforts made in recent years, and growing demands coming from its constituency, the Dominican Republic has exhibited an average digital government performance relative to peer countries in the LAC region as measured by the UN e-Government Index. In 2003 the Dominican Republic ranked 60<sup>th</sup> out of 191 countries in the UN e-Government Index, but had fallen back to 98<sup>th</sup> position by 2016. The performance of digital government has remained stable in comparative terms relative to countries of the LAC region, consistently scoring around the region’s average on the UN’s e-Government Index (see Figure 4.3), while ranking 2<sup>nd</sup> when compared to Central America. However, it has not been able to achieve the steady progress of peers like Costa Rica, which had a similar departing point and has achieved faster evolution in relative terms.



Figure 4.3. UN e-Government Index (2003 - 2016)



Source: UN e-Government Survey (2016), Retrieved from, <https://publicadministration.un.org/egovkb/en-us/Data-Center>.

. The next sections of this chapter will seek to uncover and analyse the most important factors affecting the government's ability to drive and steer the digital transformation of the public sector, and the use of digital technologies to support inclusive growth and broader development efforts.

### ***Institutional arrangements***

To gain a better understanding of the difficulties of the government of the Dominican Republic to steer change and drive the digitalisation of the public sector to its full potential, it is essential to assess the governance of digital technologies in the Dominican public sector. Pillar 2 of the *Recommendation of the OECD Council on Digital Government Strategies* underlines the relevance of establishing effective governance and co-ordination frameworks to support the coherent and successful implementation of digital government strategies.

The Dominican Republic established OPTIC in 2004, and its role in leading the implementation of digital government was ratified in 2007 through Presidential Decree 229-07. However, since 2008 the situation has become more ambiguous. Law 41-08 of 2008 on public administration created MAP and gave it the legal basis to claim the lead on digital government policy development and implementation. The scope of the ministry's responsibilities in the field of digital government have not yet been specified and operationalised by a Presidential decree.

In practical terms, OPTIC has the resources and the built-in institutional capacities to lead the implementation of digital government activities, and has continued to be the *de facto* co-ordinating body, despite the stipulations of law 41-08. Until now, the government has been able to manage this situation as a result of the good working relationship between the senior management and political authorities of both institutions, and the greater focus of MAP on strengthening its role in the governance of public employment and management and the overall institutional strengthening of the public administration. This situation has allowed both institutions to develop a shared understanding of the scope of their respective responsibilities, which has been progressively specified in a number of inter-institutional agreements of co-operation. In practice, OPTIC has remained the lead for the implementation of digital government and the development of digital government policies, whereas MAP provides political support to drive the adoption of ICT and the digitalisation of public services. As part of its role in the design of all organisational structures of the Dominican public administration (Decree 527-09), MAP has also developed norms and guidelines for the organisation of ICT units of all public institutions.

Despite the ability of these institutions to informally manage seemingly conflicting mandates, the underlying legal tension remains a source of potential future conflicts if the existing shared views and understandings weakened. Insufficiently clear roles and responsibilities, as institutional duplicities existing in other policy areas, undermine the accountability of public institutions, making the institutional framework less intelligible for Dominican citizens. It may also lead to inefficiencies, confusion within the administration, and a lack of coherence in and uneven implementation of the regulatory framework of digital government.

Being located at the Office of the President provides OPTIC with the opportunity to gain the attention of key agenda-setters of the executive, allowing the institution to better garner political support and embed the rationale of digital government strategies into broader public sector reform initiatives and other national priorities co-ordinated at the centre of government. This represents an important advantage in most countries, and becomes all the more relevant as formal co-ordination mechanisms for policies and service provision need further strengthening to successfully play their role (see Chapter 2).

Despite the current functional equilibrium, it seems potentially unstable and overly dependent on the goodwill of incumbents. It is therefore advisable to clarify roles and responsibilities and the strengthening of institutional channels of co-ordination.

**Table 4.1. Roles and responsibilities in the governance of digital government in the Dominican Republic**

of Public Administration	OPTIC
<p>“The Secretary of State<sup>1</sup> of Public Administration is created as the governing body of public employment and of [...] institutional strengthening, the development of digital government? [...]”.</p> <p>Design, implement and evaluate policies, plans and strategies for the digitalisation of information systems and procedures through the development and uptake of informatics and telematics technology.</p>	<p>Assist, develop strategic planning; formulate, implement and assess ICT projects in public institutions; facilitate and support the creation of co-operation networks between the public, private and civil society sectors to optimise the management of government bodies and administrative procurement.</p> <p>Produce studies and research to promote the transfer of knowledge and the use of ICT.</p> <p>Formulate policies and implement the technological development and innovation process for the transformation and modernisation of the state</p> <p>Guide institutions with the design of their digital government plans.</p> <p>Assist central, autonomous and decentralised government institutions with the implementation of ICT to improve and make the public administration more efficient.</p> <p>Optimise ICT investments in the public sector and eliminate ICT project duplication.</p> <p>Establish, support and oversee norms, standards and policies regarding information security and privacy in the public sector.</p> <p>Develop, co-ordinate and promote the National Digital Government Strategy; oversee and monitor the development of the Digital Government Agenda.</p> <p>Development of digital government and ICT use indicators.</p>

1. Secretaries of State were renamed Ministries in 2010 through the Presidential Decree 56-10. 2).

Source: Law 41-08; Decree 229-07.

Although the institutional framework of digital government still has a number of vulnerabilities, important steps have been taken to structurally strengthen the public sector’s ability to use technologies. The adoption of Resolution No. 51-2013, developed by MAP in collaboration with OPTIC, mandates the establishment of ICT Units in all public institutions, including non-financial public enterprises and local governments. The resolution provides alternative models for the organisational design of such units according to institutional necessities. Along with the sectorial technical committees of the (CNSIC), the ICT Standards Committee (COETIC) bringing together the public sector Chief Information Officers (CIOs, officials responsible for the ICT Units), and the establishment of provincial digital government committees, this resolution provides some of the elements that make up the foundations required to achieve a whole-of-government approach to the use of digital technologies.

### ***Supporting the effective implementation of digital government for improved service delivery***

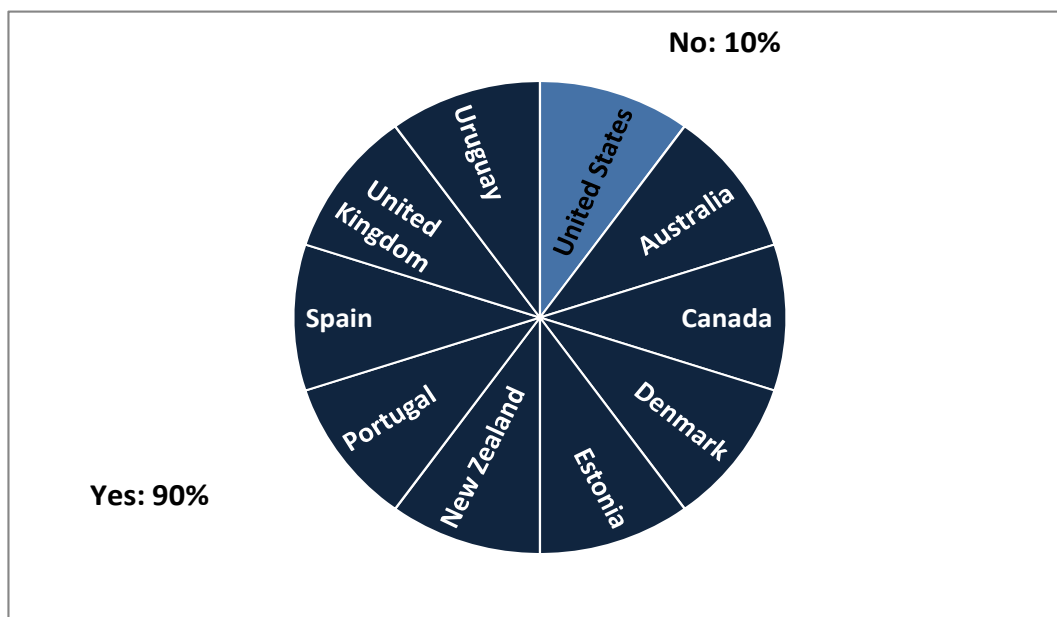
Since 2013, OPTIC has been actively working on the development of a sound regulatory framework for digital government activities. The current framework includes detailed norms, standards and guidelines covering ICT use, ICT project implementation, website creation and management, open government data, public sector interoperability, digitalisation of public services, the use of open source software, and social media use by public institutions. This policy framework is sophisticated by regional standards. While some of these norms are relatively new, and it is therefore premature to suggest any final conclusions or assessment, it is possible to introduce some of the outstanding challenges

and sources of concern and resistance to change, and weigh the government's ability to steer the digital transformation based on the existing governance and institutional framework. These concerns cover the existence of adequate policy levers, the capacities to support the implementation of digital strategies and projects, and the challenge of cultural change.

The lack of decisive levers to enforce existing rules for ICT use in the public sector may hinder the capacity of digital government authorities to ensure the effective implementation of the existing policy framework. For instance, the ability to review ICT projects is very common among units and bodies co-ordinating ICT policies for the public sector in OECD member countries (65% based on the OECD Survey on Digital Government Performance), particularly among those most advanced in the implementation of digital government (OECD, 2016). While reviewing every single ICT project may become cumbersome, and undermine the public sector's ability to quickly adapt to new situations through overly bureaucratic procedures, it is important for the unit to be able to review strategic or risky projects. The governance of ICT projects can be structured according to pre-determined criteria, such as specific budget thresholds. Such mechanisms would allow the Dominican government to balance agility, autonomy and risk management.

The competency to review and/or approve specific ICT projects allows the unit or body responsible for digital government to ensure compliance with existing norms and guidelines of key strategic efforts, guarantee the coherence of ICT investments, and avoid the duplication of efforts. However, these capacities are not legally recognised by OPTIC, and the assistance and support provided to specific ICT projects are based on the willingness and requests of the institutions responsible for the implementation.

**Figure 4.4. Power of the digital government co-ordinating unit to review ICT projects in selected countries**



Source: OECD (2016)

Another key structural element potentially undermining the effective implementation of the policy framework is the lack of capacities to effectively implement certain aspects of the existing legal and regulatory framework. For instance, Law 107-13 on people's rights in their relation with the administration and administrative procedures recognises the right of citizens not to provide the public sector with the same information twice (the once only principle). However, making this principle effective would require significantly higher levels of integration and interoperability of public sector information systems and data than exists today.

The scarcity of ICT skills and professionals in the public sector is an additional factor hindering the public sector's ability to implement relevant policies. Law 41-08 of the Public Administration sets the framework for the management of the public sector workforce and aims to improve its capacities. However, the supply of ICT skills remains scarce in the public sector, and in society as a whole: (only 3.2% of the 2011 college graduates had an ICT-related degree (MESCYT, 2012)). As in most countries, this poses a very specific challenge to the public sector, as it cannot compete with the private sector in terms of financial incentives for ICT professionals. This has increasingly led governments to develop strategies specifically dedicated to attract, develop and retain ICT-skilled professionals in the public sector. For instance, Australia's public service created a young professionals programme to attract new talent. Similar pressures drove the White House to offer public sector fellowships to technology leaders from business and civil society, and the National Audit Office of the United Kingdom reviewed the ICT skills and capacities framework for the entire public sector. The Dominican Republic currently lacks such a specific human resource strategy. Measurements carried out in 2014 for the development the ICT and digital government index (iTICge) revealed that only 4% of the total workforce in the sample institutions had received ICT training in the last 12 months, and only 5% of the institutions had specific incentives or benefits for ICT professionals.

Traditional ways of working and administrative culture also pose a threat to current efforts to overcome the fragmented and silo approach to the use of technologies by the public sector. Public institutions are still reluctant to share their information and data, making system integration, interoperability, cloud computing and shared resources sensitive issues. This translates into a limited ability to deliver integrated services or develop a clear view of existing data and service supply. For instance, the fragmentation and lack of interoperability in the health sector prevents its governing body (the Ministry of Public Health) to have access to data in sufficient granularity to better appraise the performance of health centres and monitor health trends in real time.

In this context, OPTIC has proven to be a resourceful organisation. By publicly ranking institutions by their degree of sophistication in their use of ICT, compliance to digital government policies, and provision of digital services, OPTIC is creating concrete incentives for institutions to both compete and collaborate.

Whether this tool will prove to be sufficient to accelerate the digital transformation of the Dominican Government is still unclear. However, experience in other OECD countries suggests that OPTIC would benefit from strengthening its ability to effectively structure strategic ICT investments in the public sector by providing an adequate mix of incentives ("carrots" and "sticks") that enable the central government to reap the efficiencies of shared infrastructure and resources, and increased agility, data flow and innovation capacity (OECD, 2016a).

### ***Establishing key enablers: Digital signature and digital identification***

The use of digital technologies in the public sector opens up an array of possibilities for delivering integrated services through new and more cost-effective channels. However, making this service delivery effective and targeted requires the tools that enable the public sector to remotely identify service users and determine their entitlements. As such, secure digital authentication mechanisms are essential tools enabling governments to provide digital services. They allow the service provider to identify the user and the user to digitally provide legal consent. This kind of infrastructure is critical to the development of online transactional services.

Supported by adequate public sector interoperability, a common digital identity for the public sector would allow the Dominican government to make effective the “once only” principle. Having a common digital identification to access public digital services is also a strategic resource as it enables the public sector to collect data on users’ patterns of interaction with the administration, helping the government to gain a better understanding of user needs and preferences to deliver more tailored services.

#### **Box 4.5. Countries with digital ID deployments, as of December 2012**

**Asia:** Indonesia

**Europe:** Portugal, Spain, France, Luxembourg, Switzerland, Italy, Belgium, Netherlands, Germany, Austria, Slovenia, Czech Republic, Slovak Republic, Hungary, Romania, Poland, Lithuania, Latvia, Estonia, Finland, Norway, Sweden

**South America:** Brazil, Chile, Peru, Venezuela

*Source:* Tractis (2012), *World map of eID deployments*, <https://www.tractis.com/help/?p=3670>.

Through Law 126-02, the Dominican Republic established the digital signature and the conditions required for the provision of legal consent online, with the Dominican Institute of Telecommunications (INDOTEL) as the certifying entity. However, the implementation has been slow, hampering digital service delivery from both private and public sectors. OPTIC is currently working on enabling the use of the digital signature for digital public services. However, current efforts only seek to extend the use of the digital signature by public institutions and officials. This approach constrains the potential of such a tool to provide secure digital transactional services through adequate identification of the user. Coupled with the absence of a common digital identity for accessing public services and entitlements, this situation limits the public sector’s ability to deliver customised digital services that respond to user needs.

To make digital public services effective, the Dominican Republic will need to ensure that all key enablers are in place, that the government has the means to enforce them as necessary, and that the conditions, such as convenience and benefits for institutions that adopt the service, favour their uptake by public institutions and service users.

### ***Monitoring and evaluating digital government activities***

OPTIC has developed a robust monitoring system for the use of ICT in the public sector, including sub-national levels of government, which includes a wide range of indicators. This monitoring effort led to the development of the ICT and digital

government index, which helps the Dominican government assess institutions' performance on three fronts: the use of ICT, the implementation of digital government policies, and the development of digital services (OPTIC, 2015a). The institutional ranking derived from the scores of individual agencies helps improve the accountability of individual agencies in the implementation of digital government policies.

The digital government policy framework defines the metrics to be used by all public institutions to monitor their use of digital technologies. This policy framework also determines a standardised business case methodology and a project management model, helping institutions structure their ICT initiatives (Principles 9 and 10 of the OECD Recommendation). The use of these tools forces project managers to outline the rationale of ICT projects, identify specific objectives, and determine how they will be achieved. However, these tools are often used for their value in supporting project managers, while their potential for data collection on ICT projects is overlooked.

Monitoring project implementation and benefit realisation can provide relevant insights, leading to the identification of key drivers of success and failure in ICT project management in the Dominican government, and allowing project managers to identify weaknesses and make adjustments early on, ensuring efficiency. The Danish Agency for Digitisation is an internationally recognised leader in this specific domain, due to its use of standardised ICT project management models and a business case methodology that requires regular reporting on benefit realisation. However, the potential of these tools to assess and improve public sector performance in the use of new technologies is weakened by their discretionary nature. Due to the lack of enforcement mechanisms, the use of these metrics and project management tools rely almost exclusively on each institution's goodwill.

### **Digital service delivery for improved access, participatory development and more inclusive outcomes**

In April 2015, OPTIC launched its regulations on service delivery and the digitalisation of public services, the NORTIC A5. This mandates the digitalisation of all government services and their incorporation into the service platform of the Dominican government. It sets out minimum standards and covers aspects such as planning and co-ordination, monitoring and evaluation of digital service delivery, one-stop shops, privacy and security, data management, and interoperability (OPTIC, 2015b). Providing an online one-stop shop to access public services makes it easier for users to find and access services.

The NORTIC A5 also outlines requirements for including public services in \*GOB (telephone service assistance) and *Punto Gob*, the government's face-to-face service points facilitating access to a wide range of public services. These service delivery channels, along with the online service portal, make up OPTIC's multi-channel service delivery strategy.<sup>4</sup> This strategy sets out a firm foundation that acknowledges the importance of ensuring easy access to public services and having a comprehensive view of all available channels. The strategy has a strong focus on informative services at an early stage, which is expected to evolve to fully transactional services through the online service portal in its third stage.

#### **Box 4.6. *Centro de Atención al Ciudadano*: A multi-channel service delivery strategy**

The Citizen Service Centre (*Centro de Atención al Ciudadano*) is a government initiative consisting of a set channels supported by a single platform that through phone lines, the Internet and face-to-face access points seeks to improve government-citizen interactions. The Citizen Service Centre is composed of three main projects:

- Government contact centre – Telephone interaction
- Government portal – Online interaction
- Punto Gob – Face-to-face interaction

The initiative consists of three progressive phases: 1) provide information on services available; 2) receive and follow up cases based on inter-institutional agreements; and 3) receive and process services online supported by the platform of the government portal.

*Source:* OPTIC (2016), Retrieved from <http://www.optic.gob.do/index.php/centro-de-atencion-ciudadana/estrategia-cac>.

These efforts lay the foundations for the use of ICT to deliver services in a structured and inclusive way. However, there seems to be room for improvement regarding an economic dynamism that proves to be insufficiently inclusive. For instance, digital service delivery would benefit from a more systematic and methodical approach to service design and delivery to guarantee service quality and accessibility. Similarly, strategies to develop capacities and support key service providers can help maximise the impact of digitally-enabled services to drive economic inclusion.

#### ***Improving access to services to drive inclusiveness***

Experience in other Latin American countries, such as Chile with *ChileAtiende*, highlights the potential of a multi-channel integrated service delivery strategy. Multi-channel service delivery is a highly strategic way of efficiently improving access to services in a context of persistent digital divides. However, making the strategy deliver its full potential requires managing a number of potential risks and unlocking the untapped potential of alternative service delivery methods.

As described in NORTIC A5 (OPTIC, 2015b), the service delivery strategy makes mandatory the inclusion of all services in the service portal, but its delivery through \*GOB or *Punto Gob*, the telephone and physical point of contact for service information, is optional for public institutions. While there are clear benefits for institutions that choose to use these channels, such as greater visibility and use of their services, it is importantly to highlight that the incentives of public institutions are not necessarily aligned with these objectives. If public institutions are unprepared or inadequately organised or equipped, the delivery of additional services may translate into increased workload, which may seem a burden for resource constrained institutions. This means that the multi-channel service delivery strategy should include a careful planning of the flow of work, and be complemented by a detailed and targeted theory change and incentive structure that drives adoption by public institutions and enables integrated service delivery. In the LAC region, Colombia and Chile have experience with this type of strategy.



The delivery strategy should be informed by a clear understanding of the interaction between the different delivery channels and user preferences, as well as the cost-structure and user demographics for the different channels. These elements can support evidence-based decisions on how to structure service supply to respond to service demand, and, when possible, move users to the most efficient channels to maximise access and efficiency.

