

Chapter 5.

Innovation in public services as a driver of inclusive growth in the Dominican Republic

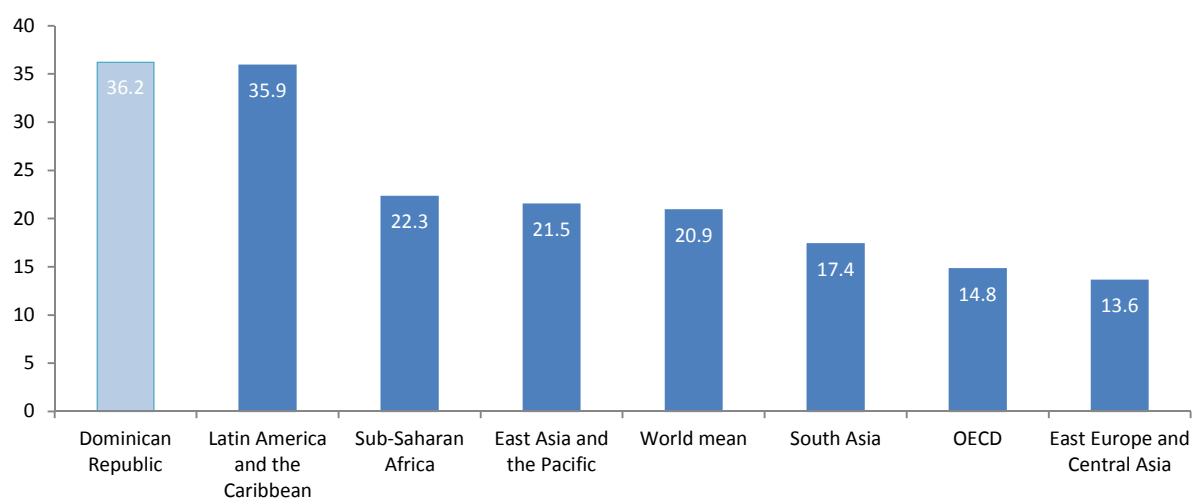
This chapter analyses the context of public sector innovation in the Dominican Republic, following the OECD public sector innovation framework. It provides a general overview of the complex policy scenario the Dominican Republic must face in the coming years, and the importance of fostering innovation 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 119th out of 140 countries for primary education, and 126th 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.

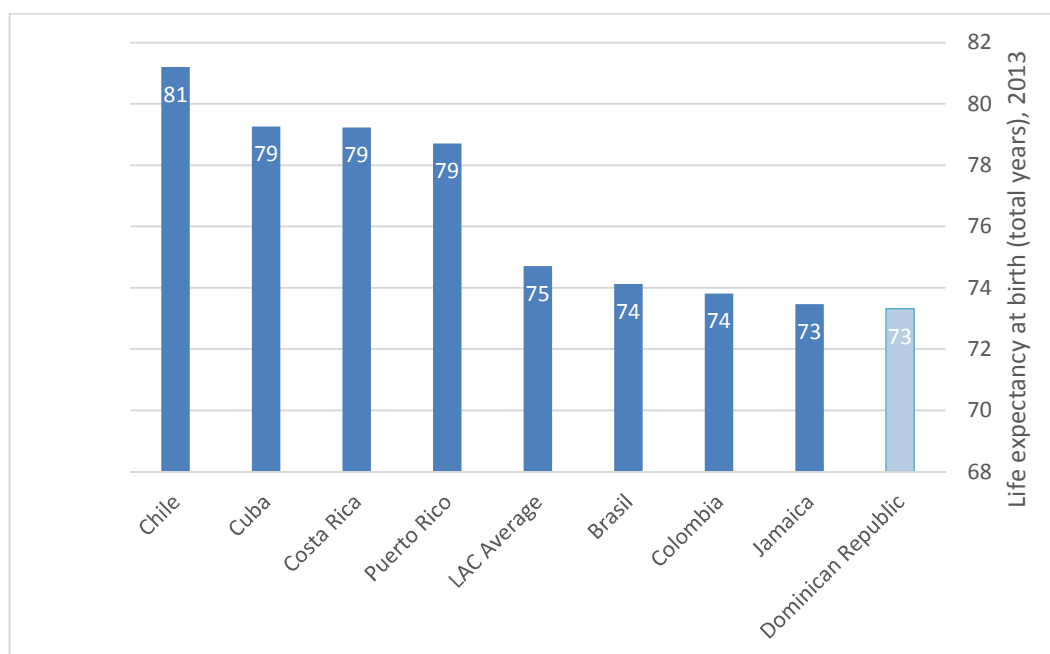
Figure 5.1. Share of firms identifying an inadequately educated workforce as a major constraint to their operations

(% 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).