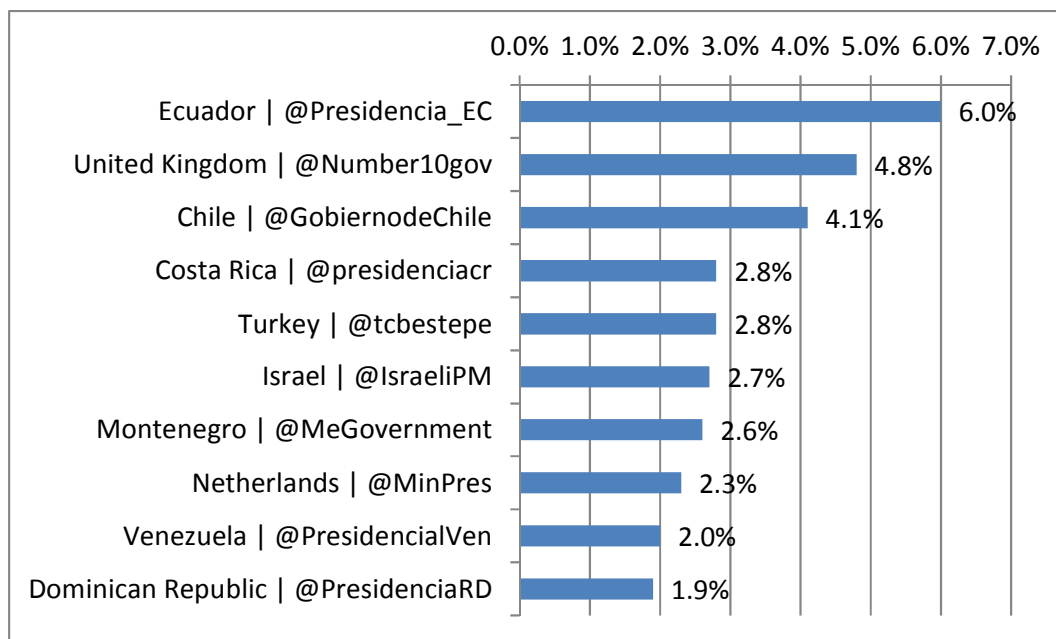
At the time writing there is only one *Punto GOB* service centre located in Santo Domingo Este. It provides around 50 transactional services from 12 different public institutions through face-to-face interactions, serving 800-1 000 citizens per day. The success of this service centre highlights the need to progressively extend the network of *Punto GOB* centres, both to fight the over-centralisation of government activities and services around the city centre of Santo Domingo, D.N., and to improve access in communities that are far from the most relevant economic centres of the country. It is encouraging that this effort has been included in the Government Programme for 2016-2020, *República Digital*. This programme may learn from *ChileAtiende* and its service vans<sup>5</sup> by ensuring access to services in remote areas.

There appears to be substantial untapped potential in the use of alternative service delivery channels, such as social media and mobile phones. Based on Facebook data, We Are Social, a global marketing agency using social thinking approaches, estimated in 2014 that 33% of Dominicans (3.4 million people) were active social media users. The NORTIC A5 provides structured regulations and guidelines on the use of social media to support service delivery. These include standards for setting up a public sector social media account, and the need for institution community managers to be adequately trained to provide information and guidance on all services provided by their respective institutions.

Enthusiasm in the region for social media use has been picked up by private and public sector institutions, which have developed relatively sophisticated approaches to the use of social media. The institutional Twitter account of the Presidency of the Dominican Republic is one of the global leaders in terms of followers as a share of the population (Figure 4.5). Social media accounts of certain public institutions are starting to move away from an approach that uses these channels to simply push out institutional information, and move towards more purpose oriented and interactive approaches. For instance, the Twitter account of the National Institute for the Protection and Defence of Consumer Rights (@ProConsumidor) regularly produces content that is relevant to users, such as consumer tips, and has an interactive approach to social media use that guides users on the best ways to solve concrete issues and helps to solve their problems. This has allowed @ProConsumidor to build considerable outreach capacity, with over 150 000 followers, significantly more than other important public service providers, such as the Ministry of Education (@MINERD, with 92 000 followers) and the Ministry of Public Health (@SaludPublicaRD, with 38 200 followers).

**Figure 4.5. World top 10 central government Twitter accounts**

By number of followers of the top account as % of the domestic population, March 2015



*Notes:* Only accounts of head of state, head of government or government as a whole were considered. Personal or political accounts are excluded. States with less than 500 000 inhabitants have not been included. Only the account with the most followers per country is displayed.

*Source:* OECD calculations based on Twiplomacy (2015) and World Bank Group (2016b) *World Development Indicators (database)*, <http://data.worldbank.org/data-catalog/world-development-indicators>.

Advancing this purpose-oriented approach to social media as a channel for service delivery would require efforts to upscale and institutionalise the approach through the public sector's digital service and social media policy. As shown in the OECD Working Paper on Social Media Use by Governments (Mickoleit, 2014), the impact on service quality can be meaningfully amplified through the development of a structured approach to the use of social media as a systematic feedback loop that feeds into the process of continuous service improvement. For instance, the Department of Human Services of Australia established a structured monitoring of social media mentions of the Department. This system led to the identification of service weaknesses, and the lack of information relevant to specific social groups about service availability, which allowed the Department to fine tune its service supply and develop a content-relevant communication strategy.

#### **Box 4.7. @Policia: Purpose-oriented social media use by the Spanish national police**

Policing depends heavily on people's confidence and co-operation to deliver an effective public service. The Spanish national police force (*Cuerpo Nacional de Policía de España*) identified early on the potential of social media, and in 2009 committed to using it as an additional lever to improve their services. The commitment was backed up with financial and human resources, notably the recruitment of a social media expert, Carlos Fernandez, to lead the effort. Today, a dedicated team of ten people interact on various social media platforms to prevent, dissuade and combat crime.

#### **Box 4.7. @Policia: Purpose-oriented social media use by the Spanish national police (continued)**

The Spanish police’s constant and genuine engagement is catching on with the public. At the time of writing, the @Policia Twitter account has over 2.3 million followers (@Policia), its Facebook page has over 413 000 fans (PoliciaNacional) and the videos on its YouTube channel have been viewed over 6.9 million times (Policia).

A large part of this social media success is due to a deliberate choice of topics and style. Unlike many other government institutions, the Spanish police does not use social media for “corporate” communications, such as relaying the agendas of its leadership or to issue traditional press releases. Instead, it uses social networks to support the police’s primary mission by sending content-rich messages that use “plain” language, often humorous or provocative, in order to attract a large audience.

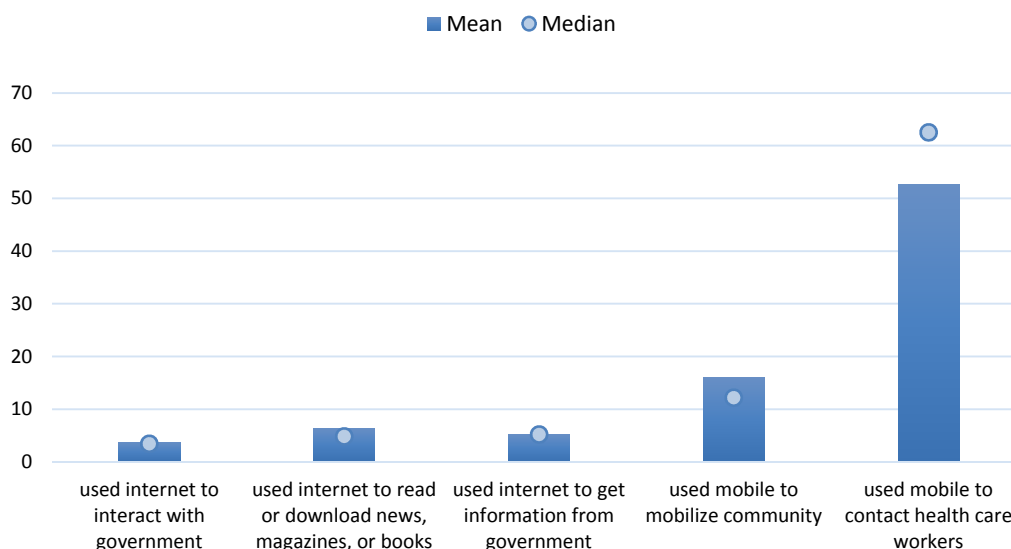
Such genuine community interaction has led to several mission-critical successes. For example, the recent arrest of a murderer who had been on the loose for months after his conviction in 2013. On 14 January 2014, the Spanish national police launched a co-ordinated media campaign with heavy use of social media to diffuse photos and information about the wanted individual. The posts went viral, i.e. they were replicated and diffused by a very large number of social media users, and triggered several citizen reports leading to the arrest of the convict in less than one day.

*Source:* Mickoleit, A. (2014), “Social Media Use by Governments: A Policy Primer to Discuss Trends, Identify Policy Opportunities and Guide Decision Makers”, *OECD Working Papers on Public Governance*, No. 26, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5jxrcmghmk0s-en>.

The biggest potential for leveraging ICT to deliver services in the Dominican Republic may reside in the scope of OPTIC’s current multi-channel delivery strategy, and the use of mobile phones. Contrary to other forms of technological devices, mobile technologies are widely available throughout the population, providing a cost-effective channel for reaching the most vulnerable segments of the population. As of 2014, mobile penetration stood at around 90% (World Bank Group, 2016b), and is expected to reach and surpass 100% in the coming years, with the number of smartphone users growing increasingly fast. These conditions provide an excellent opportunity to explore and develop mobile government services (m-government).

OPTIC, realising this untapped potential, has started to make progress in this line of work, with the development of an app for the 311, the Dominican government’s reporting and feedback system. This app will complement the 311 phone line and website, thereby improving convenience and access of the service.

This kind of initiative is highly relevant in light of trends in mobile technology, which indicate that governments should start moving quickly towards this field. While convenient and highly relevant for the high and middle class, this line of work does not yet impact the country’s most vulnerable segments of the Dominican population. Nevertheless, experiences in Africa, South and Southeast Asia show that m-government is able to reach impoverished populations in impactful and convenient ways, highlighting the value of SMS-enabled services (OECD/ITU, 2011). Countries in Sub-Saharan Africa in particular show strong interaction between citizens and governments through mobile phones (Figure 4.6).

**Figure 4.6. Mobile phones as key channels of interaction with government in Africa**

*Notes:* The survey covers 11 countries in Africa.

*Source:* OECD elaboration based on World Bank's Research ICT Africa surveys 2014 as cited in World Bank Group (2016a), *World Development Report 2016: Digital Dividends*, World Development Report, World Bank, Washington, DC, <http://documents.worldbank.org/curated/en/2016/01/25772035/world-development-report-2016-digital-dividends-overview>.

SMS-enabled services can allow users to digitally receive remittances or government benefits and make payments to access goods and services. Innovative mobile services also include insurance services, such as health insurance or insurance for agricultural production of small farmers. Kenya's M-Pesa (mobile money) has become the prototype experience for these kind of services. They have become so commonplace in Kenya that citizens can even pay for public bus rides using their mobile phones. The experience has since been replicated in other countries and regions of the world, including South America.

#### **Box 4.8. Bim: Mobile financial services in Peru**

Replicating Kenya's experience with mobile money has been challenging due to the required market conditions to make it work. Making a mobile payments platform sustainable requires a critical mass of users that one single company can rarely develop alone. Peru established a national mobile payment platform based on a "coo-petition" model, which consisted of first bringing together different stakeholders (mobile operators, banks and regulators) to create a national platform, and then letting them compete with offers of digital financial services via mobile phones, without the need of smartphones or data plans. The government acted as a facilitator by providing an enabling regulatory framework for this new platform. The scheme is backed by all of the country's banks and can be used across mobile operator's networks.

This joint effort is helping to drive the costs of financial services down in the country and providing governments with more efficient, faster and safer payment methods. This is especially important in Peru, which has one of the lowest levels of use of financial services in the LAC region, and only 29% of the population have bank accounts. Mobile telephones have become a

#### **Box 4.8. Bim: Mobile financial services in Peru (continued)**

substantial tool in Peru for bridging the differences between services available to rural and urban populations.

*Source:*

Cámara, N. and D. Tuesta (2014), *La Nueva Banca, la Banca para Todos: el "Modelo Perú"*, <https://www.bbvaesearch.com/publicaciones/la-nueva-banca-la-banca-para-todos-el-modelo-peru/>.

Bower, J. (2015), *Modelo Perú: A Unique Approach to Financial Inclusion*, Better Than Cash Alliance, New York, <https://www.betterthancash.org/news/blogs-stories/modelo-peru-a-unique-approach-to-financial-inclusion>.

Relevant informative services can also be delivered without data plans, which can help to overcome geographical barriers. For instance, SMS technology has supported the delivery of health services, such as: prevention and informative campaigns, reminders of treatments, vaccination dates, and neonatal health information, with positive or promising results (World Bank, 2016a; Agarwal et al., 2015). Moreover, mobile technologies provide the opportunity to develop “telemedicine” services, which can benefit the poor through high quality access to health services, while avoiding the need to go the hospital unnecessarily, since transportation can prove challenging and expensive.

In the social policy area, SMS technology can enable beneficiaries of welfare or pension programmes to consult their balance or accumulated benefits remotely, thus improving transparency and helping service users make better financial decisions.

SMS-enabled technologies can also benefit small farmers or producers. These populations hold little capital that is invested in relatively risky activities, which can be significantly affected by weather conditions, pests, and changing market conditions, among other factors. Poor access to information makes it harder for these economic agents to plan investment and production in ways that can maximise their revenue. The presidential initiative, *Visitas Sorpresa*, is using micro-finance schemes to support these small producers in their entrepreneurial activities. Another significant and relatively inexpensive way of supporting these populations is through the delivery of tailored messages with economic and other relevant information that can help them make better decisions in their daily activities.

#### ***Giving users a voice: Designing better and more relevant services***

Perhaps the weakest point of the existing policy instruments for digital service delivery concerns the absence of reference to the service design process. Neither the regulatory framework nor soft levers supporting change through persuasion, such as the iTICge, cover this strategic area of digital government. The risk is that the digitalisation of public services is undertaken without substantive transformation of services themselves, which would undermine the value that digital government can deliver.

Return on investments in the field of public services depends on their effective use and the value they create for citizens and businesses. In a context where cultural preferences tend to favour person-to-person contact, the uptake of digital services requires not only access to ICT, but also a service that is highly convenient and provides content aligned with user needs and priorities. Some relevant points that should be taken into account when designing digital public services include:

- **The procedure should be clear and simple.** Taking online procedures that were designed for offline realities makes little sense. Public institutions should avoid making services cumbersome with long and overly bureaucratic forms. When possible, public sector institutions are expected to pull information from already existing sources of information within the public sector. To achieve a meaningful digital transformation of services and guarantee seamless delivery, it is important to have a clear articulation with an administrative simplification programme that can support the redesign of procedures (see Chapter 3).
- **Service design should be user-oriented and user-driven.** Ensuring that services have a user-friendly design can meaningfully impact service access and uptake. To achieve these results, however, implies a substantial shift in the public sector's traditional administrative culture. Moving towards more user and human focused approaches to service design calls for more collaborative and open approaches. All of this entails the engagement of service users at all stages of service development, from service design to its delivery and assessment. This demands very specific engagement methods and skills (see Chapter 5)

Overcoming a traditional public service design that is focused on the bureaucracy's own priorities and requirements requires a strong and coherent open government policy framework, and a supportive digital government strategy that fosters inclusiveness, openness, engagement and public participation (Preamble, Principles 1 and 2 of the OECD Recommendation). Existing open government policies put a great emphasis on strengthening transparency and accountability, which are highly relevant. However, the participatory dimension of open governments should still be stressed in ways that can foster and support the co-production of services in order to better respond to user needs.

Better adapting services to user needs and preferences would require the streamlining of user-focused design methods, such as design thinking and innovative ways of prototyping and testing services to better capture and process user input. Better adapted and user-driven services can also be achieved through an open government data policy that goes beyond its value for transparency, and enables its potential for innovative service delivery (see Chapter 5).

- **Continuous improvement of service quality requires systematic feedback loops.** A culture of continuous service quality improvement should be built in to digital service delivery standards and regulations. The NORTIC A5 sets the principle of continuous improvement by mandating the collection of user feedback mechanisms and periodical revision of services. Despite these important principles, the norms do not provide information on how the feedback mechanisms described, such as satisfaction forms, should feed and inform the service design process. Moreover, it is unclear how these feedback mechanisms interact or are integrated with other feedback channels, such as the 311 service or MAP's Observatory of Service Quality. These mechanisms would benefit from clarification and interoperability of data to support service design and make services more convenient and relevant for users. The UK's Government Digital Service and 18F in the United States have become leaders in implementing these approaches to digital service delivery, incorporating systematic feedback loops for continuous improvement.

#### **Box 4.9. DGII: Leveraging digital technologies for enhanced service delivery**

The General Direction of Internal Revenue (DGII) ranked first in the iTICge 2015 index, making it the most advanced and effective institution at implementing technology and digital government policies in the Dominican public services, according to the criteria of OPTIC's index.

The DGII has been using technology to drive efficiency gains and improve the effectiveness of its operations. As part of its digital strategy, it recently revamped its website to make it more user-friendly and easier to navigate. It has also integrated an interactive service assistance tool to its website that, by May 2016, had responded to 4 759 support requests that were received and processed.

Furthermore, the DGII has developed an app for smartphones, “*DGII Móvil*”, which includes the most common transactions for citizens and provides informative services.

Finally, the DGII has established a dynamic and proactive presence in social media through Twitter and Facebook, providing information services to Dominican citizens. According to the Twiplomacy 2014 study, the DGII was the most conversational and interactive Twitter account of all Dominican public institutions.

*Sources:*

Twiplomacy (2014), Heads of State and Government and Foreign Ministers on Twitter, July. Retrieved from [http://twiplomacy.com/wp-content/uploads/2014/06/MASTER\\_twip\\_2014.pdf](http://twiplomacy.com/wp-content/uploads/2014/06/MASTER_twip_2014.pdf).

DGII (2016), Submission of good practices using the OECD Submission Form for Good Practices. Dominican Republic.

#### *Leveraging open government data to co-create public services*

Open government data (OGD) refers to the release of data collected and produced by public organisations while performing their tasks, or data commissioned with public funds. The goal is that OGD are released in open formats that allow their free use, re-use and distribution by anyone, with the only requirement (at the most) being that users attribute the data and make their work available to be shared (Ubaldi, 2013). As the amount of data produced by governments regarding issues of public interest has increased in recent years, more attention has been focused on the potential this data could have to enhance transparency, accountability and integrity of the public sector (improved governance), but also to create social and economic value in the form of new and innovative services for citizens, as well as new business opportunities.

The philosophy behind OGD breaks away from traditional paternalistic approaches to value creation and service delivery. External stakeholders (citizens, businesses and civil society organisations) are seen as partners in this endeavour. In this sense, OGD can become a powerful tool that allows service users to determine their own priorities and co-create and co-deliver services as the public sector moves to increasingly user-centred and user-driven approaches to service delivery.

OGD allows, for instance, developers, civic entrepreneurs and social innovators to develop solutions that complement existing public services and satisfy outstanding user needs (OECD, 2015a). The use of apps and tools developed with OGD to help parents improve their choice of schools for their children provides a tangible example of what the re-use of government data can achieve.



#### **Box 4.10. Re-using government data to support parents' school choice**

School choice is a very important issue, as the initial formative years allow children to develop skills that will prove critical throughout the rest of their lives. A bad choice of school can considerably affect a child's chance of accessing key higher education institutions and favourably integrating into productive activities later in life. Parents usually want to maximise the chances for their children to have successful careers and avoid unnecessary risks.

Developers around the world are trying to help parents make more informed decisions based on school performance data. Countries like Italy (RomaScuola), Moldova (The School Portal) and Canada (Discover Your School) have developed tools that facilitate the comparative analysis of schools and help parents choose based on personal priorities, such as performance in specific areas, and location.

*Source:* OECD analysis.

New business models and start-ups have also emerged through the re-use of meteorological, geo-localisation, health and public transport data, enabling, for example, efficient choices on transport for service users, which ultimately makes life more convenient in an increasingly connected and dynamic world. The re-use of government data also provides the opportunity to identify inefficiencies or new delivery arrangements that can considerably improve existing services.

However, the value creation process does not occur spontaneously by the simple operation of making data available and accessible, but takes place through the re-use of OGD. Delivering the expected value requires a strategic approach to OGD that fosters re-use by the different communities of data consumers. To achieve this, the government must wisely use a number of tools, including regular data user consultation and involvement, to understand the existing data needs of the different user communities and existing challenges to the production of valuable datasets. Data preparation and publication is a time consuming effort, and governments have limited capacities and resources to perform these activities. Better understanding user needs can help the Dominican public authorities better prioritise the datasets to be released, and then engage with potentially interested communities of data consumers. These activities considerably increase the ecosystem's ability to use open government data to create public value.

The efforts to open up government data in the Dominican Republic are still in their initial stages. The central government's one-stop-shop OGD was launched in 2015, and as of May 2016 had only 288 datasets from 30 institutions. Activities to engage with data consumers and foster the re-use of government data are still rare and unstructured. These efforts fall primarily under the responsibility of the General Direction of Government Ethics and Integrity (DIGEIG, *Dirección General de Ética e Integridad Gubernamental*), attached to the Ministry of the Presidency, which leads the work on transparency, integrity and open government.

OPTIC, in collaboration with DIGEIG, has developed norms and standards for OGD (NORTIC A3) that cover data privacy and security, data categorisation, formats, taxonomy, metadata, licensing and the publication of datasets. The normative framework was developed using the Chilean and Spanish technical norms for open data as a reference, and in agreement with standards developed by the International Standardisation Organisation (ISO) and the International Electrotechnical Commission (IEC). OGD efforts in the country have mainly been driven by initiatives to foster transparency and



accountability, framed by the open government agenda, as a way to promote good governance. As a result of these efforts, the Dominican Republic ranked 76<sup>th</sup> out of 149 countries in the 2015 Global Open Data Index of the Open Knowledge Foundation, compared to 98<sup>th</sup> in 2014.

However, the datasets available in open formats focus on public sector transparency and financial management, which underlines the general lack of awareness of the full potential of open government data for social and economic value creation. Taking OGD to the next level requires data to be seen as a strategic asset, which has implications for the public sector in terms of governance, the skills required to foster data-driven innovation, both within and outside of the public sector, and the relations with data consumers across social sectors. All of these components are required to develop a dynamic and productive OGD ecosystem that is able to leverage the data made available to create value in the form of innovative services that can support economic growth, good governance and social cohesion.

Institutions such as the Cabinet of Social Policy and the Institute of Technology of the Americas have both had some experiences with hackathons to support data-driven social innovation and promote new forms of service design and delivery. However, these engagement initiatives for problem-driven data re-use appear as isolated efforts, and lack a whole-of-government approach to structure or support engagement and participation. Hackathons, and other similar engagement exercises, should not be seen as items on a checklist that will automatically spur value creation. Instead they should be seen as tools that help nurture a continuous relationship that can ultimately lead to a conversation between civil servants, who understand the policy cycle and public sector operations, and a tech-savvy community or a data-literate civil society, who can produce knowledge or help rethink public services to deliver better outcomes (OECD, 2016b).

The Dominican government is a key part of the open government data ecosystem, not merely as a data producer and provider, but also as a data consumer. All public institutions, through their policy makers, project managers, audit institutions and public sector innovators, should be regarded as potential open data consumers. An innovative example comes from Etalab, the task force leading the work on open government data for the French government, which hosts the State Start-ups initiative. State Start-ups are start-ups embedded in the public sector that are responsible for identifying needs and opportunities to redesign and improve public services through reusing government data. These teams are made up of individuals trained in agile and experimentation methods for service development, as may be found in private sector start-ups. Such tools allow these public sector start-ups to prototype, test and upscale services in progressive iterations to make services increasingly functional, simple and user-friendly.

#### **Box 4.11. Open data crowdsourcing**

Open data is dynamic. As such, it calls for the active collaboration between all stakeholders. The open data ecosystem is an amalgam of user communities with different needs who work towards the creation of different values. As players within this ecosystem, and one of the most important contributors of data to the ecosystem, governments are required to actively participate as partners within the ecosystem, and must be willing to listen to and understand stakeholders' needs. However, collaborative platforms should not only aim to improve public service delivery and create benefits for non-governmental stakeholders. In their dual role as producers/consumers, governments should also fully exploit the advantages that data produced

#### Box 4.11. Open data crowdsourcing (*continued*)

from non-institutional actors has for their own objectives. For this reason, collaborative platforms should also be designed as two-way communication channels that facilitate data exchange between governments and external stakeholders.

Open data crowdsourcing implies:

- ***Listening to users and understanding their needs*** towards user-driven data disclosure.
- ***Communicating with the ecosystem*** not only to prioritise data disclosure, but also to obtain policy feedback and solicit data requests (data co-creation).
- ***Understanding and collecting information*** on how open (government) data is being used and the impact being created.
- ***Collaborating*** with the ecosystem towards greater value co-creation and the dissemination of best practices.
- ***Developing collaborative platforms*** that enable data exchange between governments and stakeholders.
- ***Making open (government) data valuable*** for all stakeholders through data socialisation, skill development and the engagement of user communities.

*Sources:*

OECD (2016b), *Open Government Data Review of Mexico: Data Reuse for Public Sector Impact and Innovation*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264259270-en>.

Berryhill, J. (2015), *Open Data and Crowdsourcing*; Office of E-government and IT, Executive Office of the President of the United States.

OECD (2015b), *Presentation given within the framework of the OECD 51st session of the Public Governance Committee*, 23-24 April, 2015, OECD Conference Centre, Paris, France.

#### ***Improving delivery: Building capacities of service providers to leverage technology for better service delivery***

The iTICge, the digital government index developed by OPTIC, reveals a very common, yet somewhat worrisome, dynamic (OPTIC, 2015a). The ranking of the index shows that public financial management institutions have a very sophisticated use of digital technologies, which is largely driven by the strong incentives for precision, efficiency and accountability in this sector. However, other key service providers relevant for the economic growth or social inclusion efforts could do better or are lagging behind.

The National Council of Competitiveness (*Consejo Nacional de Competitividad*, CNC) has a barely above average index of 52.18 (average score of 50.99). The CNC has a one-stop shop for simplifying the procedure for the creation of an enterprise; however, this is limited by the lack of availability of the digital signature, which prevents the service from becoming fully transactional and limits the country's competitiveness in this domain, potentially harming growth. Other institutions supporting competitiveness rank below average, such as the Centre of Industrial Development and Competitiveness (45.41), the Ministry of Finance (45.12), the Ministry of Higher Education, Science and Technology (41.20), the General Direction of Borderline Development (28.65) and the Dominican Agrarian Institute (21.95).

Table 4.2. iTICge ranking 2015

Ranking	Institution	ICT use (out of 36)	Development of e-Gov (out of 40)	Development of e-Services (out of 24)	iTICge (out of 100)
1	General Direction of Inland Revenue	33.50	29.96	24.00	87.46
2	General Direction of Public Procurement	34.63	39.50	9.29	83.41
3	Central Bank of the Dominican Republic	35.05	29.80	16.40	81.25
4	General Comptroller of the Republic	32.17	32.40	15.87	80.44
5	Technical Institute of the Americas	30.04	29.81	15.60	75.45
6	Superintendence of Pensions	27.32	31.35	16.34	75.01
7	Dominican Institute of Civil Aviation	33.14	28.25	12.68	74.07
8	Ministry of Labour	26.50	28.64	18.80	73.94
9	Ministry of Public Administration	29.40	27.76	16.34	73.50
10	Superintendence of health and labour risks	31.98	30.17	11.00	73.15

Source: OPTIC (2015a) *Índice de uso de TIC e implementación de gobierno electrónico en el Estado Dominicano 2015*, The Presidential Office of Information and Communication Technologies, Santo Domingo, Dominican Republic.

In relation to the social sector, the General Direction of the Programme Progressing with Solidarity (*Progresando con Solidaridad*) and the Administrator of Social Subsidies (*Administradora de Subsidios Sociales*) score slightly above average (57.97 and 55.97 respectively), while others rank slightly or significantly below average. For example, the Autonomous University of Santo Domingo (*Universidad Autónoma de Santo Domingo*, 45.00), the Direction of Information and Member Defence (*Dirección de Información y Defensa de Afiliados*, 41.30), the Plan of Social Assistance of the Presidency (30.49) and the Public Defender (*Defensor del Pueblo*, 19.37). All hospitals assessed rank well below the average in the index.

There is a risk that entities delivering potentially high impact services in terms of economic competitiveness or social inclusion lack the necessary tools to adequately perform their missions or deliver the expected public value. This may suggest the need for a targeted strategy that seeks to rapidly build the capacities of these institutions to better leverage digital technologies to perform their tasks (Principle 10 of the OECD Recommendation). In this context, the Provincial/Municipal e-Gov service (*Servicio e-Gob Provinciales/Municipales*, Box 4.12) seeks to cover this need at the local level.

### Box 4.12. Servicio e-Gob Provincial/Municipal

The *Servicio e-Gob Provinciales/Municipales*, provided by OPTIC, consists of free assistance with the implementation of digital government projects and activities in the communities covered by the programme's Provincial/Municipal Technology Committees (*Comités de Tecnología Provinciales/Municipales*). These committees also assist with data collection at the local level, which allows OPTIC to monitor the use of technologies at the local level of government.

These services also co-ordinate the incorporation of local services into the platforms provided by OPTIC, such as the service portal, the \*Gob, or *Puntos Gob*.

Source: OPTIC (2016). Retrieved from <http://www.optic.gob.do/index.php/servicio-de-e-gob-provinciales-municipales-utilizando-e-voluntarios>.

When designing capacity building strategies for key public sector service providers, it is important to keep in mind what the World Bank has called the “analogue” enablers of digital technologies (World Bank Group, 2016a). Transferring digital government practices to local realities can be challenging, as technology is not the only factor of success. Institutional arrangements, management tools, ICT skills, legal and regulatory frameworks, and even market conditions can have an impact on the results of digital government initiatives.

In this sense, initiatives such as One Laptop per Child, which seeks to embed technology in the education process and which has been implemented in some schools in the Dominican Republic, should be carefully tailored. While this kind of initiative provides high political visibility, research of its implementation in Uruguay and Peru found no evidence of increased results in mathematics or literacy (de Melo et al., 2013; Cristia et al, 2012). These experiences underline the need to integrate technologies in broader strategies with a comprehensive approach and a clear understanding of the strengths, weaknesses and risks, and having a defined theory of change for achieving the targeted objectives.

## Improving data management: Fostering public sector intelligence for inclusive growth in the Dominican Republic

One of the most relevant issues undermining efforts to develop effective policies and services to tackle poverty and social inclusion is the current inability of the Dominican government to use data as a strategic asset. Building strategic capacity for data use in the public sector demands that the government of the Dominican Republic has a clear visibility of its existing data assets, puts in place adequate quality control and data management procedures, develops levels of interoperability and integration of government data and metadata supported by adapted legal and regulatory frameworks, and a data-driven culture in the public sector (Principle 3 of the OECD Recommendation). These elements would reinforce the importance of data, enabling it to fulfil its role as a cornerstone of evidence-based policy making and allow governments to more effectively pursue their objectives. In France, the Chief Data Officer for the national government has done extensive work mapping existing datasets and identifying data needs in the public sector, developing a team of data scientists to concentrate on the evaluation of strategic policies, and developing a new strategy for data management with the aim of improving public sector performance.

Digital technologies can help the Dominican government unleash the value of data in three ways: 1) better exploiting digitally-enabled data analysis to understand societal problems; 2) embedding data use throughout the policy cycle; and 3) putting in place governance arrangements to ensure responsible and coherent use of data that benefits citizens and strengthens public trust. Making a data management policy successful will require considering the structural enablers for its success, such as infrastructure, governance, institutional capacities and skills, as well as the overall incentive structure that will lead to the digital and data-driven transformation of the public administration in support of inclusive growth.

In terms of infrastructure, the government of the Dominican Republic has taken a critical step forward. The NORTIC A5 on the digitalisation of government services mandates that all digital services create a data backup in the Government Data Centre. If strategically used, the Government Data Centre will provide the opportunity to improve data management by public institutions. If coupled with greater processing capabilities, this asset can help the public sector better design and deliver public services. In addition, the NORTIC A4 of 2014 regulates government interoperability. Its implementation phase started in 2015.

These are very powerful tools that can meaningfully improve strategic policy areas, such as public health. The current situation in the Dominican health sector prevents the Ministry of Public Health from accessing relevant data for policy making or monitoring service supply. Similarly, health practitioners lack access to important information about their patients' health history, which is locked in records in public hospitals or private health service providers, undermining the practitioner's ability to make informed decisions and increasing risks for the patient. Chile is taking important steps to improve this situation through the programme "*Salud conectada*", which seeks to ensure an efficient data and information storage, sharing, processing and protection system that maximises public benefits, while controlling the risks associated with privacy and security.

Integrated and interoperable systems and data can help policy makers in the Dominican Republic access more reliable and granular data, and capture epidemiological data in real-time. Improved access to data can help the government to better monitor hospital and workforce performance, improve policy making, and be more reactive to emerging trends. It can also support the existence of a digital medical record, which would provide health practitioners with a clearer view of the patient's history, treatments and tests. This information helps the practitioner provide coherent treatment and avoids unnecessary expenses in redundant tests. Multi-level authorisation would help protect sensitive data, while ensuring the right stakeholders have access to the data that is relevant to their tasks.

However, existing regulations face considerable implementation challenges and resistance to the data sharing that would justify the strengthening of ICT and data governance in the public sector. This, however, does not leave OPTIC without options.

Individuals are very often willing to trade privacy in favour of convenience; people's use of social networks or other online platforms provide a perfect example of this trend. As OPTIC tries to ensure the adoption and uptake of data governance frameworks, it is important to keep in mind that a similar concept could apply to public institutions, which may partially explain the success of Estonia's X-Road (Box 4.13). This does not mean that personal data should be left unprotected, but that data management systems and arrangements should be designed in a way that makes the work of individual agencies

much easier and more convenient. This should lead to better decision making and more agile procedures, while preserving data privacy.

#### **Box 4.13. Data sharing in Estonia: The X-Road**

Estonia's X-Road is an online platform that supports data sharing between participating institutions, including private firms. The platform enables users to access a number of common services, such as data query, query tracking and data visualisation. The platform security is ensured through digital identification, multi-level authorisation, a high-level log processing system, and encrypted data transfers.

The recent World Bank Development Report (2016) highlights that the collective process and user experience incentivise public institutions to develop and citizens to use digital services. The success of the system can be measured by the rapid growth of its user base. In 2003, when the platform was launched, there were only 10 institutions participating, by 2013 there were 900 institutions and 340 million queries a year. Two-thirds of these were automatic system-to-system sharing procedures.

The system provides an ingenious solution to the issue of data ownership. Its decentralised nature allows participating institutions to retain ownership of their data, but they can share their data or access other institutions' data as necessary. Coupled with the once only principle, this system has facilitated increased co-operation and data sharing between institutions, leading to cost-reduction and increased efficiency.

*Source:*

Republic of Estonia (2016), Data Exchange Layer X-Road, <https://www.ria.ee/en/x-road.html>, (accessed October 2016).

World Bank Group (2016a), World Development Report 2016: Digital Dividends, World Development Report, World Bank, Washington, DC, <http://documents.worldbank.org/curated/en/2016/01/25772035/world-development-report-2016-digital-dividends-overview>.

In general terms, there seems to be a lack of structured investment in building institutional capacities and human resources to improve the Dominican public sector's ability to consistently manage and process data. The digital age has exponentially accelerated the production of data. The increasing availability and accessibility of data is a result of the increased use of digital devices such as computers, mobile phones and tablets. The increase in data production has also been driven by the development of the Internet of Things,<sup>6</sup> the growing use of digital cameras and recorders, and the digitisation of books, records and archives. Interaction with digital devices and digital behaviour translates into data. The digitalisation of society has made available a massive amount of data and an equally diverse number of data storage possibilities.

Big data analytics refers to the data processing techniques for analysing these new data sources available in high volume, highlighting patterns and trends, and uncovering unfamiliar correlations and other valuable information for sound decision-making (Hilbert, 2016). Private sector firms have been building capacity to use open data for its value in revealing social trends and human behaviour, helping them improve their economic and market intelligence.

In more recent times, policy makers and social scientists have gained interest in big data for its value in helping them anticipate issues or gain a better understanding of complex social problems. The amount of data produced by digital behaviour can often become an efficient alternative to traditional data sources, such as surveys. Big data



analytics can, for instance, successfully predict the spread of diseases and accurately estimate unemployment with real-time data. Researchers are experimenting with the use of big data to estimate income and map poverty using cell phone data (World Bank Group, 2016a: 314). Big data can provide powerful insights in the areas of economic activity, healthcare, public transportation and urban planning, disaster and risk management, service design and delivery and policy making in general, ultimately enhancing public sector performance and productivity. This new data processing technique is opening up a broad range of opportunities for both private and public sector organisations. Not taking a strategic approach in this domain could lead to accentuated digital divides within and across countries, and loss of productivity and competitiveness for a developing country such as the Dominican Republic.

A concrete example of how these new data processing techniques can impact the life of Dominicans concerns urban transportation. The Latin America and Caribbean region is one of the most urban regions in the world, with 79.6% of its population living in cities as of 2014 (World Bank Group, 2016a). Projections by the National Office of Statistics (ONE) suggest that the current population of the Santo Domingo metropolitan area is somewhere around 3.7 million, or 37% of the Dominican population. Such levels of population concentration pose great challenges for urban planners to ensure appropriate urban organisation and service delivery. Some countries facing these challenges have turned to big data analytics to improve their services at the urban level (Box 4.14).

**Box 4.14. Singapore: Using open data and big data analytics to improve public transportation**

Like other financial and transport hubs, Singapore has become an important metropolitan area with high population density, facing the inevitable problem of heavy congestion at peak hours. However, significant improvements have been made thanks to the use of GPS and smart travel cards data.

These data provided the opportunity to develop detailed models for how bus users move through the city, helping the government to understand traffic patterns, how citizens use the urban transport system, as well as key problems with the existing bus routes.

Using these data, developers based in California developed an analytical platform to identify traffic patterns and provide authorities with precise information that maps active trains and buses with metres, letting authorities know how full each one is, as well as how many commuters are at each station and what the estimated waiting times are. The analysis of this information helps the authorities decide where more buses and trains are needed or how to provide incentives for users to take different routes (in the form of travel credits). The system produced a 13% drop in peak time travel. This experience has since been replicated in Bangalore and São Paulo to improve public transport.

*Source:* World Bank Group (2016a).

Building a data-driven culture in the public sector would benefit from strong knowledge sharing mechanisms for civil servants to share experiences, which would support the capacity building efforts of public institutions. These instruments are equally essential for public sector innovation, as will be explored in Chapter 5.

#### **Box 4.15. Moving forward: The República Digital Programme**

While the period covered in this review goes up to August 2016, important developments in the field of digital government were taking place as this review went into production. After being re-elected in May 2016, President Danilo Medina launched an ambitious digital agenda for his second term in office. The República Digital Programme seeks to create the required conditions for the country to thrive in a digital intensive economy. The programme includes four strategic axes:

- i. Education and Technology
- ii. Broadband for everybody
- iii. Productive Digital Republic
- iv. Digital and Transparent Government

The programme foresees the implementation of a number of significant initiatives and projects that are advanced as recommendations in this review. Some of these initiatives include the further development of digital and mobile services, the expansion of PuntoGOB and the revision of open government data policies. The details of this programme were still being rolled out when this review went into production. Its implementation is still at an early stage not allowing for thorough assessment yet, for which reason it goes beyond the scope of this review.

## **Conclusions and recommendations**

The government of the Dominican Republic would benefit from leveraging digital technologies more effectively to support the achievement of its policy objectives and deliver more tailored and convenient services to its constituency. Using technologies strategically to improve public services and foster a more inclusive growth, the Dominican Republic should develop a coherent and co-ordinated approach to technology use, in line with the National Development Strategy. The following recommendations are made to support this effort.

***Strengthen governance and co-ordination frameworks to facilitate the implementation of digital government, ensuring coherence across government by:***

*In the medium term*

- **Clarifying the governance of digital government policies.** This should aim to clarify the roles and responsibilities in the area of digital government policy, in particular those emerging from the Presidential Decree 229-07 and Law 41-08 that recognise the competence of policy development for digital government of OPTIC and the Ministry of Public Administration. The Dominican Republic should determine one entity responsible for whole-of-government digital government policy development and oversight and co-ordination. This entity should be appropriately staffed and equipped, and benefit from the necessary political support.
- **Improving the co-ordinating unit's ability to enforce the regulatory framework of digital government.** This should be based on a previous assessment of the policy lever mix required to drive change, strengthening the governing body's ability to enforce the existing regulatory framework for digital government and ICT projects. The approach should be incremental, as it requires an adequate balance between coercive and soft levers. In the medium term, it



should at least include the mandatory review of ICT projects above a pre-determined budget threshold and the approval of large ICT projects. These levers would allow the governing body to verify the foundations and structure of the project, the respect of existing norms, and the use of the mandatory project management and business case methodologies.

*In the longer term*

- **Reinforcing the monitoring and evaluation of digital government policies through the collection of more granular data on ICT project management and implementation.** The enforcement of the use of a business case and ICT project management methodology would allow managers to continuously monitor the implementation of the project, identify risks, and adjust as required on the go. It would also allow the governing body to collect precious data on ICT project implementation and identify drivers of failure and success to produce knowledge and evidence-based decisions for future ICT investments to improve their performance.

*Ensuring that all key enablers for digital government and digital service delivery are in place, especially by:*

*In the short term*

- **Extending the use of the digital signature to enable the delivery of transactional services through digital channels.** This would require the adoption of digital signatures by public institutions and officials, and would entail that citizens and businesses be provided with tools that allow them to prove their identity and provide legal consent in their digital interactions with the public administration.

*In the medium term*

- **Ensuring that identification and authentication mechanisms are supported by mobile devices, both for SMS-enabled and mobile internet-based services.** This is a key component in enabling the mobile delivery of public services, which remains the largest untapped delivery channel for the Dominican Government.

*In the longer term*

- **Developing a common digital identity for service users that can be used across the administration.** This would enable easier and simpler interactions for service users when requesting a service or access to specific entitlements through digital means. It would also allow the Dominican government to better track use patterns, identify needs in advance, and propose more tailored services to its constituents. Such an approach, however, would require particular attention to the security and privacy of data, ensuring a multi-level governance of access to data and security linked to the digital identity, and careful sharing of this data throughout the administration.

*Improving access and promoting the participatory development of digital services to support more inclusive outcomes by:*

*In the short term*

- **Incorporating alternative service delivery channels to the multi-channel service delivery strategy.** Social media and mobile service delivery seem to be absent components of the multi-channel service delivery strategy that offer great potential in terms of outreach and convenience for service users. In this sense, the current strategy would benefit from being reviewed.
- **Developing a strategy to leverage digital technologies in ways that foster the co-design and co-delivery of public services.** This strategy should aim to integrate the user's view at all stages of service development (design, prototyping and testing, delivery and evaluation). Given the potential of open government data to facilitate a user-driven approach to public service development, this service delivery strategy should provide clear linkages with the central government's open government data strategy or policy, and seek to foster the re-use of government data by external and internal stakeholders.