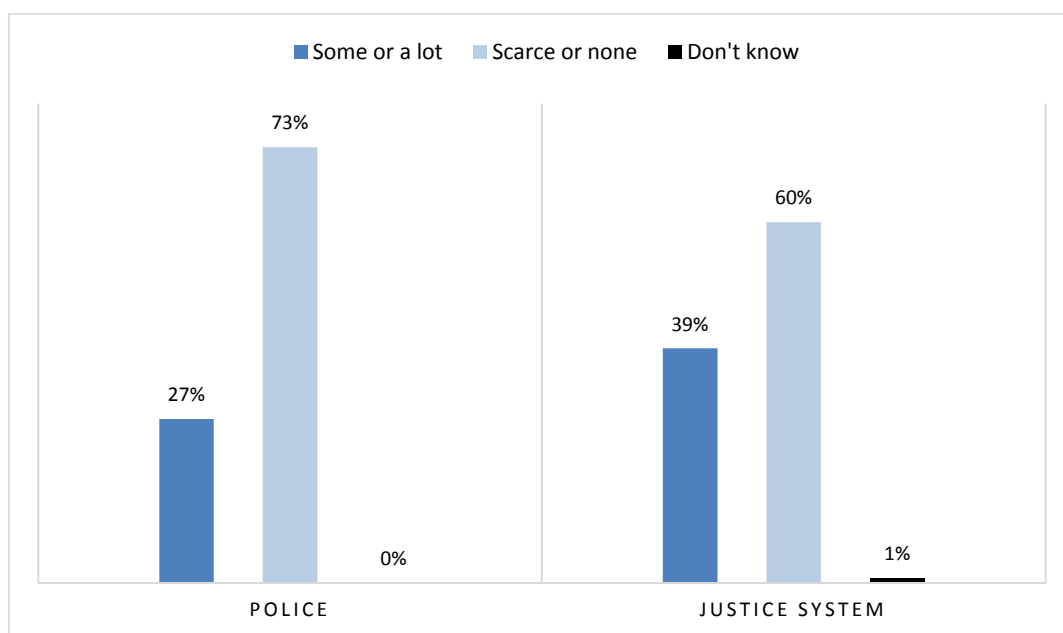
Figure 5.2. Life expectancy at birth (total years), 2013

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 55th 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 103rd 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, (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.

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>.

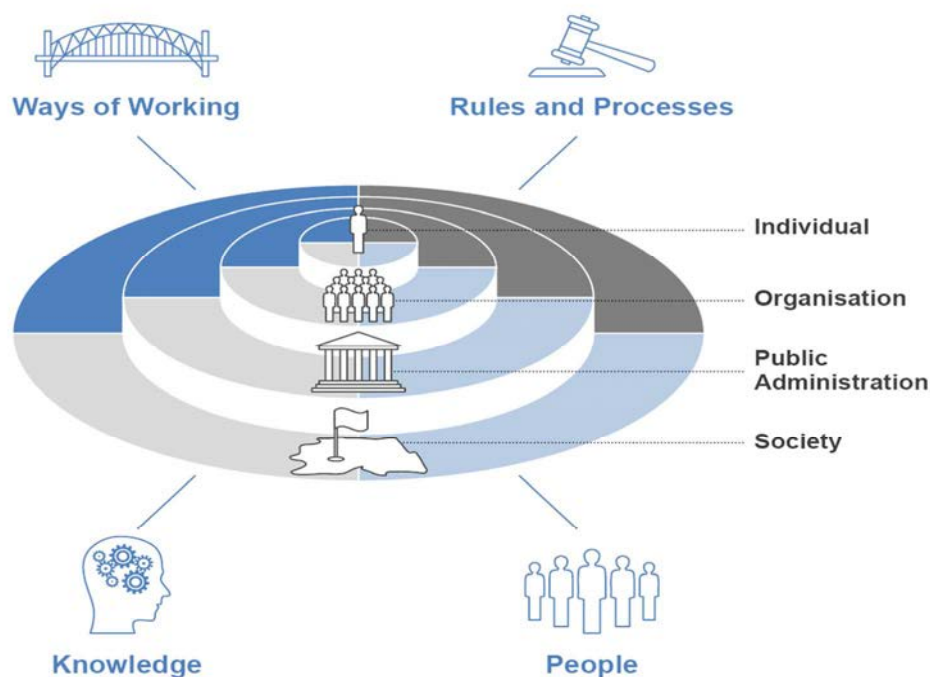
Despite these potential benefits, achieving a structured and strategic approach to public sector innovation for service improvement and inclusive growth may prove difficult. Contrary to private sector firms, public sector organisations do not have the same sort of incentives to innovate. The role of 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.”²

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

² 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.

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.

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.

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/.

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, (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.

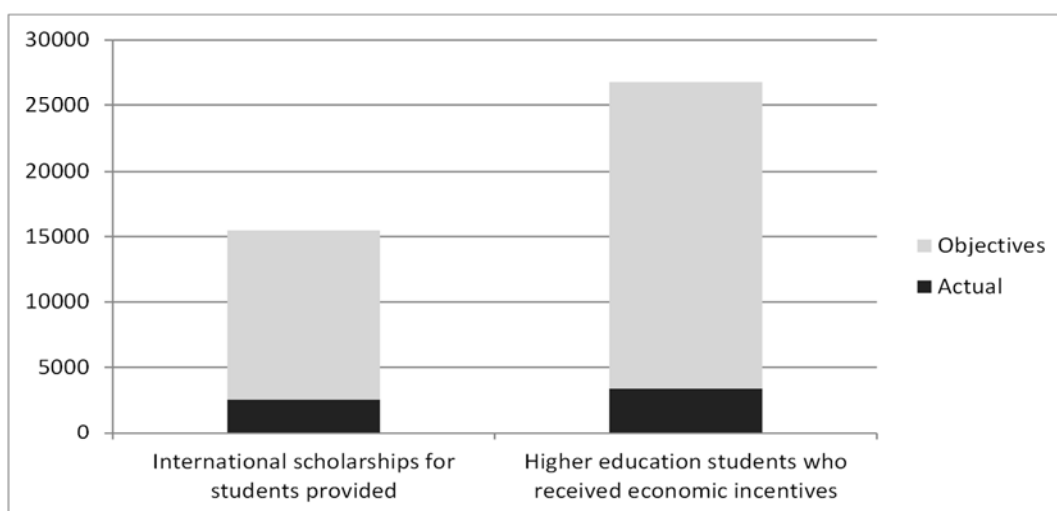
Networks also facilitate the diffusion of good practices across public institutions, and foster peer learning. Ideas gathered through these networks can feed an institution’s learning and innovation efforts and capacities. The Vice Ministry of Innovation and Modernisation is expected to map, monitor 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.

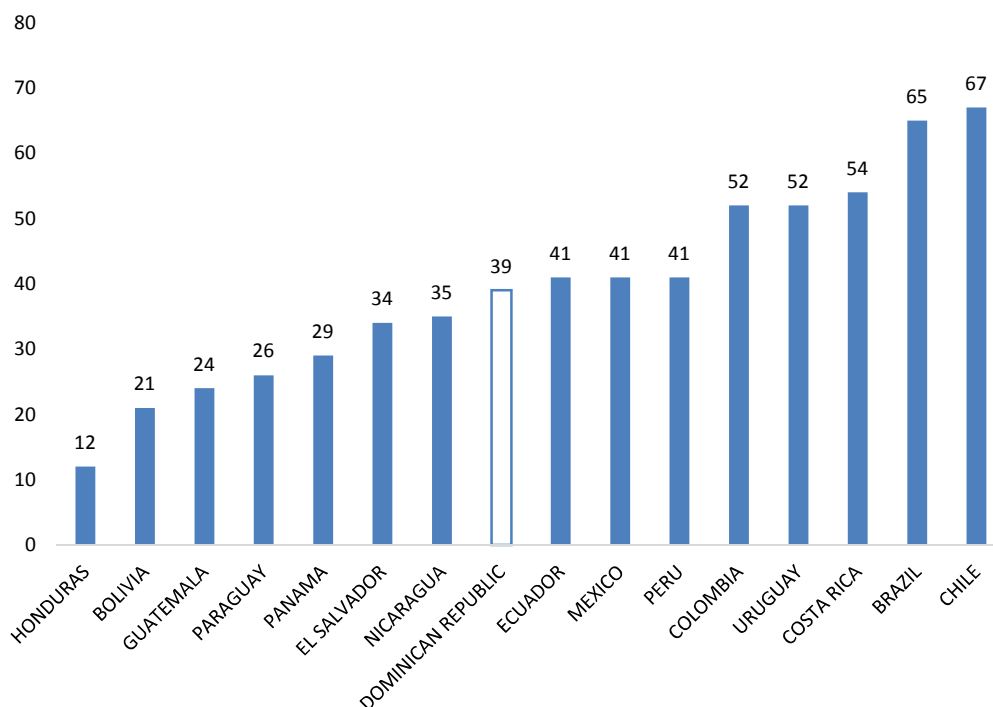
Law 41-08 on Public Administration established MAP, which is responsible for the organisation and regulation of the civil service and the provision of a global framework for human resource management for public institutions. The Institute of Public