*In the medium term*

- **Significantly extending the network of Punto GOB to alleviate service stress in an over-centralised service delivery in Santo Domingo, D.N., and improve access to public services in remote areas.** This effort would benefit from exploring ChileAtiende, which used service vans or trucks to improve access to services in remote areas.
- **Establishing an m-government strategy and programme that seeks to capitalise on the opportunities offered by high mobile uptake in the country for public service delivery.** This programme should develop both SMS-based and app-based informative and transactional services for the Dominican population. The programme should be framed by a clear vision and strategy for m-government development, and have a good understanding of user needs and expectations, high impact opportunities, and quick wins in this domain.
- **Developing training and capacity building exercises for digital service delivery aimed at public institutions.** These capacity building exercises should aim to create awareness across the public sector and build capabilities for user-centred and user-driven design techniques. Stakeholders should be engaged in the design, delivery and evaluation processes. It is particularly important that basic service providers are part of these training exercises as they seek to mature in their use of digital technologies.
- **Developing an open government data strategy or policy that seeks to promote the opening of government data and promote its re-use for economic and social value creation.** Such a strategy should include the necessary work of raising awareness across the public sector, nurturing the community of data producers and consumers (prosumers), and promoting the co-production of services through the re-use of government data.

*In the longer term*

- **Setting up a sound monitoring and evaluation system for service delivery through alternative channels such as social media and mobile devices.** Such a system would require the participation of all public institutions through the

structured monitoring of their social media accounts, mentions and presence, to collect information on service user satisfaction and embed this data into the continuous improvement of their public services. The structured monitoring of these channels allows the public sector to identify citizen priorities and concerns, and make decisions based on these priorities and concerns. It is also important for the m-government programme to be able to understand how citizens and businesses interact with their mobile devices in order to develop adapted services and oversee the performance of existing services.

- **Setting up a monitoring and evaluation system for open government data that allows the government to follow the opening and re-use of data.** Such a tool would enable the public sector to map the levels of activity of the open government data ecosystem, identify and understand its weaknesses, and take actions to promote data-driven public value creation.
- **Creating a whole-of-government approach to public service delivery, framed by a service delivery strategy.** Such a strategy should aim to build an inclusive and participatory approach, ensuring that it is in line with the government's open government policies.
- **Consolidating and streamlining feedback loops for public services and digital service delivery, avoiding the duplication of work and platforms.** This process should ensure that lessons coming out of the feedback mechanisms are learned and understood by the targeted public institutions.

*Strengthening data governance for public sector intelligence to support inclusive growth by:*

*In the short term*

- **Ensuring the interoperability of public sector information systems and data.** As the Dominican public sector grows in technical maturity in the use of technology and policy making, it increasingly needs to collaborate, work horizontally in policy making, and share and cross check or reference data to produce information and knowledge. It is critical that the Dominican government develops a strategy to enforce existing regulations on public sector interoperability, and raise awareness across institutions and levels of government.
- **Performing an assessment of the official statistics and data system of the Dominican Republic to ensure the sound foundations of the data-driven public sector.** This should include the identification of major gaps, and the clarification and strengthening of the governance of official statistics in consultation with the National Office of Statistics, the Ministry of the Economy, Planning and Development, the Central Bank and the Ministry of Finance to clarify their respective roles, and facilitate co-ordination, co-operation and the flow of data in the public sector.

*In the medium term*

- **Developing a strategy to develop a data-driven culture in the civil service.** Such a strategy should aim to develop the necessary data skills across the public sector to respond to the needs of an increasingly complex policy scenario. It

should also aim to put in place incentives for public officials to develop data skills and make data-driven decisions.

- **Clarifying the governance of data in the public sector.** Data governance for the public sector includes a variety of roles and responsibilities, including, but not limited to, the production of official statistics, data privacy and security, the management of information systems, the management of public sector data more broadly, and its inclusion in the policy cycle to ensure its impact. This process should identify a unit responsible for the coherent and responsible use of data as a strategic asset in the public sector that helps decision makers make evidence-based decisions and embed data throughout the policy cycle. The creation of a Chief Data Officer for the Dominican central government to fulfil this role should be considered. The revision of existing roles should be the basis for developing a policy to strengthen data capabilities in the public sector that maximise the impact of data in policy outcomes.
- **Setting up a data team in central government that is able to provide advice and deploy data analytics capabilities to support public institutions in their digital service delivery and policy-making efforts.** This team should be guided by a strategic approach that identifies high impact interventions that would earn it political support as it consolidates its position in the Dominican government. Such an initiative should be complemented by a process of creating awareness about the potential of big data analytics for public institutions.

*In the longer term*

- **Develop an overarching data policy for the Dominican public sector.** Once the governance of data has been clarified, the government of the Dominican Republic should work in consultation with all the relevant stakeholders to develop a policy for public sector data with the aim of building capabilities for evidence-based policy making across the public sector.

## Notes

- 1 It is effectively recognised as such by the National Development Strategy 2030, Specific Objective 3.3.5: “Achieve universal access and productive use of ICTs”.
- 2 Data from comScore, an advertisement and audience analytics firm, suggest that Latin Americans are the most enthusiastic users of social media, spending up to 29% of their online time using these tools.
- 3 Specific Goal 1.1.1: “Structure an efficient public administration that acts with honesty, transparency and accountability and that is performance oriented in benefit of society and the national and local developments.” (Translation by the author.)
- 4 <http://www.optic.gob.do/index.php/centro-de-atencion-ciudadana/estrategia-cac> (accessed on April 1st, 2016)
- 5 See here <https://www.chileatiende.gob.cl/contenidos/oficinamovil>

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## ***Chapter 5.***

### **Innovation in public services as a driver of inclusive growth in the Dominican Republic**

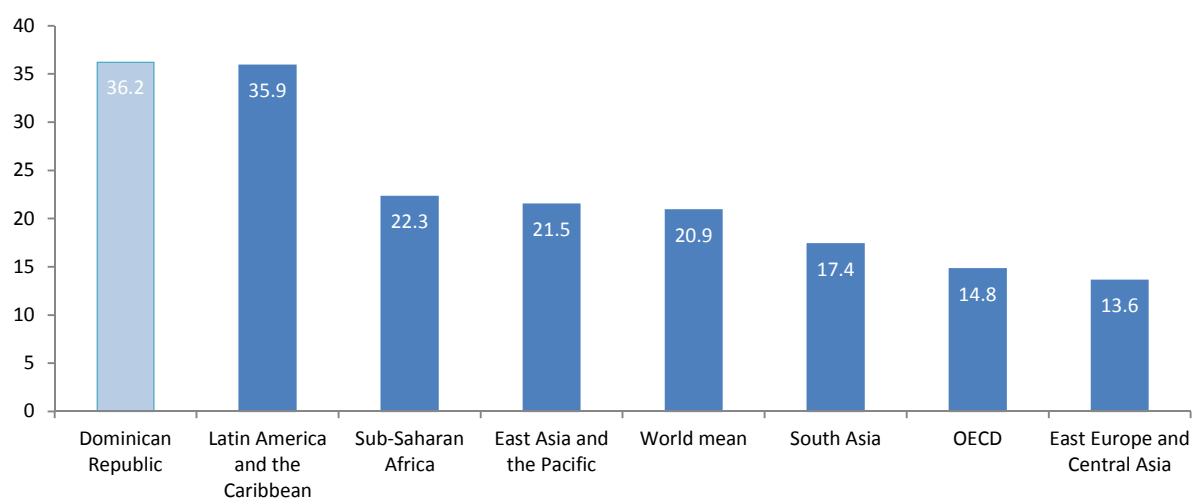
*This chapter analyses the context of public sector innovation in the Dominican Republic, following the OECD public sector innovation framework. It provides a general overview of the complex policy scenario the Dominican Republic must face in the coming years, and the importance of fostering innovation in its public sector to tackle these issues. The chapter considers the institutional context for public innovation, starting with the necessary technical and co-ordination role from the Ministry of Public Administration (MAP). It also addresses the tension between the need for stability and regulatory control of public sector activities, and the necessary room for civil servants to innovate and reduce red tape. Issues relating to the flow of data and knowledge across the public sector, and the strategic management of human resources as a key innovation-driving factor, are considered. Finally, the chapter provides a number of policy recommendations that aim to reinforce the environment of public sector innovation.*

## Introduction

Despite sustained economic growth in recent years, the Dominican Republic faces significant and increasingly complex development challenges, coupled with poor performance of basic public services (see Chapter 1). In the World Economic Forum's Global Competitiveness Index, the Dominican Republic ranks 119<sup>th</sup> out of 140 countries for primary education, and 126<sup>th</sup> for higher education. As in much of Latin America, inadequate education systems have translated into a serious skills gap (Figure 5.1), which could hurt long-term potential growth and hinder the country's ability to create a more inclusive society.

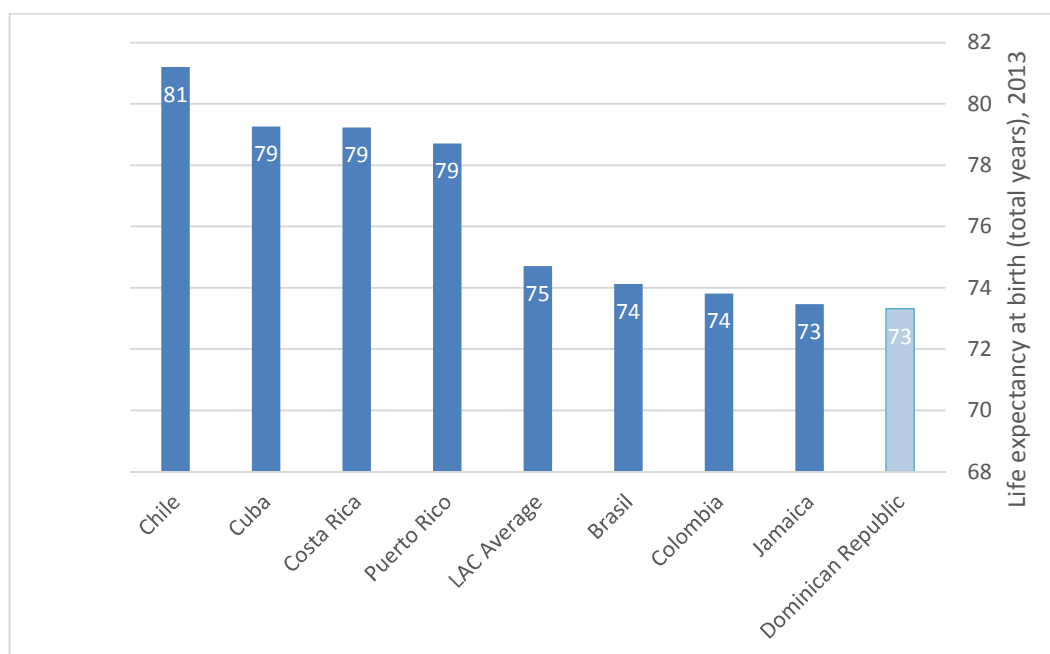
**Figure 5.1. Share of firms identifying an inadequately educated workforce as a major constraint to their operations**

(% of formal companies, circa 2010)



Source: OECD calculations based on World Bank Group (2010) Enterprise Surveys <http://www.enterprisesurveys.org>

The health system is also failing to deliver expected results: life expectancy is below the regional average (Figure 5.2), maternal mortality rate that is 40% above the regional average (MEPYD, 2014), and numerous hospitals remain ill-equipped. The levels of satisfaction with public health services remain generally low. According the Latinobarómetro (2015), 47.9% of Dominicans declare not being satisfied with public hospitals, whereas in OECD countries, 71% of citizens declare satisfaction with the healthcare system (OECD, 2015d).

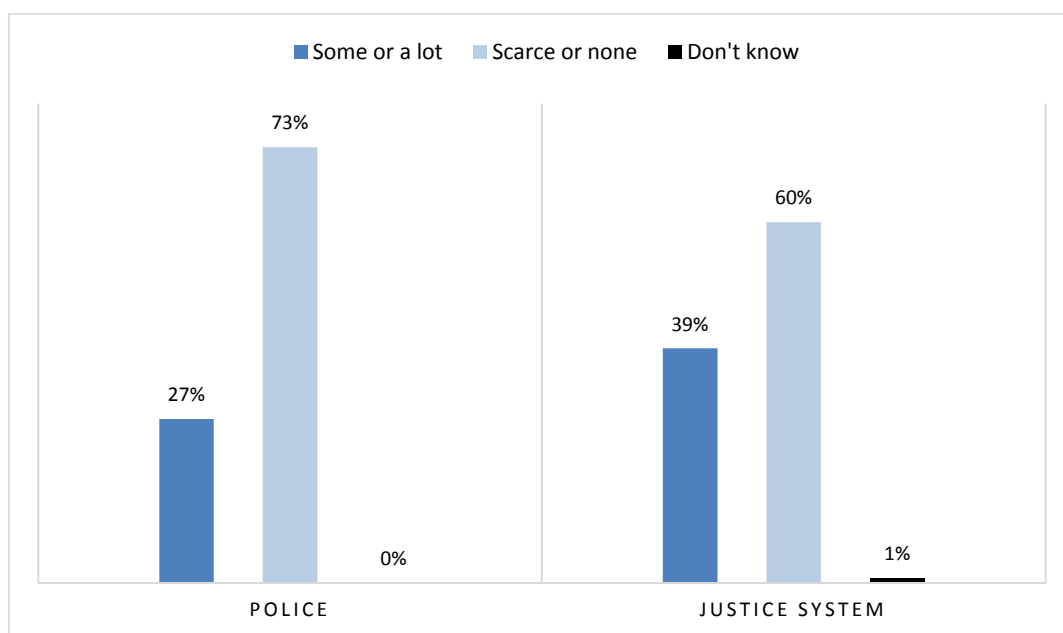
**Figure 5.2. Life expectancy at birth (total years), 2013**

Source: World Bank Group (2016), *World Development Indicators (database)* <http://data.worldbank.org/data-catalog/world-development-indicators>.

As an island, the Dominican Republic is particularly vulnerable to climate change. Data from the Center for Global Development, a Washington based think tank, ranks the Dominican Republic as the 55<sup>th</sup> most vulnerable country to climate change (Center for Global Development, 2010). Similarly, DARA (Development Assistant Research Associates), an international non-profit organisation, considered 34 indicators on climate change and carbon emissions and estimated the country's vulnerability levels as acute (DARA, 2012). Transformations linked to climate change are likely to affect the country's ecosystems and natural resources. It will be crucial to find a way towards a sustainable development path, with lower carbon emissions, improved waste and water management and reasonable use of resources and consumption patterns.

The accelerated pace of urbanisation (26.42% growth of urban population between 2000 and 2014), coupled with unbalanced income distribution, lack of infrastructure and limited planning and implementation capacities, is making service delivery more challenging. Feelings of physical insecurity and persistent crime levels are reinforced by meagre trust in the National Police and Justice system (Figure 5.3). The high perception of corruption is an additional risk menacing public institutions, which could lead to low levels of trust in government and its ability to address outstanding problems. The Dominican Republic ranks 103<sup>rd</sup> out of a total of 168 countries assessed through Transparency International's Corruption Perceptions Index (Transparency International, 2016).

Figure 5.3. Trust in selected public institutions



Source: Latinobarómetro (2015), *Latinobarómetro database*, [www.latinobarometro.org/latOnline.jsp](http://www.latinobarometro.org/latOnline.jsp), (accessed October 2016).

Research shows that unequal access to and poor quality of public services is correlated with low tax morale and compliance (Daude et al., 2012). Evidence suggests that in the case of the Dominican Republic, the perceived quality of public services and tax morale are particularly low (OECD, 2013). Persistent tax avoidance and evasion in a context of rising debt levels and budget rigidities limits already scarce resources to address these challenges.

Finding successful solutions for this demanding context will require the involvement of a wide range of stakeholders, and finding solutions that have political, technical, economic and social implications. This complex policy scenario calls for innovative actions and practices, including more collaborative approaches in tackling public issues and new ways of working in the public sector. This is what the OECD has called “the innovation imperative in the public sector” (OECD, 2015a).

Innovation in the public sector can bring about higher productivity and efficiency gains, facilitate public value creation and lead to smarter and more effective ways of tackling these complex societal problems. Public sector innovation can also have an impact on the quality of public services, and serve as a driver of economic growth and social inclusion. Innovative governments develop tools that allow them to streamline the innovation lifecycle across the public sector (Figure 5.4), including systematic and robust mechanisms for testing new policies, programmes and services, as well as mechanisms to scale up successful experiences to deliver broader impact (Breckon, 2015).

### Box 5.1. What is public sector innovation?

There is no established definition of innovation in the public sector. However, some common elements have emerged from national and international research projects. While there is still much research to be carried out in the field of public sector innovation, this area of work can learn from innovation in the private sector. The Oslo Manual (2005) defines innovation in firms as:

*The implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations.*

Two important characteristics of innovation are highlighted in this definition. First, an innovation must be implemented, meaning that it cannot just be a good idea, but rather must have been put in place operationally. Second, an innovation must be novel, either by being entirely new or a significant improvement. Novelty is subjective so that an innovation must be new for the organisation where it is implemented, but may already be in use elsewhere.

One of the key differences between the public and private sectors is that of objectives. Innovation offers companies a means to achieve competitive advantage in the market to support profit generation. In contrast, there is no single bottom line motivating public sector organisations to innovate. Objectives in the public sector are multiple and competing, and often require striking a balance between competing values. Altruistic motivation (e.g. to support one's community or the values of an organisation) is also an important driver of public sector innovation.

Nevertheless, impact should not be ignored when referring to innovation in the public sector. Innovation should not just be about implementing something new, but also about achieving results of value for society. As one simple definition of public sector innovation says: “public sector innovation is about new ideas that work at creating public value” (OECD/Eurostat, 2005, p. 4). Each public innovation is aimed at addressing a public policy challenge, and a successful public innovation is one that achieves the desired public outcome (a political judgement reflected in government decisions).

Building on these elements and evidence of innovations in the public sector, the OECD Observatory of Public Sector Innovation has identified the following characteristics of public sector innovation:

**Novelty:** innovations introduce new approaches, relative to the context where they are introduced.

**Implementation:** innovations must be implemented, not just an idea.

**Impact:** innovations aim to result in better public results including efficiency, effectiveness, and user or employee satisfaction.

These are seen to be the emerging principles of public sector innovation, based on the OECD Observatory of Public Sector Innovation's current knowledge. It is expected that they will evolve and develop as further work expands the breadth and depth of current understanding on public sector innovation.

Sources:

OECD/Eurostat (2005), *Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data, 3rd Edition*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264013100-en>.

Nesta (2007), *Ready or not? Taking innovation in the public sector seriously*, Nesta, London, [http://www.nesta.org.uk/sites/default/files/ready\\_or\\_not.pdf](http://www.nesta.org.uk/sites/default/files/ready_or_not.pdf).

Mainstreaming the use of innovative methods such as design thinking, prototyping and testing in the development of public services may lead to the development of more agile, user-friendly and effective services. These methods can also support an informed choice of delivery channels, which may, for instance, improve access to social benefits and entitlements. Better and more agile interactions with the public sector enhance the competitiveness of public institutions. Crowdsourcing and alternative sources of data can inform all stages of the policy cycle, improving public sector intelligence (see Chapter 4). Complemented with experimentation and testing techniques, such as pilots and randomised controlled trials, these methods support evidence-based policy making.

**Figure 5.4. The innovation lifecycle**



*Source:* Author's own work.

The literature points to four types of benefits that can be expected from public sector innovation (European Commission, 2013a):

1. Better achievement of policy outcomes.
2. Production of significantly enhanced services.
3. Higher public sector productivity and internal efficiency.
4. Strengthened democracy through greater accountability, citizen engagement and participation.

### **Box 5.2. Innovation for results: Experiences from OECD member countries**

#### **Improving policy making**

France and New Zealand are moving beyond traditional economic metrics in policy making and developing high-level indicators to evolve towards broader and more explicit perspectives of well-being. In both countries, high-level indicators for policy analysis are being clustered around three overarching themes: 1) economy/prosperity; 2) social progress/inclusiveness; and 3) environmental sustainability.

#### **Delivering better services: Improving health services in France**

The French Ministry for Health, with the support of the General Secretariat for Government Modernisation (SGMAP), launched a programme of performance projects in public health institutions to improve service quality and reduce the financial deficit in hospitals. The approach is based on participative management (lean management) in order to improve service quality, global efficiency and working conditions. Following positive results from a pilot project conducted in a training hospital, a specific agency, ANAP (National agency to support performance in hospitals), spread the methodology and supported hospitals in implementation the project. In each hospital, a savings plan reduces charges by 2% and the deficit by 20% each year, which means EUR 350 million on the 30 current projects. Earnings come from support functions and consumption of medical services. For each project, at least 70% of earnings are due to the reduction of charges.

The new organisation of the emergency room, which has taken a participative approach involving the medical and paramedical staff of the service and the diminution of non-value added tasks, has reduced the average waiting time by 28%. An optimisation of the operating room increased the occupancy rate by 20% by the end of January 2010, notably by closing four operating rooms. These closures were due to an optimisation of technical equipment and a better monitoring of activity. The project has also favoured a more comfortable atmosphere when dealing with patients or their relatives (reduction of the waiting time in the emergency room reduces the aggressiveness).