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.

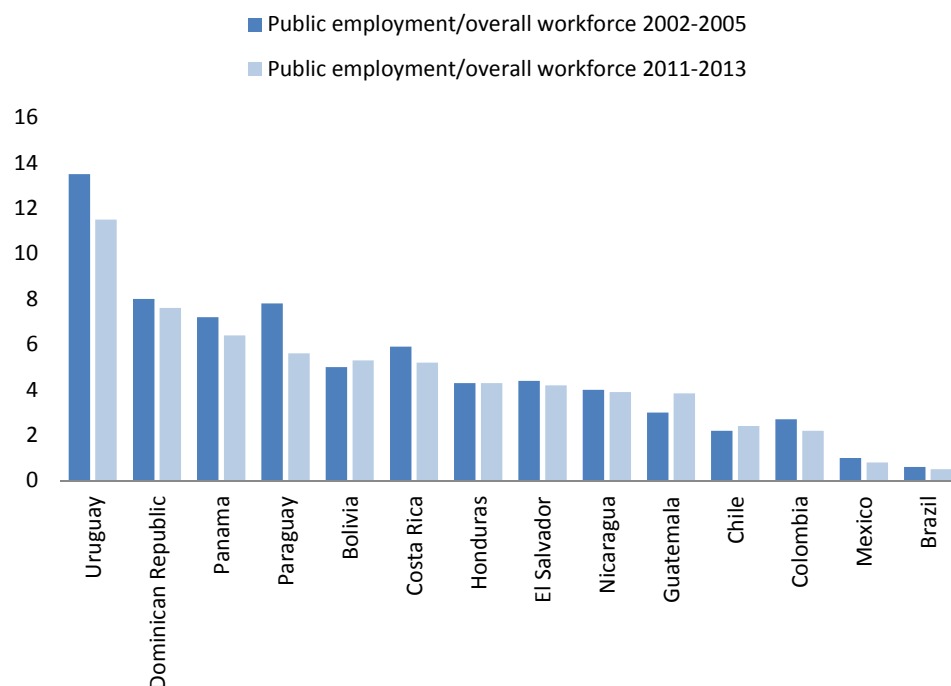
Figure 5.7. Civil Service Development Index

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.

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 (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	<p>The establishment of an independent merit-protection agency with powers to investigate, audit and report should be considered.</p> <p>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.</p> <p>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.</p>
Strategic workforce planning and management	<p>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.</p> <p>Restructuring of the public sector workforce to ensure staff numbers and competencies are in line with the ambitions of the National Development Strategy.</p> <p>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.</p> <p>Develop a strategic workforce planning in order to strengthen the capacity to plan and allocate the workforce more efficiently.</p> <p>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.</p>
Making performance management more effective	<p>Establishing, in the longer term, comprehensive performance management frameworks that include an integrated organisational and individual performance framework.</p> <p>In the meantime, strengthen individual performance management, simplifying the system with a greater focus on performance objectives, creating linkages with organisational performance later on.</p> <p>Pending the implementation of organisational performance, it is recommended that performance contracts include top managers, and that performance appraisals are extended to all managers.</p>
Leadership and management	<p>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.</p>
As capacities are built across the public sector, emphasise centralisation rather than delegation	<p>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.</p>

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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