#### **Supporting more democratic governance and decision-making processes**

In Rome, Italy, a comprehensive consultation process was used to prioritise the dimensions of well-being that matter most to the citizens, through methods such as community surveys, a web tool, public meetings, and workshops. The region of Sardinia, Italy, made concrete improvements in public service delivery as a result of the effective engagement of public institutions, the private sector and civil society around clear and measurable well-being objectives. For example, the amount of urban waste landfilled was halved and the share of recycled urban waste raised from 27% to 48% over five years.

*Source:* OECD (2015b), *Policy Shaping and Policy Making: The Governance of Inclusive Growth*, background report for the Public Governance Ministerial Meeting of Helsinki, Finland, 28 October 2015, OECD, Paris, <https://www.oecd.org/governance/ministerial/the-governance-of-inclusive-growth.pdf>.

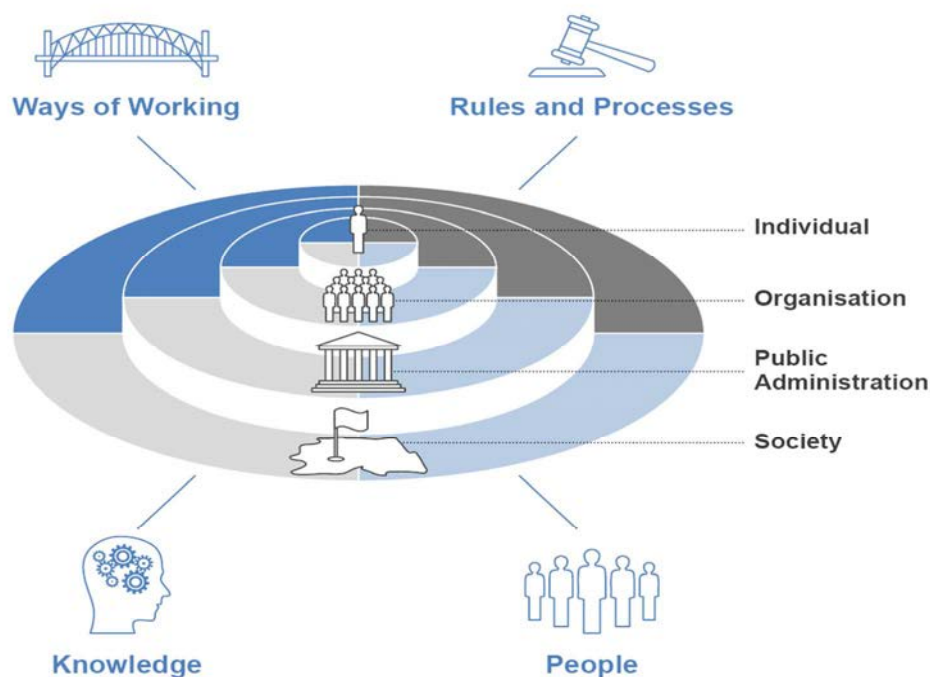
Despite these potential benefits, achieving a structured and strategic approach to public sector innovation for service improvement and inclusive growth may prove difficult. Contrary to private sector firms, public sector organisations do not have the same sort of incentives to innovate. The role of public sector organisations is not to compete for market shares in their respective service areas. They are often, with good reason, in a position of monopoly in the provision of specific services. Moreover, incentives are often aligned to preserve existing practices, and daily activities constrain the time available for thinking about new approaches. This means that the public sector needs to put a particular emphasis on establishing institutional arrangements and

incentive structures that allow it to adapt quickly to a changing society. In light of these realities, public institutions have created dedicated units or structures with the capabilities and space to allow innovation (Nesta, 2014). In Korea, for instance, the Seoul Innovation Bureau was created to engage citizens and non-profits in finding new solutions for public sector challenges.

However, these efforts are made more challenging by the unpredictable nature of innovation itself. Nothing can guarantee that a team will come up with a good idea or solution for a problem, or that the idea can be successfully implemented. Innovation comes with a certain degree of uncertainty, which is difficult to translate into measurable risks. It is nevertheless critical to understand that public sector innovation does not occur in a vacuum. It relies on several enabling factors, which are often closely interrelated.

Through the analysis of relevant literature, and over 300 practices available in the Observatory for Public Sector Innovation, the OECD has developed a framework for examining public sector innovation (OECD, 2015a). This framework identifies four levels where innovation takes place, and four organisational factors that operate in the public sector innovation process. Innovation may take place at an individual level, within an organisation, within the public sector more broadly, or within society as a whole. The factors that intervene in the innovation process include the management of human resources, the organisation of work, the flow of knowledge within and across organisations, and the rules and processes that govern operations and activities. These elements make up the public sector environment.

**Figure 5.5. The environment for public sector innovation**



Source: OECD (2015a), *The Innovation Imperative in the Public Sector: Setting an Agenda for Action*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264236561-en>.



This chapter will provide an in-depth look at the current state of the policy framework and environment of public sector innovation in the Dominican Republic. More specifically, it will look at key conditions that enable or undermine the Dominican public sector's ability to deliver innovative and inclusive public services. As the Dominican Republic seeks to deploy more targeted efforts to unleash the innovation capacity of its public sector organisations, it could look at applying this framework to the design of its intervention areas.

The first section of this chapter will look at the context of public sector innovation in the Dominican Republic. The following sections will assess the different components of the public sector innovation environment presented in the framework above (Figure 5.5). Section two will cover how the ways of working in Dominican public organisations support or hamper innovation, and section three will look into the existing rules and processes and their effect on public sector innovation. The last two sections will assess how the flow of data, information and knowledge, and the management of the public sector workforce can be enhanced to support innovation activity.

## Public sector innovation in the Dominican Republic

### *Institutional setting and co-ordination*

The Dominican National Development Strategy (*Estrategia Nacional de Desarrollo 2030*) states the country's long-term vision as it aspires to become:

*“a country [...] that ensures the social and democratic rule of law and promotes equity, equality of opportunities, social justice and manages and benefits from its resources to develop in an innovative, sustainable and territorially balanced way and competitively participates in the globalised economy.”<sup>2</sup>*

Strengthening innovation as a way of increasing economic competitiveness is very high on the government's agenda. The Ministry of Higher Education, Science and Technology chairs the Council for Innovation and Technological Development, and is the leading executive entity responsible for strengthening the institutional and financial framework of the national innovation and technological development system (MESCYT, 2008). The public sector plays an important role as catalyser and promoter of innovation in the economy, strengthening and bringing together actors from academia and the private sector.

Nevertheless, if it expects to keep up with a rapidly changing society, the Dominican public sector must not only work as a catalyser of innovation, but continuously modernise, reform and adapt; fine tuning its services and policies to their citizens' needs and preferences. The public sector must become an innovator. The realisation of the need to foster innovation in the public sector, and act as a key agent of change and innovation, led to the creation of the Vice Ministry of Innovation and Modernisation in 2012, within the Ministry of Public Administration (MAP). The mission of the vice ministry is to define and implement plans, actions and policies that promote public sector innovation and research on public administration issues to support public sector modernisation and efficiency. The vice ministry only gained some operational capacity in 2014; and as of 2015, its limited capacities included only two dedicated staff members working as policy

<sup>2</sup> Law No. 1-12 establishing the National Development Strategy 2030. Translation and italics by the author.

analysts, and no directors. So far, the lack of available human resources and visibility of its work have prevented the vice ministry from consolidating its role in this policy area. It has nevertheless launched some efforts to raise awareness among senior management in the Dominican public administration, including the co-ordination, editing and dissemination of a scientific journal on public administration, and the organisation of an International Seminar on Public Innovation in 2015.

The current challenge for the vice ministry is to develop a clear vision, strategy and policy to promote innovation in the public sector. Developing such a vision is of critical importance, as the vice ministry is expected to play a crucial role in supporting the work of public sector innovators in concrete and structured ways, facilitating access to tools and data, building capacities, connecting innovators, promoting peer-learning, monitoring innovation and disseminating and upscaling successful experiences.

Despite the absence of a consistent institutional and policy framework for public sector innovation, a number of innovation units and teams have started to emerge across the Dominican public sector. The Technical Direction of the Cabinet of Social Policy (*Dirección Técnica del Gabinete de Política Social*) recently established a Unit of Public Policy and Innovation (*Políticas públicas e Innovación*), which seeks innovative ways of addressing outstanding social policy issues, and to improve the impact and performance of social assistance programmes under its responsibility. The General Direction of Internal Revenue (*Dirección General de Impuestos Internos*) has set up DGII Lab with similar purposes, and the Paediatric Hospital Dr. Hugo Mendoza has created an Innovation Committee with the objective of looking for innovative ways of solving problems or improving service delivery across all areas.

These innovation units, as well as a number of innovative practices or initiatives, appear and develop in an uncoordinated manner, often operating with ad hoc and somewhat rudimentary tools, and often forced to reinvent ways of working with constrained human and financial resources. The development of a consistent policy and institutional framework, and an administrative culture focused on innovation in the public sector, should be an essential priority for the Dominican Republic. This is relevant not only to enable innovation in the overall economy, but also for the public sector to become an innovation agent itself, continuously working for greater effectiveness and agility.

### **Box 5.3. Building incentives for agility and collaboration in Alberta, Canada**

Changing mindsets and building a culture of innovation may be the most difficult task in a public sector innovation agenda. These efforts should ensure that existing incentives are aligned with public sector priorities and objectives. In Alberta, Canada, officials agreed that getting departments to work together had become one of the greatest challenges to public service, and achieving more collaborative work cultures depended on senior management behaviours and decisions. This led to the conclusion that the most effective incentive for increased horizontal collaboration was to explicitly link the performance pay of senior officials to horizontal policy initiatives. For deputy ministers and the heads of the departments, 20% of their remuneration package is based on performance, and 75% of this is based on their performance in horizontal issues. For assistant deputy ministers, 50% of their performance pay is based on horizontal initiatives. This has created a meaningful incentive to focus on the success of the government's horizontal initiatives, even if it requires re-allocating resources away from achieving the goals in the department's business plan.

*Source:* Määttä, S. (2011), "Mission possible: Agility and effectiveness in state governance", *Sitra Studies* No. 57, Finnish Innovation Fund, Helsinki.

### ***Factors that represent barriers to innovation***

To develop a consistent policy and institutional framework, and an administrative culture focused on innovation in the public sector, the Dominican Republic will have to overcome numerous challenges and barriers. Some of these are common to all governments pursuing innovation as a new public administration paradigm, and some are specific to the Dominican context.

Existing research in OECD and European countries has highlighted a number of common factors that constitute drivers and challenges to public sector innovation (OECD, 2015a; Rivera et al., 2012). These challenges include an unfavourable regulatory framework, poor co-ordination, lack of resources, inadequate leadership championing public sector innovation, limited skills and use of innovation processes and methods, lack of data, and weak knowledge and innovation networks (European Commission, 2013a).

As in many OECD countries, the existing skills gap and the absence of adequate incentives to reward, attract, develop or retain innovators, hinders the Dominican Republic government's capacity to tackle policy or service delivery issues in new and more effective ways. The Dominican bureaucracy is dominated by a traditional administrative culture characterised by strongly hierarchical relations, possessive information management, a certain degree of resistance to collaboration with external stakeholders, and a relatively inflexible human resource management, which limits the ability to combine or develop new skillsets and ways of working through the public sector.

In 2006, an Inter-American Development Bank (IADB) report characterised the Dominican bureaucracy as “clientelistic”, in which changes in political authorities caused an important impact on the organisations' workforce, with a large turnover of civil servants (IADB, 2006). However, the wave of reforms of public workforce management, particularly between 2008 and 2012, have progressively strengthened the career public service, providing protection to civil servants and creating incentives to professionalise (OECD, 2015c). Despite this progress, the country is still unable to strategically plan, manage and deploy human resources in a way that ensures efficient and highly performing public services (OECD, 2015c). The absence of a comprehensive performance management system with integrated organisational and individual assessment frameworks to underpin the public sector's innovation capacity is an additional challenge for the government's innovation agenda. Experience shows that the transition towards a merit-based bureaucracy is usually a lengthy and complex process.

The organisation of work in the Dominican public sector can also be a source of resistance. Institutional duplicities hinder the transparency and accountability of government action, thereby undermining incentives for innovation. Moreover, rules and processes are currently acting more to preserve the status quo rather than disrupt existing ways of working. As the Dominican bureaucracy matures, balancing the tension between the need to institutionalise procedures and ensuring the flexibility required to develop innovation culture will be crucial, often requiring the public administration to rethink the organisation and regulation of work.

The experience of OECD countries indicates that developing a dynamic and constructive ecosystem of actors can be conducive to greater innovation in government. Building an innovative ecosystem for inclusive growth requires civil servants to develop a culture of openness to and collaboration with external stakeholders, which is a current challenge in the Dominican Republic administration. To be able to innovate, the civil

service must be more attuned to service users' needs and preferences and develop a clear understanding of how the design of specific services may impact vulnerable populations or a company's business cycle. This is not achieved through one-time interactions, but through the development of a continuous relationship with service users and systematic feedback loops that can inform service providers and progressively build trust in public officials and institutions. This will demand that the training of civil servants puts special emphasis on the development of skills for engagement and interaction with internal and external stakeholders.

Innovations may considerably change how bureaucratic bodies operate, which may in turn generate internal resistance. Such changes require decisive political support to reduce internal barriers and set up the right level of incentives for all actors to participate. Evidence shows that political support is an important factor leading to successful innovations (Grady and Chi, 1994). However, the political cycle may raise a number of challenges for innovators in the public sector. The perception of narrow political space for failure may lead political leaders to develop excessively risk-averse behaviour, with an associated reluctance to change. Furthermore, political incentives may encourage leaders to favour initiatives based on short-term priorities or the novelty and visibility of certain initiatives, instead of their long-term impact (Dennis and Keon, 1994).

The development of public sector innovation in the Dominican Republic will require that MAP builds the capacity to be a catalyser of innovation practices, helping the public sector at large have a clearer view of current efforts, support innovation teams, and take decisions based on evidence and data.

### **Building innovative and inclusive ways of working in the Dominican Republic**

How work is organised can stimulate or hamper the flow of ideas and skills across the public sector, and the ability of government institutions to design and deliver innovative services that can promote growth and effectively tackle poverty. Since 2010, MAP has tried to put in place a number of tools and frameworks to foster excellence in public service delivery. These tools include the Citizen Charters (*Cartas Compromiso*) and the Common Assessment Framework (CAF), described in Chapter 2. Despite being mandatory, these tools show low uptake across the public sector, highlighting some of the challenges of the governance of service delivery.

Developing innovative and convenient services that help satisfy the needs of citizens and businesses usually stems from a deep understanding of the user's profile and their needs. While the traditional approach to the design of public services almost exclusively obeyed individual agencies' own internal priorities and bureaucratic objectives, the way public organisations think of public services in OECD trendsetter countries is shifting towards more user-centred and user-driven approaches. Such a shift demands greater openness in government and increased collaboration with external stakeholders.

### **Box 5.4. User-centred design for greater user satisfaction**

#### **Life events approach to service delivery**

The “life events” or “user’s journey” approach designs service delivery around the key life events of a user and provides a framework for the government to collect evidence that services are delivered in an effective and fair manner from the user’s point of view. First, the key life events of a typical user are selected (e.g. giving birth, graduating from university, or starting up a business). Second, a representative survey identifies how many users have recently experienced a particular life event and how many of them find administrative steps related to this life event complicated (fair, inclusive, etc.). Third, a focus group of users who recently experienced a particular life event goes through a “customer journey mapping” to identify the concrete bottlenecks in service delivery. This approach helps governments to focus resources on the most problematic areas of service delivery and improve transparency and accountability, especially when done repeatedly.

The life events methodology has the potential to improve service delivery for disadvantaged groups. In France, for example, this approach has been used to study administrative barriers to recent immigrants. Using the methodology, administrative procedures related to the life event “I am an immigrant (non-EU national)” have been found the most complex of all life events studied. Disabled groups have also been identified as constrained by bureaucracy. Results showed that administrative procedures related to the life event “I’m disabled/one of my close relatives is disabled” are extremely complex, which has helped the government to understand the administrative customer journey of these disadvantaged groups.

#### **Bansefi: Tailoring services to small farmers’ needs**

Bansefi, a Mexican public development bank, has developed an innovative practice to improve access to financial services, especially for poor populations living in rural areas. These services improve the resilience of poor populations by providing faster, more secure and cheaper access to social benefits and remittances. Through a branchless banking strategy, Bansefi enabled these target groups to gain access to banking accounts and smart debit cards, and launched a financial education programme.

As a result, 16 400 delivery points were created in remote areas, 98% of the beneficiaries reported their satisfaction with the new social benefits delivery system, and 97% considered the new system safer than the previous cash payments.

*Source:* OECD (2015b) *Policy Shaping and Policy Making: The Governance of Inclusive Growth*, background report for the Public Governance Ministerial Meeting of Helsinki, Finland, 28 October 2015, OECD, Paris, <https://www.oecd.org/governance/ministerial/the-governance-of-inclusive-growth.pdf>.

These forms of working are often new to public officials, and may prove challenging for the Dominican public sector due to the administrative and political culture. However, building a culture of openness in public institutions is critical to the development of inclusive and innovative government. An open government can trigger a constructive dialogue between society and government and foster public participation. Developing more participatory forms of governance and decision making in the Dominican Republic is a relevant step towards building more inclusive institutions and overcoming traditional power imbalances (Acemoglu and Robinson, 2013). It is also essential for government institutions to take more informed decisions and design and implement more effective interventions to reduce poverty, promote economic growth and deliver more tailored services that help meet the expectations of citizens and businesses.

### Box 5.5. Inclusive policy making for inclusive outcomes

#### Open policy development, Canada

The Department of Foreign Affairs, Trade and Development (DFAID) has been experimenting with an Open Policy Development Model since 2009, using social networking and technology to leverage ideas and expertise from both inside and outside of the department to gain insights and develop more informed policies in a faster and less expensive way. The policy staff of the department have progressively refined this framework through a number of iterations and tests, and are now able to provide advice on how to best leverage this tool to improve decision making.

Existing evaluations of costs and benefits at this stage indicate that open policy development helps in keeping the costs down, while engendering an ongoing policy conversation. For instance, in 2009 the department brought together all Heads of Mission through a virtual policy jam, teleconferencing and video-streaming, which contributed to the department's policy planning. The carbon footprint saved (flight only) is estimated at 180 metric tonnes (equivalent to 26 mid-sized cars).

This project had the participation and support of different public organisations of the government of Canada, and non-institutional actors such as experts on open innovation from the academia and research bodies, social media and public policy entrepreneurs, and civil society organisations.

#### Open policy making in the United Kingdom

The Cabinet Office's Policy Lab has joined the open policy-making movement. The Policy Lab has developed an Open Policy Making toolkit that helps civil servants get started on collaborative policy-making approaches, methods and techniques. The Policy Lab also maintains an Open Policy Making blog at GOV.UK. So far, 17 organisations of the United Kingdom have experiences with open policy making. According to the toolkit, open policy making seeks to facilitate collaboration between departments and engage with external experts in key policy areas.

#### Sources:

OECD Observatory of Public Sector Innovation <https://www.oecd.org/governance/observatory-public-sector-innovation/>.

Cabinet Office (2016a), *Open Policy Making toolkit*, Cabinet Office, London, <https://www.gov.uk/guidance/open-policy-making-toolkit/getting-started-with-open-policy-making>.

To move towards an open government, the civil service will not only require incentives (see section on building an innovative workforce below) or innovation space (see section on rules and processes), but the tools and institutional frameworks that enable it to efficiently and effectively collect input from service users in a systematic way, and turn it into concrete actions. While the existing 311 line, a reporting and feedback mechanism, does have a defined follow up process for specific cases or reports, it is not clearly established how the feedback collected through this channel should be processed or incorporated into the process of continuous service improvement. The Observatory of Public Services (*Observatorio de Servicios Públicos*), described in Chapter 2, tries to create incentives for service improvement through its reporting mechanism, by regularly providing a report summarising the feedback received through the platform. Most importantly, there are no explicit mechanisms or guidelines on how to capture and incorporate the user's view when designing a new service.

The Dominican civil service could benefit from a number of tools that would enable it to break down silos and work collaboratively. This would help it to develop and scale the use of methods to better organise the flow of work and information in the service design, assessment and improvement process through greater engagement and participation of service users, while containing the risks of innovation. Some of these tools include design thinking, co-production and service prototyping.

As governments try to better tailor their interventions to users, they have adopted methods and tools that provide them with better and more precise insights into user perspectives and behaviours. Urban planners and service providers have increasingly made use of design thinking to develop innovative ways of tackling complex problems. Design thinking is a user-centred approach, characterised by its iterative process and progressive refinement, progressively customising services to user needs and context-specific realities.

Incorporating design thinking into the public sector will challenge the public sector's traditional ways of working on several fronts. As the report *Design Thinking for Public Service Excellence* highlights (UNDP, 2014), using design thinking in the public sector demands that it develops and makes use of skillsets that are not usually part of traditional bureaucratic bodies, but that can add great value to how public organisations think about public policies and services. This includes incorporating methods of disciplines such as ethnography, behavioural sciences, communication, architecture and design. Design thinking methods may also lead to challenging the existing organisation of work, contesting silo approaches, bureaucratic hierarchies and categories in public organisations in favour of more functional and effective organisations of work.

Such approaches may also lead to greater co-production of services. “Co-production can help make better use of resources and contain service costs” (OECD, 2011). The OECD defines co-production as a way of planning, designing, delivering and evaluating public services, which draws on direct input from citizens, service users and civil society organisations. For instance, healthcare services are increasingly turning to preventive interventions, such as stimulating healthy lifestyles through eating better or exercising. These services require a direct input and activity by citizens to deliver the expected outcomes. This kind of service is considered to be co-produced. By tapping into individual resources and capabilities, these arrangements, if appropriately designed and adequate accountability mechanisms are put in place, may lead to cost reductions.

### **Box 5.6. Service co-production for better outcomes**

#### **Co-producing better urban services in São Paulo, Brazil**

The municipality of São Bernardo do Campo in the state of São Paulo developed a participatory management system that led to the improvement of 114 local services. *Você SBC* (You SBC) is a system of integrated management, developed with open source software. The system allows citizens and public sector employees to report problems encountered with public services and engage in collaborative problem resolution. Users can register to groups for resolution of specific issues, track historical actions, control the current status of the service problem, add notes, and visualise the location of the problem using geo-referencing data. This innovation won the Governarte 2015 Eduardo Campos Award for public innovations at the sub-national level.



### Box 5.6. Service co-production for better outcomes *(continued)*

#### Co-producing better elder care in Denmark

In Denmark, the municipality of Federica has become a pioneer in new approaches for elder care, which has been progressively scaled to other municipalities. Based on the “everyday rehabilitation” approach, the municipality sought to promote greater autonomy of ageing individuals. Instead of providing in-home cleaning, cooking and personal care, the process for service delivery shifted to developing plans to strengthen the elder people’s self-sufficiency. This included investing in specific health services, such as fitness training, physiotherapy and other social services that helped them develop personal capacities. As a result, 50% of senior citizens live without in-home services, and 35% required less in-home services. Existing evaluations suggest that this approach produced savings of 15% on average for local authorities, earning the municipality of Federica the European Public Sector Award in 2011.

Source:

IDB (2015), *News release: Municipalities of Brazil, Ecuador, Guatemala and Venezuela win the 2015 Gobernarte Award*, <http://www.iadb.org/en/news/news-releases/2015-12-18/announcement-of-gobernarte-winners.11377.html>. (accessed October 2016).

Nexos (2016). Retrieved from <https://www.nexso.org/en-us/SolProfile/sl/8ad211ac-4ebe-4c4c-90b9-7ca9feeb76d8>.

European Commission (2013a), *European Public Sector Innovation Scoreboard 2013: A pilot exercise*, DG Enterprise, Brussels.

Another essential tool for public service providers is the prototyping of services. Prototyping allows public organisations to develop and test ideas at an early stage, before committing important resources to large-scale implementation (Nesta, 2011). Such an approach involves more practical activities in the service development process than traditional approaches. It usually involves engaging with service users to test and compare different ideas. Results from prototyping exercises can help public organisations better manage the risks associated with innovation and change, learn quickly and adapt early.

### Box 5.7. Prototyping community-led services

To develop a Community Coaching service for vulnerable populations, Barnet Council (London, United Kingdom) used prototyping to adequately prioritise alternatives and determine the specifics of the service. To achieve this, the council worked in collaboration with a social design agency to undertake a whole-service prototype, hiring a team of volunteers that would deliver life coaching to members of the target group. Different referral pathways were tested over a six-week period. Different tools and techniques for setting up coaching sessions were also tested, helping to fine-tune the service design.

Source: Nesta (2011), *Prototyping public services: An introduction to using prototyping in the development of public services*, Nesta, London, [https://www.nesta.org.uk/sites/default/files/prototyping\\_public\\_services.pdf](https://www.nesta.org.uk/sites/default/files/prototyping_public_services.pdf).

Design thinking and prototyping are just two examples of the types of tools that may encourage civil servants to experiment and innovate in a controlled environment, avoiding unnecessary waste of scarce resources. The government of Australia has developed a Public Sector Innovation Toolkit to help embed these and other public sector



innovation tools. The toolkit helps civil servants develop innovation capacity and understand some of the tools and methods available to assist the innovation process. Together with an overarching and consistent policy and institutional framework for innovation, such a tool could help the Dominican civil service build capacities for innovation across the public sector.

### **Box 5.8. Australia's public sector innovation toolkit**

The Australian Department of Industry, Innovation and Science leads the work of the government of Australia in fostering innovation in the Australian Public Service (APS), launching in 2011 the APS Innovation Action Plan. As part of its efforts to promote and facilitate innovation, the Department of Industry developed a public sector innovation toolkit that provides background information on the innovation process and news on public sector innovation in Australia; and information about tools and approaches that can support innovation, collect input, facilitate discussions among civil servants, and showcase good practices.

The toolkit includes:

- An introduction to public sector innovation, its relevance, its process and the Australian public innovation environment and context. It also provides a glossary with common terms and additional resources to learn more about the subject.
- A diagnostic tool to help assess the innovation environment of a specific organisation.
- A section to support the development of an idea, helping assess it and providing guidance in structuring a business case to decide on its implementation.
- Guidance on the value and use of specific tools and approaches that can facilitate innovation and embed it in public sector operations.
- A description of the most common challenges and barriers to innovations found in the Australian public sector, and ideas on how to address them.
- Information about the public sector innovation network and how to join.
- A blog dedicated to public sector innovation.
- Calendar of upcoming events.

*Sources:*

Government of Australia (2011), APS Innovation Action Plan, [http://www.industry.gov.au/innovation/publicsectorinnovation/Documents/APS\\_Innovation\\_Action\\_Plan.pdf](http://www.industry.gov.au/innovation/publicsectorinnovation/Documents/APS_Innovation_Action_Plan.pdf).

Government of Australia (2016), Public Sector Innovation Toolkit, <http://innovation.govspace.gov.au/> (accessed October 2016).

### ***Embedding innovation across the public sector: Innovation units, teams and labs***

The innovation imperative has seen the proliferation of different forms of innovation units, teams and organisation across OECD countries, emerging as the institutional expression of the will and need to embed innovation into the public sector's machinery and ways of working. Generally, these units bring together a diversity of skillsets and approaches from a wide variety of disciplines, ranging from public policy to anthropology and design. The objective of these units or teams is to find solutions for problems that resist traditional public sector approaches by gaining a deeper level understanding of the

issue and previous failures in tackling it to then advance a better tailored alternative (OECD, 2016a). Moreover, these teams or units are also expected to promote an innovation culture in their respective areas of work and spread the use of new methods, processes and approaches to rethink how public organisations operate.

In reality, innovation units or teams present differences in nature, governance, ways of working, and scope of responsibilities. The type of missions formally assigned to these units may include the support and co-ordination of public sector innovation efforts, experimentation, delivery support, investment in public sector innovation (e.g. innovation funds), and they may provide a professional and knowledge network for public sector innovators.

A number of innovation units and teams have started to emerge in the Dominican Republic with the mission of seeking new and more effective solutions to outstanding problems or improving public services. At the moment, however, they operate as uncoordinated initiatives, instead of deliberate and strategic efforts driving the creation of an innovative public sector that delivers impact in a cost-effective way. Greater co-ordination would allow these units to share resources and experiences, determine priorities, and develop more structured and methodical approaches to drive innovation, which would improve the odds of success and facilitate the diffusion and upscaling of good practices. Some examples of this central co-ordination role to help mainstream innovation in public sector operations include Australia's Innovation and Policy Co-ordination team, Canada's Central Innovation Hub, France's Inter-ministerial Directorate for the Support of Public Transformations, and the United Kingdom's Government Innovation Group (Box 5.9).

The Dominican Vice Ministry of Innovation and Modernisation is expected to play a leading role in driving innovation in the public sector to support service improvement and the more efficient and effective use of public resources. However, as mentioned earlier, its limited capacities and reduced visibility have prevented it from consolidating its role in this area. This leaves a major gap in the public sector innovation ecosystem. The vice ministry's mandate places it as the key player in promoting the use of innovative tools and methods in the public sector, sharing knowledge and facilitating the existence of innovator networks. It should be able to play the key role of providing timely and affordable assistance to public agencies that try to innovate, developing a public sector innovation toolkit and leading cross-cutting initiatives. Furthermore, having a public sector innovation fund could facilitate fast access to small scale funding to experiment with risky solutions.

Building on MAP's role of regulating the public sector's structure, the vice ministry could play a vital role in improving top management's understanding of the role of these units. As public sector innovation is promoted, one of the key challenges will be to sensitise senior management to the type of work that can be expected from such units, as their organisation, timelines and tools do not necessarily match traditional public organisation units. Drawing on the responsibilities detailed in Law 41-08 of Public Administration and Decree 527-09, which charge MAP with the design and approval of the public sector's organisational structures, MAP could develop a classification and typology of innovation units, as it has done for other areas of activities (e.g. human resources, information and communication technology [ICT]). To do this, MAP would need to identify required core skillsets and organisational structures of innovation units or labs, based on the needs and objectives of their responsible organisation. However, as indicated in the 2015 OECD Review on Human Resources Management in the

Dominican public sector, these organisational structures should not be laid out in regulatory frameworks that make organisational design unnecessarily rigid and averse to experimentation. Instead, these typologies and the classification of public sector innovation units and teams should serve as guidelines and orientations to support decision making. In this way, they would help senior management better design and supervise the work of these innovation units, based on realistic expectations and institution priorities.

A sound policy framework for the Dominican government's innovation efforts would require a robust monitoring system and the production of quality data, providing greater incentives for innovation. This is likely to be an area where most work would be required. Even broader innovation data is currently scarce in the country, and not necessarily reliable. For instance, the Ministry of Higher Education, Science and Technology acknowledges in its strategic plan that while existing research and development (R&D) spending is low, existing data is not as accurate as it should be, making policy making more challenging (MESCYT, 2008).

As in most governments around the world, the Dominican public administration does not currently systematically collect data on public service innovation. A structured business case methodology and project management, coupled with an effective monitoring system for benefit realisation, may provide the Dominican administration with the ability to collect and analyse valuable data, which would help to identify key drivers of failure and success. Robust testing and project management, with a clear roadmap and monitoring of the formulation, testing and implementation process for innovation initiatives, may help project managers to quickly adjust, which would avoid unnecessary costs and inefficient spending. In addition, a strong business case methodology can help use objective criteria to structure projects and determine the expected benefits and impact of projects beyond their novelty and political visibility. If linked to a performance management system designed to encourage innovation, this kind of methodology can promote sound decision making in the innovation process, helping the administration move towards more rational investments in public sector innovation.

### **Box 5.9. Co-ordinating and supporting public sector innovation**

#### **Public Sector Innovation team, Australia**

Located in the Australian Department of Industry, the Public Sector Innovation team provides advice and guidance to government agencies on the development of their innovation capabilities, helping them better understand the innovation process. The team also highlights existing good practices to improve the diffusion and scaling of successful approaches, and promotes the sharing of experiences. It organises an annual Innovation Month series of events and activities to help raise awareness, foster engagement and develop skills. The team also developed the Public Sector Innovation Toolkit, which helps government agencies use innovative methods, structure innovation teams and learn from existing practices.

#### **Central Innovation Hub, Canada**

Canada's Central Innovation Hub works as a resource and support unit advising departments and agencies on how to adopt new approaches in tackling complex policy problems. The hub provides expertise on a number of domains and tools, including behavioural economics, data analytics, design, and social innovation. The Central Innovation Hub has three main functions: providing guidance, connecting public sector innovators facing similar challenges or trying to develop comparable solutions, and working together with agencies in the development of innovative solutions.

### **Box 5.9. Co-ordinating and supporting public sector innovation (continued)**

#### **Inter-ministerial Direction for the Support of Public Transformations, France**

Located at the General Secretariat for Government Modernisation (SGMAP), part of the Prime Minister's Service, this Direction manages, co-ordinates and monitors modernisation efforts to improve public services and policies. It consists of two departments: the Innovation and User Services Department and the Public Policy Evaluation and Support for Government Department. The Innovation and User Services Department leads strategic efforts in public service modernisation based on identified user needs and existing good practices in France and around the world, and is responsible for streamlining new processes, tools and techniques for delivering high-quality public services.

#### **Government Innovation Group, United Kingdom**

The Government Innovation Group, located in the Cabinet Office, is dedicated to supporting social innovation within and outside of the public sector by mobilising stakeholders, resources, innovative tools and data. Its responsibilities include the Policy Lab, the Analysis and Insights unit, open policy making, support to civil society's efforts to achieve social innovations, and overseeing the Cabinet Office's interest in the Behavioural Insights Team.

*Source:* OECD Observatory on Public Sector innovation.

In addition to these co-ordinating units or teams, public sector innovation efforts dedicated to experimentation, testing and innovation delivery have also appeared. For example, public sector innovation labs have become increasingly popular. While labs may significantly differ in terms of size, scope of work and methods, they are usually charged with experimenting and testing different approaches to solve particularly challenging policy or service delivery challenges. However, the impact of their work is hard to assess, and transformative ideas may take many years to spread and create plausible change (Nesta, 2014). In consequence, setting up an innovation lab should not be based simply on trends, but on clear priorities and a solid business case with a good understanding of expected results, as well as sound accountability mechanisms that are tailored to the specificities the structure, and a clear view of the benefit realisation process.

Nesta has developed a generic practice guide to help public sector organisations determine whether or not they need an innovation unit or lab, and helping them structure these efforts with useful information about the design of existing units and labs and their ways of working (Nesta, 2014). Having a similar tool, tailored to the Dominican context, would be useful for organisations trying to promote innovation in their areas of work, and would help innovators develop a more strategic and methodical approach to organising the work of their units and labs.

### **Box 5.10. Innovation labs in Denmark, Peru and Chile**

#### **Laboratorio de Gobierno, Chile**

Chile's *Laboratorio de Gobierno* seeks to support innovation processes to create people-centred public policies and services. Greater engagement with service users helps to build trust and significantly changes government-society dynamics. Its activities include the intervention of highly demanded public services, building innovation capabilities of civil servants, innovation challenges, and prizes and grants.

### **Box 5.10. Innovation labs in Denmark, Peru and Chile** *(continued)*

#### **Minedu Lab, Peru**

The Ministry of Education in Peru has emphasised the need to innovate in the field of education policy. With the support of Innovations for Poverty Action and J-PAL Latin America and Caribbean (non-profit organisations dedicated to poverty eradication), as well as strong collaboration with academia, the lab has developed a new and experimental approach to policy making that looks to identify cost-effective innovations in education policy, develop pilots and progressively scale up successful initiatives. The lab is currently testing initiatives to lower dropout rates, providing parents with comparative school performance data and information and using targeted messages to motivate teachers.

#### **MindLab, Denmark**

MindLab is a cross-governmental innovation unit formed by the Ministry of Business and Growth, the Ministry of Education, the Ministry of Employment and the Odense municipality. MindLab proposes new policy solutions and service arrangements through the use of human-centred design.

#### *Sources:*

OECD (2016), *Innovation in the Public Sector: Making it Happen*. OECD Observatory Of Public Sector Innovation (OPSI). Meeting of the Group of the National Contact Points, 3-4 May 2016. Forthcoming

Garnelo, M. (2016), *Peru education policy innovation lab wins award*, Blog post, <http://www.poverty-action.org/blog/peru-education-policy-innovation-lab-wins-award>; <http://mind-lab.dk/en/om-mindlab/>.

The existing innovation delivery units in the Dominican Republic face the challenge of limited resources and internal capacity to conduct effective interventions. For instance, the Public Policy and Innovation Unit of the Cabinet of Social Policy has only two dedicated staff members, who have progressively developed ad hoc tools and methodologies to strengthen the unit's innovation capacity. This unit, as with other existing experiences in the Dominican public sector, would benefit from greater support from the central co-ordinating unit, the Vice Ministry of Innovation and Modernisation, to gain access to important tools and data, as well as innovation networks for peer-learning, both national and international, and the political support necessary to break down silos in the development of new and impactful solutions.

### **Box 5.11. Public Policy and Innovation Unit**

The Public Policy and Innovation Unit was established to promote innovative practices with social impact. Its first efforts were concentrated on the development of a social innovation bank to serve as a repository of innovative practices, mainly in the private and third sectors, with positive social consequences, such as greater social cohesion and economic productivity in vulnerable communities. The objective of this bank was to map international practices that could potentially be replicated in the Dominican Republic. The Technical Direction of the Cabinet provided support for the replication of a number of practices.

The unit is increasingly looking internally to identify successful interventions that could have an impact on the Social Policy Cabinet's effectiveness as policy co-ordinator and service provider. Current efforts include the review of the existing institutional architecture of the Dominican social policy sector in collaboration with international co-operation agencies to better align social interventions.

### Box 5.11. Public Policy and Innovation Unit (Continued)

The unit is also currently looking at how to improve the impact of “Eating comes First” (*Comer es Primero*), a conditioned cash transfer initiative that seeks to promote food security, mitigate malnutrition and fight hunger among the most vulnerable populations of the country. The programme represents nearly a third of the expenses of “Progressing with Solidarity” (*Progresando con Solidaridad*), the overarching programme managing all conditioned cash transfers. The unit is looking into ways of making the programme more efficient. One of the options being considered is the organisation of beneficiaries in ways that allow them to share food purchases. The economies of scale associated with shared purchases could significantly increase value for money, ultimately leading to better or similar results with fewer resources.

Source: OECD analysis.

## Unleashing innovation through supportive, not restrictive, rules and processes

The literature on public sector innovation has consistently pointed to rules and processes as potential barriers to public sector innovation (European Commission, 2013a; OECD, 2015). Poor regulatory policy can have a significant impact on service quality for private firms and businesses, as well as for citizens. It can also hamper innovative service delivery through excessive requirements or rigid mechanisms that reduce experimentation space. In the case of the most vulnerable segments of the populations, the effects of poor regulations or ill-conceived procedures can be particularly tragic (Box 5.12).

### Box 5.12. *Puntos solidarios*: Review procedures to deliver the expected impact

The Cabinet of Social Policy has developed *Punto Solidario*, a one-stop-shop for beneficiaries of the social assistance programme grouped under *Progresando con Solidaridad*. While the technological platform to effectively provide integrated services is available, bureaucratic procedures significantly slow down the provision of much needed services for families that may be in urgent need of social support.

Each household is only allowed to enlist one beneficiary, usually the head of the household. In today’s dynamic family structures, changing the name of the household’s beneficiary may prove to be a heavy ordeal. Completing the procedure may take several months, and often over a year. If the head of the household dies, which in itself increases the vulnerability of the affected household, losing access to the social benefits the family is entitled to can be a particularly painful and draining experience.

Today, the number of pending requests of this type exceeds 150 000. The reasons for such delays are not technical. The Single System of Beneficiaries (*Sistema Único de Beneficiarios – SIUBEN*) must visit the household to confirm in person the reality of the situation declared before procedures or changes are validated, even if supporting official documents are presented (i.e. death certificate). The lack of sufficient resources to keep up with the requests is evident. This makes service delivery inefficient and the results for some of the most vulnerable segments of the population extremely costly.

Source: OECD analysis based on interviews with Dominican public officials.

As discussed in Chapter 3, unnecessary or obsolete regulations can constrain the civil servant’s ability to ensure quality and timeliness in service delivery. Excessively regulated service areas, such as medicine or education, could prevent service providers



from designing and delivering more tailored services in areas linked to society's general well-being, which are considered elements of an inclusive society.

Available data show that civil servants often think that existing regulations frequently diminish the public sector's innovation capacity (European Commission, 2010). In an effort to improve services and reinforce the competitiveness of public institutions, a considerable number of countries have established administrative simplification programmes, both in terms of service delivery and regulations of the work processes of the bureaucracy. The Dominican Republic's MAP has a Direction of Administrative Simplification. However, it does not function as a cross-cutting programme for the government as a whole (see Chapter 3).

Nevertheless, as de Jong (2016) highlights, the prevalent perception of rules and processes as barriers to innovation should be balanced with the role of administrative regulation as a way of preserving the continuity of the bureaucracy and ensuring adequate controls and accountability. In this work, de Jong suggests that civil servants' perception of excessive bureaucratic regulation may, at times, not be accurate. While quality data on the dynamics of regulation and the innovation process is scarce, using Australian data the author suggests that this perception may be mainly driven by approval times for implementing specific innovations. This type of control, however, is also linked to hierarchical control and accountability mechanisms that are necessary to bureaucratic stability. In this sense, the recommended OECD approach for regulatory frameworks is not about more or less regulation, but about smarter, evidence-based regulation.

MAP will have to face a number of challenges in its efforts to improve the quality of its regulatory frameworks to support greater innovativeness in service delivery and more inclusive growth. The lack of a clear visibility of the stock of regulations not only undermines the civil service's ability to comply, but it also diminishes the ministry's capacity to assess and rationalise rules and regulations of administrative operations. Moreover, the lack of quantitative monitoring of regulatory frameworks hinders the ministry's ability to understand the complex dynamics associated with the innovation cycle and the regulatory frameworks to take evidence-based decisions.

#### **Box 5.13. Regulatory frameworks for better services and more inclusive growth**

##### **Colima Model: Comprehensive service innovation to benefit citizens and businesses**

The State of Colima, Mexico, conceived the "Colima Model" as a comprehensive public service improvement programme. The programme includes measures such as process re-engineering, the use of electronic records, administrative simplification, regulatory improvement and red tape reduction (estimated regulatory burden reduction of 75%), and end-to-end digital services with digital signature. The programme improved a total of 91 public services, of which 62 were citizen services and 29 business services. Out of these, 42 concerned in person services and 49 online services. The programme included a Quality and Continuous Improvement System in agreement with the Norm ISO 9001:2008. Some of the achievements of this programme include online student registration and transcript delivery for public schools, full digitalisation of the Civil Registry services (digitally request and access birth, marriage and divorce certificates), online registration of companies and electronic medical records.

##### **Dominican Republic: Towards more inclusive and sustainable public procurement**

Law 488-08 on Public Procurement determined that 15% of all public procurement should benefit small and medium-sized enterprises (SMEs), reaching 20% for women owned SMEs as a policy to promote women economic empowerment. However, in 2012, four years after the adoption of the law, only 1 505 women-owned SMEs were registered as public sector providers.

**Box 5.13. Regulatory frameworks for better services and more inclusive growth***(continued)*

From 2012, the new government has put a special focus on public procurement as a driver of economic empowerment for women, and promoted sustainable business models by including environmental responsibility criteria in public procurement processes. Through active engagement with women associations, information campaigns and the provision of support and advice, the General Direction of Public Procurement has seen the number of women-owned SMEs registered to serve as public sector providers reach 11 875 in 2015 (representing 22% of all registered providers), and they have won 26% of the financial resources allocated through public procurement.

The General Direction of Public Procurement has also improved controls through randomised controls and the institution of Citizen Oversight Committees for public procurement in key institutions, making public procurement more transparent and ensuring the achievement of expected results. These practices earned the General Direction of Public Procurement of the Dominican Republic the NovaGob Excellency Award 2015 in Spain, in the Category Best Proactive Citizen Service, and support from FOMIN, of the Inter-American Development Bank.

Sources: IDB (2016), Gobernarte: Smart Government Award, <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=38277490>.

Presidencia de la Republica Dominicana (2015), “Contrataciones Públicas RD gana premio en España por mejor servicio a ciudadanos”. Retrieved from <https://presidencia.gob.do/noticias/contrataciones-publicas-rd-gana-premio-en-espana-por-mejor-servicio-a-ciudadanos>.

Novagob (2015). “Las compras públicas como herramienta de desarrollo para las mujeres micro, pequeñas y medianas empresarias”, [www.novagob.org/discussion/view/148191/las-compras-publicas-como-herramienta-de-desarrollo-para-las-mujeres-micro-pequenas-y-medianas-empresarias](http://www.novagob.org/discussion/view/148191/las-compras-publicas-como-herramienta-de-desarrollo-para-las-mujeres-micro-pequenas-y-medianas-empresarias).

De Jong (2016) warns about the limits of civil service perception, which may lead to challenging functional rules. Civil servants may judge hierarchical controls frustrating, even though they may be serving a useful role. In this sense, the strengthening of the administrative simplification programme and regulatory policy authorities will benefit from close collaboration and learning from innovation delivery units. If the public administration is to become more innovative to improve government performance, promote growth and social inclusion, its regulatory framework must itself be innovative and support experimentation.

By incorporating monitoring mechanisms, producing data, and using observation methods (i.e. ethnography, focus groups) and behavioural insights through a problem-driven approach, red tape reduction programmes may lead to more robust regulatory approaches that can objectively unleash the power of innovation for better services and more inclusive growth. This would allow MAP to reduce the stock of regulations based on evidence and good governance principles, rather than because of the perception that less regulation is necessarily better.



### Box 5.14. Using behavioural insights for better regulations

#### Behavioural Insights Team

The Behavioural Insights Team (BIT) is a company owned by the government of the United Kingdom, Nesta (a non-profit organisation dedicated to innovation) and its employees. It was created with the objective of redesigning government services, policies and activities to include insights from behavioural sciences. Its overarching objectives are:

- Making public services more cost-effective and user-friendly.
- Improving outcomes of government interventions.
- Helping citizens make better decisions for themselves.

#### *Using behavioural insights to increase organ donations*

The United Kingdom, as many other countries, has been facing a paradox in terms of organ donations. While 9 in 10 people are supportive of organ donations, only 1 in 3 sign up for organ donation programmes. Working with the Government Digital Service, which manages the official platform of the government of the United Kingdom (GOV.UK), the Behavioural Insights Team performed randomised controlled trials with a number of messages targeting potential donors. The results showed that if the best-performing message were to be used all year long, it could lead to improving health outcomes in the country.

#### **Protecting consumers through behavioural insights: Regulating the communications market in Colombia**

In a recent review, the OECD assessed the Colombian telecommunications market to improve consumer protection using behavioural insights. Four key components were assessed:

1. **Information provision:** Addressing the asymmetries of information is essential for a functioning market that leads to better outcomes and enhances the comparability of available services. The report concluded that information provision could be improved by the disclosure of “summary” and “full” formats standardised by the Communications Regulation Commission (CRC), which would increase choice aids and the provision of information at key decision points.
2. **Customer service:** Identifying effective and efficient channels for customer service provision that are adapted to context-specific realities is essential for protecting consumers. The report suggests the creation of incentives for using efficient and easily accessible channels.
3. **Managing consumer consumption:** Service users frequently lack effective feedback and information on their consumption. The report suggests the need for improving feedback mechanisms and the creation of tools to compare real time available prices on the market, helping users improve their decision-making process.
4. **Bundled services:** Bundling services makes it difficult to identify the prices of specific services, meaning that the decision-making is more complex for users. The report suggests that providing customers with salient prices of components within bundled packages makes it easier to compare bundled offers, using comparable data to make decisions.

For more information on the Behaviour Insights team visit: [www.behaviouralinsights.co.uk/about-us/](http://www.behaviouralinsights.co.uk/about-us/).

**Box 5.14. Using behavioural insights for better regulations** *(continued)*

Sources: Cabinet Office (2016b), Applying Behavioural Insights to Organ Donation: preliminary results from a randomized controlled trial, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/267100/Applying\\_Behavioural\\_Insights\\_to\\_Organ\\_Donation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/267100/Applying_Behavioural_Insights_to_Organ_Donation.pdf), (accessed October 2016).

OECD (2016b), Protecting Consumers through Behavioural Insights: Regulating the Communications Market in Colombia, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264255463-en>.

**Improving the flow of data, information and knowledge to strengthen public service delivery**

Data, information and knowledge are essential components of learning and innovative organisations. These elements are also essential building blocks of sound policy making and effective service delivery, allowing the public sector to effectively tackle multidimensional issues, such as persisting poverty. Interviews with different public sector innovators in the Dominican Republic revealed that the flow of data and information for innovation is one of the main challenges they face when trying to understand or tackle complex policy or service delivery problems.

Dominican organisations are generally reluctant to share their data, and there is an uneven understanding across the administration of the value of sharing data, which underlines the need to build a culture of openness and collaboration in the public sector. The Presidential Office of Information and Communication Technologies (OPTIC), has issued regulations on open government data and data interoperability in the public sector (OPTIC, 2014). The implementation and enforcement of these norms remains generally low, which highlights the need for a mix of stronger political support, stronger policy levers and a clear theory of change with consistent incentives. This is consistent with existing research that suggests that the challenges of information sharing in the public sector are first and foremost governance challenges, and not necessarily technical in nature (Dawes, 2009).

The flow of data in the Dominican public sector is further weakened by the lack of knowledge about existing data assets in the public sector. Having a clear view of the availability of data, and where it sits in the public administration, can lead to improved decision making and a rationalisation of data collection efforts through greater data sharing.

Reference public data producers in the country include the National Office of Statistics (ONE), the Ministry of the Economy, Planning and Development, the Ministry of Finance, and the Central Bank. However, most public institutions produce valuable data linked to their daily operations and their service delivery activities. These data can support decision making within and outside their areas of work.

As indicated in Chapter 4, improved data governance and data sharing capacities can lead to more structured and customised interventions of poverty reduction programmes, or a better understanding of private sector competitiveness challenges. While there is increased sharing of data across institutions responsible for social policy (such as the Social Policy Cabinet, the Ministry of Education and the Ministry of the Economy, Planning and Development), this collaboration is not yet systematic, nor happens in a structured way.

From a public sector innovation perspective, MAP could play a critical role in improving data and knowledge management in the public sector, and could promote more

cross-agency collaboration and exchange of data to support better policy design and implementation. In collaboration with other organisations, such as OPTIC, ONE, and other partners, it could help map existing data assets and identify data needs.

Taking this mapping exercise a step further would require the identification of alternative data sources (i.e. crowdsourcing, big data) and the embedding of data into the policy and innovation cycles to support evidence-based decision making in the public sector. The role of MAP, in collaboration with the Institute of Public Administration, is also to ensure that the Dominican government supports the required skillsets to produce and process this data, and supports less capable institutions with highly technical and innovative methods for data processing.

For instance, Canada’s Central Innovation Hub supports other departments and agencies in using data analytics to better inform their actions. This kind of support is greatly valued as data analytics requires particularly sophisticated and rare skillsets. While private sector firms have invested in creating capacities in this field, this is not usually the case in public organisations. Even if public institutions choose to procure these capacities, asymmetries of information can make them vulnerable. The development of a data analytics squad for the public sector can help share the costs associated with data analytic capabilities, support decision making, and supervise collaboration with private sector firms in this area of work.

#### **Box 5.15. Hacking insecurity in Mexico City**

Using taxis in Mexico City entails incurring security risks. Criminals often use vehicles camouflaged to look like licensed taxis to rob customers. As many as 400 taxi robberies were reported in 2013. This phenomenon has been driving users to avoid taxis and opt for more expensive transportation services. Mexico City’s innovation lab, *Laboratorio para la Ciudad*, has developed an innovative app using open government data to help tackle the security concerns of taxi users. This app allows users to enter the license number on the side of the car or snap a photo of the cab’s license plate. The app will then cross-reference this information with city data to determine if it is a registered taxi. The app also includes a button that automatically alerts the police department in case the user runs into trouble.

*Source:* Arana, A (2014), *In Mexico City, an “experimental think tank” for a city and its government*, Citiscope, Washington DC, <http://citiscope.org/story/2014/mexico-city-experimental-think-tank-city-and-its-government>.

The absence of knowledge or innovator networks can present a barrier to public sector innovation in the Dominican Republic. Policy challenges increasingly involve a great number of actors dealing with interdependent issues, with different layers of complexity (Dawes, 2009). In this sense, innovation challenges are also knowledge challenges that should bring together multiple and diverse skillsets, methods, and ways of working to collaborate in finding new solutions.

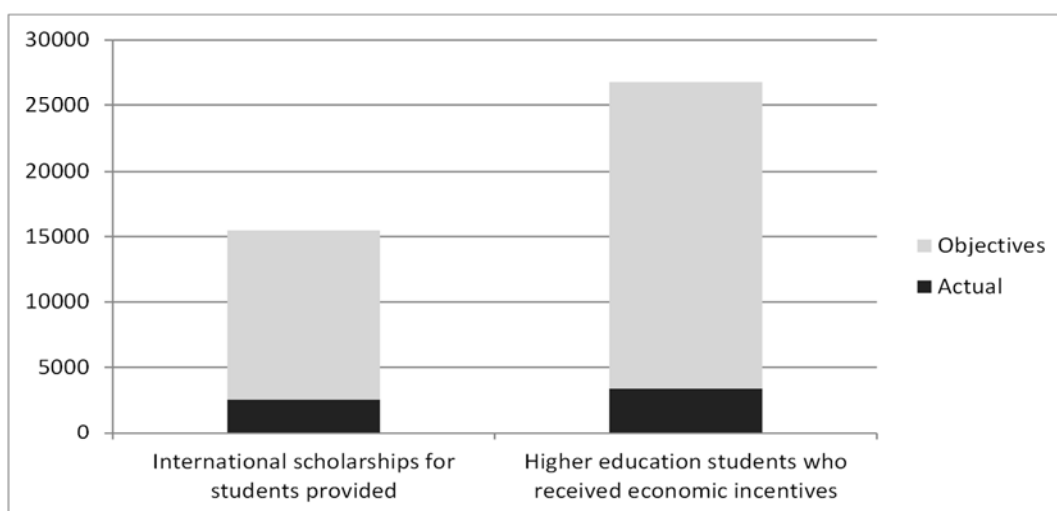
Networks also facilitate the diffusion of good practices across public institutions, and foster peer learning. Ideas gathered through these networks can feed an institution’s learning and innovation efforts and capacities. The Vice Ministry of Innovation and Modernisation is expected to map, monitor and support public sector innovation efforts. The development of knowledge and innovation networks provides an additional area of relevant work that has the potential to help foster public sector innovation for better services, improved growth and greater social cohesion.

While not yet operational, the repository of good practices attached to the Observatory of Public Services has great potential for becoming a knowledge platform that can inspire and connect innovators across the public sector, helping them learn from each other. This platform is a highly strategic opportunity that should be seized by the Vice Ministry of Innovation and Modernisation.

### An innovative workforce for improved service delivery

People are the central ingredient of public sector innovation. Regardless of precious tools or ideas, in the end, public sector innovation is about people making it happen. Civil servants are expected to design and implement policies that aim to improve economic growth and social inclusion. They are also expected to gain a good understanding of the needs of citizens and businesses, and raise awareness and deliver services to meet these needs. This section will focus on human resource management policies as levers to promote innovativeness in the public sector, and how these may lead to better outcomes. The scarcity of skills relevant for innovation is perhaps the most significant challenge the Dominican public sector environment faces today.

**Figure 5.6. Objectives on building skills to foster innovation, 2013**



Source: MEPYD (2015), *Plan Plurianual del Sector Público*, Ministry of Economy, Planning and Development, Santo Domingo.

To promote the development of human capital to support the national innovation system as a whole, the Dominican Republic has established a set of concrete policy objectives in its Multi-year Public Sector Plan. Low objective achievement suggests that either planning was not consistent with what was realistically feasible, or that policy implementation failed to deliver the expected results, or a mix of the two (Figure 5.6). The insufficient availability of much needed highly skilled individuals to promote innovation makes it harder for the public sector to adequately satisfy its skill needs, as it cannot meet the salary standards that the private sector may provide.

Law 41-08 on Public Administration established MAP, which is responsible for the organisation and regulation of the civil service and the provision of a global framework for human resource management for public institutions. The Institute of Public

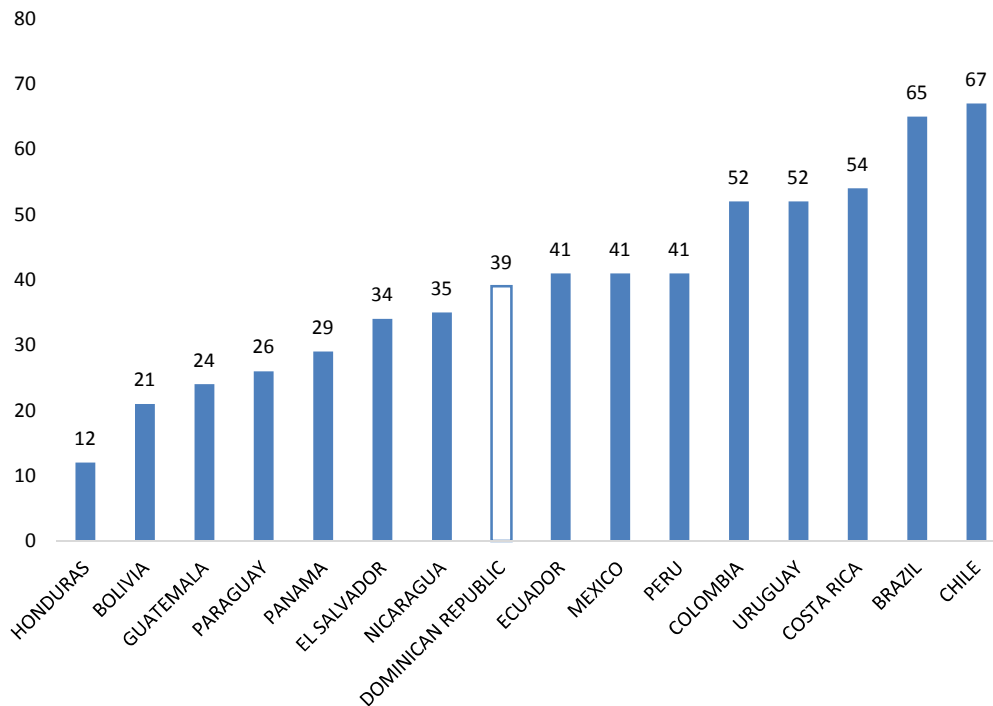
Administration, an autonomous General Direction attached to MAP, is responsible for the execution, co-ordination, follow up and assessment of civil service training.

Over the last eight years, the Dominican Republic, under the leadership of MAP, has progressively put in place a comprehensive legal framework for the civil service, covering the administrative career regimes (law 41-08, Decree 524-09 and Presidential Instructive 81-2010 on civil service recruitment), public sector salaries (Law 105-13) and performance assessment (Decree 525-09). During this time, the number of career civil servants has consistently increased, human resource directions have been made mandatory for all public institutions, and their teams have been steadily trained. MAP has also set up the Public Employment Management System (SASP), which improves its ability to monitor and control the public service (OECD, 2015c). These are all important achievements in the transition towards a performance-based management of the public sector workforce.

Despite these efforts, the policies aimed at strengthening the civil service have faced some consistent challenges and resistance, as they affect the political and financial interests of organised and influential groups. This reality aligns political incentives with the status quo, and generates mismatches with the existing legal and regulatory framework (OECD, 2015). Law 105-13, which aimed to regulate wages and compensation in the public sector to move to a common pay system, has faced strong resistance against its full implementation, particularly by autonomous agencies of the central government.

Similar forms of resistance have emerged against efforts to rationalise and create a merit-based civil service, hindering the ability of the public sector to plan and manage its workforce and contain the growth of payroll costs (OECD, 2015b). Despite signs of progress, the Dominican Republic still ranks below average in the Inter-American Development Bank's (IDB) Civil Service Development Index, and has a large public sector workforce by regional standards (see Figures 5.7 and 5.8). Strengthening the reforms that have been carried out will require strong support from the centre of government, and the strengthening of public management with performance-based budgeting and management systems.

Figure 5.7. Civil Service Development Index

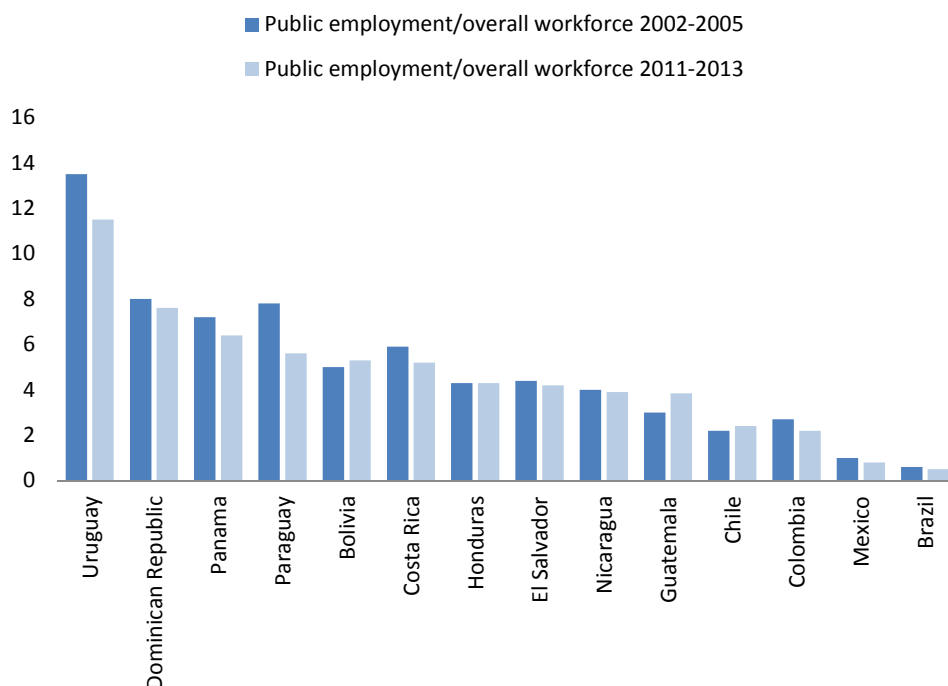


Notes: Data for Costa Rica, Dominican Republic, Guatemala, Honduras, Nicaragua, Panama and El Salvador were collected in 2012. Data for Bolivia, Brazil, Chile, Colombia, Mexico, Paraguay and Uruguay were collected in 2013. Data for Ecuador and Peru were collected in 2015.

Source: IDB (2014), *Serving citizens: A decade of civil service reforms in Latin America (2004-2013)*, Inter-American Development Bank, Washington, DC, [https://publications.iadb.org/bitstream/handle/11319/6636/A%20Decade%20of%20Civil%20Service%20Reforms%20in%20Latin%20America%20\(2004-2013\).pdf?sequence=4](https://publications.iadb.org/bitstream/handle/11319/6636/A%20Decade%20of%20Civil%20Service%20Reforms%20in%20Latin%20America%20(2004-2013).pdf?sequence=4).

It is encouraging that MAP, as per OECD recommendations, is taking steps to strengthen its performance control and assessment frameworks. The OECD (2015c) underlined the need to take concrete steps towards the creation of performance-based human resource management systems as an essential lever for building a more innovative workforce. OECD recommendations included the need to strengthen performance-based recruitment and mobility mechanisms, and the extension of the use of existing performance assessment to all managers while waiting for an organisational performance management framework (see Table 5.1). Regulations on the recruitment and selection for public employment and performance assessment, as of early 2016, are currently being revised and are expected to be updated by the end of the year.

**Figure 5.8. Percentage of the workforce employed by central governments in selected countries, 2002-05 and 2011-13**



*Notes:* IDB elaboration based on various sources. The employment data are taken from IDB assessments (2004, 2014); the IDB provided the data pertaining to the workforce. The data regarding the workforce for years that differ from those indicated are: Bolivia (2000 and 2011); El Salvador (2005 and 2012); Nicaragua (2006 and 2011); Paraguay (2002 and 2012); and Uruguay (2003 and 2012). In the case of Guatemala, this corresponds to the number of permanent positions approved by the central government (Ministry of Finance).

*Source:* IDB (2014), *Serving citizens: A decade of civil service reforms in Latin America (2004-2013)*, Inter-American Development Bank, Washington, DC, [https://publications.iadb.org/bitstream/handle/11319/6636/A%20Decade%20of%20Civil%20Service%20Reforms%20in%20Latin%20America%20\(2004-2013\).pdf?sequence=4](https://publications.iadb.org/bitstream/handle/11319/6636/A%20Decade%20of%20Civil%20Service%20Reforms%20in%20Latin%20America%20(2004-2013).pdf?sequence=4).

Given the lack of resources and the basic deficiencies of the public service, the Institute of Public Administration (INAP) has concentrated its continuous education and training on a number of core management competencies: strategic planning, human resource management and basic training, such as digital literacy. As the public sector professionalises, however, it is important that INAP works in collaboration with MAP on the development of more specialised capacity building exercises in areas such as public service design, data analysis and purpose-oriented stakeholder engagement techniques. INAP can become a great facilitator of innovation by providing civil servants with the required skillsets to perform their tasks in new ways.

The development of a structured system to determine skill needs and availabilities can also help the public sector develop a strategy to attract, develop and retain skilled civil servants based on existing assets. It can also help public institutions better determine how to collaborate and mix skills to improve outcomes and solve concrete problems.

### Box 5.16. INNAP Innova, Spain

In 2013, the National Institute of Public Administration of Spain (INAP), an autonomous body attached to the Ministry of Finance and Public Administration, launched the project INNAP Innova to foster public sector innovation. The initiative was developed in collaboration with civil servants, the private sector and civil society organisations. The project has the following objectives:

- Promote learning organisations and teams.
- Foster knowledge creation and public sector transformation.
- Encourage good administration in favour of the common good.

Initiatives included in the INNAP Innova project include:

- Training modules to provide civil servants with essential skills and competencies for innovation.
- Publication of the series INNOVA, aimed at the development of reference literature on public innovation for the Spanish and Ibero-American public administrations.
- The creation of INNAP Innova, an Ibero\_American Forum on public sector innovation. The first meeting of the group took place on 29 April 2013.

*Source:* European Commission (2013b), *Powering European Public Sector Innovation*, European Commission, Brussels, [https://ec.europa.eu/research/innovation-union/pdf/psi\\_eg.pdf](https://ec.europa.eu/research/innovation-union/pdf/psi_eg.pdf).

The Technological Institute of the Americas (ITLA), a higher education institution, has emerged as an important player in the creation of capabilities for social and public innovation. Through the creation of its Centre of Excellence for Education, Citizenship and Rule of Law, it seeks to produce research and develop tools that support democracy, civic participation, improve interactions with the public sector and lead to better governance.

### Box 5.17. ITLA's Centre of Excellence for Education, Citizenship and Rule of Law

The Centre of Excellence for Education, Citizenship and Rule of Law brings together educators, social scientists, journalists, lawyers and innovation specialists to promote civic participation, innovative interactions with the public administration and good governance. The Centre of Excellence has four key areas of action: education, communication, research and studies, and participation and innovation. Some of its current initiatives include:

- Leadership development in social policies certificate
- Alternative conflict resolution programme
- ITLA's participative budget programme
- Innovation and technological factory for public administration improvement
- Social innovation hackathons and developer meetings for collaborative software development
- ITLA's online radio



**Box 5.17. ITLA's Centre of Excellence for Education, Citizenship and Rule of Law**  
(continued)

The Centre of Excellence ultimately seeks to build capacities for social innovators and entrepreneurs and create agents of change in Dominican society, both within and outside of the public sector. The education programmes of the centre include the completion of a project that proposes a solution for an identified need in the Dominican Republic.

Source: ITLA. Retrieved from <https://cisrul.wordpress.com/>.

***Motivation to foster public innovation***

A merit-based public administration, and clear career paths and promotion opportunities, are strong, but not the only, sources of motivation for the public sector workforce. The development of adequate leadership and organisational cultures are an equally crucial part of motivating public employees to innovate. Senior management is necessary to create a culture of excellence, performance, openness and innovation. In the context of a heavily hierarchical culture, and an absence of formal mechanisms for civil servants to propose new ideas, senior management are critical for empowering public employees and facilitating the dialogue between the administration and political authorities.

Top management should have the leadership and competencies to motivate their teams, but also to manage political authorities' expectations. They can also raise awareness about the relevance of innovation among the political leadership. In this sense, the importance of targeting the professionalisation of the Dominican public administration's senior management had not been sufficiently stressed and streamlined in public sector reform efforts (OECD, 2015c).

**Box 5.18. Chile's senior executive service system**

The senior executive service system (*Sistema de Alta Dirección Pública*, SESS) aims to modernise public management. SESS works as a filter, selecting the most suitable candidates for specific public senior executive positions, but leaving the final decision to the political authority. This reform of the state of Chile transformed the recruitment and selection of senior public management posts. Before this innovation, the most relevant positions were directly appointed by the political authority, without a public selection process. Now, the National Civil Service promotes and contributes to modernising the state and improving the strategic management of public administration.

A typical selection process takes around three months, beginning with the publication of the vacancy in the media. A consultancy company commissioned by the Council for Senior Executive Service analyses the *curriculum vitae* of the different candidates and prepares a shortlist for selection by the Council or a selection committee. The Council for Senior Executive Service (CSES, *Consejo de Alta Dirección Pública*) is in charge of guaranteeing the transparency, confidentiality and non-discrimination of the selection process. The Council is chaired by the director of the Chilean Civil Service Agency and is formed by four members proposed by the President of the Republic and approved by the Senate.

As a result, the duration of the selection process reduced from 116 to 81 days, and 55% of new appointees have not held the post previously. An increase in women's participation was also observed, resulting in 22% of applicants and 32% of appointees being women, compared to 15% of female managers in the private sector. Greater participation of private sector professionals was also a result of this new system, with 59% of applicants and 18% of appointees coming from the private sector.

**Box 5.18. Chile's senior executive service system** *(continued)*

Most importantly, the merit-based system assures more efficient delivery of goods and services to citizens and improved public sector credibility, which is made evident by the high number of applications and the low level of complaints. The new system is perceived as a source of legitimacy for appointees.

*Source:* OECD (2016c), webpage of Senior Executive Service System, OECD Observatory of Public Sector Innovation, OECD, Paris, [https://www.oecd.org/governance/observatory-public-sector-innovation/innovations/page/seniorexecutiveservicesystem.htm#tab\\_description](https://www.oecd.org/governance/observatory-public-sector-innovation/innovations/page/seniorexecutiveservicesystem.htm#tab_description) (accessed October 2016).

The creation of incentives aligned with institutional and broader national objectives are a vital component of sound human resource management for public sector innovation. The National Award for Service Quality and Promising Practice is an important step in this respect. The award is based on the implementation of the Common Assessment Framework methodology (CAF, described in Chapter 2), which is a pre-condition for eligibility for the Award. Once the CAF has been implemented, the organisation may submit their practice to the Award. If recognised by the jury (selected by MAP), it is included in the good practices registry of the Observatory of Public Services. The objective of the initiative is to promote service quality and user-centred approaches to service delivery. Such initiatives should be strengthened, particularly by strengthening knowledge and practice networks for the diffusion of valuable experiences, and strengthening the intangible incentives for public innovators.

It is not clear how existing performance assessment frameworks take into account innovativeness or creativity, or how they impact career perspectives for civil servants. This could diminish the civil service's motivation to innovate. The current revision of the performance assessment regulations is an ideal opportunity to further stress the role of innovation in public service quality, strengthening incentives for public innovators.

## Conclusions and recommendations

Creating an environment conducive to public sector innovation could help the Dominican government to improve public service delivery, support economic growth and promote social inclusion. To achieve this, the government of the Dominican Republic should develop a more structured approach to co-ordinating, supporting and embedding innovation throughout its public sector operations. The following recommendations are made to support this process.

***Strengthen organisational frameworks to facilitate and promote innovation in the public sector by:***

*In the short term*

- **Develop an action plan to reinforce the public sector's ability to innovate.** Current needs and gaps should be assessed with the participation of internal and external stakeholders, including other public institutions, and private, civil society and academia sectors. An action plan providing a common vision should be developed to bring together the ecosystem of relevant actors and reinforce the public sector innovation environment. This assessment will help MAP prioritise actions, make decisions about the allocation of existing resources, and determine the skillsets required by the Vice Ministry of Innovation and Modernisation. The

action plan should be explicit on why innovation matters and how it relates to the existing work of the Dominican public sector, and be in line with the National Development Strategy. The plan should specify the role of MAP in promoting public sector innovation, emphasising its role in leading cross-cutting initiatives and providing tools, technical support and advice to innovators in the public sector. The action plan will provide the basis for the development of a system of monitoring and evaluation for innovative practices in the Dominican public sector.

- **Strengthening operational and analytical capabilities of the Vice Ministry of Innovation and Modernisation.** Progressively build analytical and operational capabilities of the Vice Ministry of Innovation and Modernisation as it develops and launches a national action plan for public sector innovation. Staffing needs should grow increasingly specific and specialised as the vice ministry builds capacity to support innovation and deploy technical capabilities to support different public sector agencies, based on the assessment and action plan for public sector innovation.

*In the medium term*

- **Create capabilities to co-ordinate and support innovation across the Dominican public sector.** Making MAP an effective innovation hub for the central government will require actions in the following domains: 1) aligning the staffing of the Vice Ministry of Innovation and Modernisation to its stated ambitions, including the skillsets needed to provide technical support and advice to innovators in the public sector in areas of scarce expertise that may be in high demand for service delivery improvement, such as behavioural science, design methods and/or data analytics; 2) strengthening relationships with other public sector institutions, helping monitor and raise awareness about innovation in public organisations; 3) developing tools to support innovators in the public sector, including a public sector innovation toolkit, a business case methodology and project management models for public sector innovators; 4) building and managing networks of innovators to foster peer learning; 5) facilitating access to public sector data and knowledge, while reinforcing the Observatory of Public Services as a knowledge-sharing platform, collecting good and innovative practices in public service delivery.
- **Sensitise and support senior managers in public sector institutions to understand the role, ways of working and monitoring of innovation delivery units.** Recognising that senior management are a critical part of an innovative workforce, both for their performance management and their ability to motivate the workforce, the Dominican government should plan, organise and implement activities to sensitise and raise awareness among senior management in the public sector about the relevance of public sector innovation and its process and cycles. Activities should aim to improve senior management's understanding of innovation delivery units, their functioning and their expected results, and be complemented by tools for assessing the performance of innovation units under senior management's responsibility. It is equally important for these efforts to strengthen the role of senior management as a change agent capable of identifying opportunities for improvement, modelling behaviours, and invigorating the creativity and innovativeness of their staff.

*In the longer term*

- **Work with relevant stakeholders in the design and implementation of a monitoring and evaluation system for innovation in the public sector.** The National Office of Statistics (ONE) and the Ministry of the Economy, Planning and Development are key stakeholders in the national statistics and data system. The monitoring system would benefit from collecting project management data that helps identify factors of failure and success, as well as the benefit realisation of the implementation of innovative initiatives. Monitoring should also aim to track and assess the output and outcomes of innovation in the Dominican public sector, and its evolution over time.

*Create a dynamic and evidence-based approach to red tape reduction for enabling innovative services by:*

*In the short term*

- **Systematically review the stock of regulations and develop tools to enhance their visibility and understanding for public officials and external stakeholders.** Develop a systematic review of the stock of regulations, comparing them against policy objectives. Perform cost-benefit analysis and regulatory impact assessments (RIAs), including public consultations. Regulatory stock management tools should include an easily searchable repository for public sector regulations.

*In the medium term*

- **Design, test and develop a monitoring system that helps assess how civil servants seeking to innovate in public sector operations interact with existing rules and regulations.** This system should include administrative data, surveys, the use of observation methods (e.g. ethnography, focus groups) and behavioural insights through a problem-driven approach that improves the understanding of how existing rules and processes may be hindering the innovative potential of the Dominican workforce. The aim of developing such a system is to produce evidence that helps balance the need for bureaucratic stability and adequate hierarchical controls, and the need to provide civil servants with enough experimentation room to translate ideas into impact and public sector effectiveness.

*In the longer term*

- **Link the data and information collected through the implementation of such a monitoring system to the government's regulatory quality and administrative simplification agendas.** As quantitative and qualitative data, and their processing for knowledge creation, become available for decision makers in the area of regulatory quality and administrative simplification, the Dominican government must turn towards more evidence-based approaches to creating an enabling regulatory framework for public sector innovation.

*Enhancing the flow of data, information and knowledge across public institutions to create an environment that is conducive to public sector innovation by:*

*In the short term*

- **Launching a network of public sector innovators to foster peer learning and knowledge sharing across public institutions.** This network should meet regularly around themes or commonly agreed activities, which would help to build a sense of community and shared purpose. As policy and service delivery challenges are increasingly complex, such networks can facilitate the flow of knowledge and the combination of skillsets and ways of working, helping civil servants become more effective and flexible while thinking of multidimensional issues.
- **In collaboration with institutions such as ONE, the Ministry of Economy, Planning and Development, OPTIC and INAP, participate and contribute to the assessment of the national statistics and data system.** Develop an action plan to improve the production, storage and processing of data in the public sector. The objective of such a strategy is to leverage data to produce information and knowledge and create learning organisations that can effectively translate knowledge into action. Such a plan should aim to improve the governance and flow of data throughout the public sector, helping innovators and decision makers to have access to the data they need to design better policies and services. It should also develop data capabilities in the public sector as the Dominican government moves towards greater performance and evidence-based approaches to public management.

*In the medium term*

- **Raise awareness among political authorities and senior management about the relevance and importance of creating sound management of data and knowledge throughout the public sector.** These efforts should aim at the embedding of data throughout the policy cycle and the creation of an environment favourable to the emergence of learning organisations.
- **Strengthening the governance of statistics and data in the Dominican public sector, by providing clear roles and responsibilities with the required levers to break down silos.** Improving the interoperability of public sector information systems and data, while managing the risks associated with privacy and security. Ensuring decision makers have the data they need in a timely manner.
- **Establish a data squad within the Vice Ministry of Innovation and Modernisation that functions as a shared resource of data capabilities.** Such a team would provide data analytics expertise and technical support and perform strategic interventions in highly valuable policy areas to help the Dominican Government use the data it owns, or collect data from alternative resources and transform it into useful information for policy making and public service improvement.

*In the longer term*

- **Develop a knowledge management strategy for central government, enhancing its ability to transform knowledge into innovations.** Such a strategy should aim to help public organisations improve the management of its data and information, and share it with other public organisations in a coherent and responsible way. It should also cover collaboration with sub-national governments and other direct service providers through, for instance, consolidated

and easily manageable feedback loops for public services. The development of the strategy should be complemented by appropriate training and capacity building exercises, and monitoring systems to ensure adequate implementation throughout the public sector.

*Strategically manage human resources to stimulate innovation in the Dominican public sector by:*

*In the short term*

- **As the Dominican government revises its existing performance assessment frameworks, it should focus on strengthening aspects that would allow it to enhance the innovative potential of Dominican civil servants.** In particular, the value of innovation and creativity should be stressed during performance assessments and appraisals. Performance assessment frameworks should also include senior management, whose role should ensure a fluent dialogue between civil servants and political authorities; and the management of tensions and change, while motivating civil servants to experiment, innovate and continuously improve services and policies.

*In the medium term*

- **Develop strategies and programmes to build a culture of openness and collaboration among civil servants.** These strategies and programmes should align incentives with these objectives and, working with INAP, develop increasingly specialised training covering areas such as public service design, prototyping and testing, data skills, and purpose-oriented stakeholder engagement techniques. Efforts should aim to shift the way public services are currently designed, from an approach strongly focused on institutional priorities, towards more user-centred and user-driven approaches and a greater reliance on the co-design and co-delivery of public services. This shift would allow the user experience of public services to be significantly improved, with limited use or waste of much needed public resources. These efforts should also build innovative project management capacities in civil servants, helping them experiment, while preventing the unnecessary loss of resources.
- **More clearly link national excellence awards, such as the National Award for Service Quality and Promising Practice, to public sector innovation and communities of innovators in the public sector.** Strengthening the link with these networks, which are expected to be launched and managed by MAP, would facilitate the diffusion of valuable experiences throughout the public sector and reinforce intangible incentives for public sector innovators as they are recognised by their peers.
- **Design a classification and typology of innovation delivery units, the needs they usually respond to, their usual activities and skill needs, expected results, and suggested performance assessment tools.** This typology should not be developed as a rigid model that constrains experimentation by combining skillsets based on needs or organisational realities, but should provide senior management with ways of understanding how the analysis and delivery units function, and help them plan and organise their work based on a clear business case.

*In the longer term*

- **Implementing organisational performance assessment frameworks and systems that make political authorities and senior management accountable for the implementation of policies and the delivery of services under their responsibility.** This is a critical step in the creation of a merit and performance-based civil service within the government of the Dominican Republic.
- **Develop increasingly sophisticated public employment monitoring mechanisms that allow MAP to have a clear view of existing skills within the public administration and identify skill needs in the public sector.** Such a system should help public organisations to consider skill needs while recruiting, and better redeploy public officials based on skills and performance as required.

**Table 5.1. Assessments from the OECD Human Resource Management Review of the Dominican Republic, 2015**

Area	Key assessments
Merit-based career public service	The establishment of an independent merit-protection agency with powers to investigate, audit and report should be considered.
	The creation of a system that holds ministers and senior management accountable for the implementation of reforms in the institutions for which they are responsible.  Creation of a recruitment system that is rapid and efficient and ensures that employees included in the career system have the right skills and are placed in the right positions.
Strategic workforce planning and management	Despite efforts, the government's payroll costs and public employment continue to grow, showing the inability of the public sector to effectively plan and manage its workforce.
	Restructuring of the public sector workforce to ensure staff numbers and competencies are in line with the ambitions of the National Development Strategy. Perform a strategic staffing review that sets a baseline for decisions about the reallocation and restructuring of the public sector workforce, as well as for driving innovation in public service delivery.
	Develop a strategic workforce planning in order to strengthen the capacity to plan and allocate the workforce more efficiently.
	Reinforce the use of open recruitment, competition, mobility and redeployment as tools for public workforce management, allowing for less reliance on recruitment freezes and staff cuts once the workforce has been resized and redeployed.
Making performance management more effective	Establishing, in the longer term, comprehensive performance management frameworks that include an integrated organisational and individual performance framework.
	In the meantime, strengthen individual performance management, simplifying the system with a greater focus on performance objectives, creating linkages with organisational performance later on.
	Pending the implementation of organisational performance, it is recommended that performance contracts include top managers, and that performance appraisals are extended to all managers.
Leadership and management	More rigorous selection processes, a leadership competency profile, performance objectives that include cross-cutting leadership responsibilities, and leadership and management development are required to ensure that top management has the managerial skills needed to deliver success.
As capacities are built across the public sector, emphasise centralisation rather than delegation	The implementation of HRM reforms in a public service that has been loosely regulated in the past requires an emphasis on central monitoring and control for the present. Increased delegation of human resource management to line managers should be considered once core values are well established and strong frameworks for performance and accountability embedded.

**Table 5.1. Assessments from the OECD Human Resource Management Review of the Dominican Republic, 2015 (continued)**

Area	Key assessments
Complementary innovative approaches for an efficient and effective public administration	<p>Focus on delivering visible improvements and political benefits in a reasonable time frame as a way of building support for the innovation agenda in service delivery.</p> <p>The quality and accessibility of basic public services could be improved through targeted pragmatic participatory approaches, from policy design to implementation and evaluation, working with both internal and external stakeholders to better understand needs and rebuild trust.</p> <p>A wider use of tools such as co-design and co-delivery schemes in public service delivery strategies could be useful, in particular for Dominican rural areas where traditional mechanisms would be too expensive and less effective. These approaches can help think about reorganising existing public services and to create new ones.</p>

Source: OECD (2015c), Dominican Republic: Human Resource Management for Innovation in Government, OECD Public Governance Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264211353-en>



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