

FINAL DECLARATION

Fifth Global Forum on Re-inventing Government: Innovation and Quality in the Government of the 21st Century

México City, 3-6 November 2003

México City Declaration

We, the participants of the Fifth Global Forum on Reinventing Government, held in Mexico City, Mexico, from 3 to 6 November 2003, on the theme of “**Innovation and Quality in the Government of the 21st Century**” have approved the following declaration:

1. Preamble

The Fifth Global Forum on Reinventing Government, organized by the Government of Mexico, in collaboration with the United Nations, brought together representatives of governments, international organizations, businesses and non-governmental organizations (NGOs) to dialogue about governance in the 21st century from the perspective of innovation and quality. We began with two days of plenary sessions and panels where we heard from international organizations, including the UN, OECD, Transparency International, the World Bank and IDB, who shared international trends in reform and from country representatives who discussed reform efforts in their countries. We brought this knowledge to the seven interactive capacity development workshops that were organized by the UN Department of Economic and Social Affairs, UNDP, UN Habitat and partner institutions: American Society for Quality; Ash Institute for Democratic Governance and Innovation, Harvard University; World Bank Institute, International Monetary Fund, Transparency International, and the World Bank, and funded by the Government of Italy.

The Fifth Forum followed events that began in 1999, when the USA partnered with Harvard in Washington, DC. In 2000, the Government of Brazil hosted an event in Brasilia. The Government of Italy held the 2001 event in Naples, and last December, the

Government of the Kingdom of Morocco held the world-wide forum in Marrakech.

- 1.1 We recognize that governments across the globe are transforming themselves to deal with the challenges and opportunities of the 21st century. This transformation gives greater voice to citizens, calls for a re-thinking of government programs and services and leadership paradigms. This forum discussed in detail the strategies of President Fox's Agenda for Good Government, namely, government that costs less; quality government; professional government; digital government; government with regulatory reform; and honest and transparent government.
- 1.2 The participants of the Fifth Forum would like to express their sincere gratitude to President Vicente Fox Quesada for his leadership and commitment to implementing good government initiatives. The participants also cordially thank the government of Mexico for the successful organization of this major global event and commend the United Nations and international organizations for their invaluable support.

II. General Recommendations

We agreed that the strategic pursuit of reform efforts is to create citizen centered governments. This requires that we call on all sectors of society to re-define the role of governance in this century. We agree that any strategy, plan and measure on government reform should be in accordance with every nation's specific conditions and its legal system. We also agreed that involvement of civil society will ensure the legitimacy and sustainability of systemic reform efforts. This approach is based on the Millennium Declaration, which takes a holistic view of development emphasizing not just economic growth but equity for sustainable development. The participants presented experiences and good practices from all over the world in the context of reform of the state and institutional development. We have listed our key recommendations and conclusions for the re-invention of government in the framework of the Fifth Global Forum:

- 2.1 Governments must attempt to create budgets that are responsive to national priorities, citizen driven and transparent, balancing costs with revenues. These reforms are about choices and decisions about the future. It is essential to review programs and policies developed in the last century, evaluate effectiveness, and eliminate outdated or redundant programs. It is important to ensure increased revenues through efficient tax and customs administration, and through public-private partnerships. Cost accounting, productivity studies and auditing are important tools in the process of creating governments that cost less. Citizens should be actively involved in all investment decisions. Options include deficit reduction, tax cuts, tax rebates or investing in social programs like education and health.
- 2.2 A crucial test of improved governance is citizen satisfaction with government services which are accessible and affordable. Quality principles such as continuous improvement should underlie government innovation efforts, including public/private partnerships, community organization, urban development strategies, participatory governance, and cities without slums. Surveys have shown that citizens are more satisfied with services delivered by empowered local governments, and with rules and regulations that are easily accessible and clearly understood. Governments should use effective tools to assess satisfaction such as citizen panels, focus groups, and customer surveys. Citizens should have the right to be heard through feedback mechanisms such as ombudsmen and complaint procedures. Citizens should also have a voice in constructing performance measures that assess the quality and impact of services; the quality process should assess concrete results.
- 2.3 State capacity to respond to and manage change is essential to meeting the challenges of the 21st century and to improving quality of life for citizens. To undertake these efforts, governments need a professional civil service where employees and managers are recruited on merit, are trained for the jobs they carry out, are evaluated on program results and promoted and paid for performance. It is important that recruitment is transparent and open to all sectors of society. Evaluating competencies necessary for 21st century governments is crucial.

Governments with an established civil service must engage in efforts to reform their rules and regulations to make them responsive to the needs of citizens and competitive with private sector jobs. It is important to benchmark with the private sector about lessons learned in human resource management.

- 2.4 Now, more than ever, there is a critical need for governments to develop a policy framework for introducing e-government initiatives, including the creation of new strategies and legislation with the involvement of all stakeholders in society. E-government is justified if it enhances the capacity of public administration to increase the supply of public value i.e. things that people want. The transition to electronic delivery of services enables governments to better quantify cost effectiveness of electronic service delivery, and hence more effective use of limited resources and improves accountability. E-government strategies also can improve commerce, democracy and transparency. With this in mind, states need to assess the potential for investing in e-government initiatives with a view to improving the cost effectiveness of the use of their increasingly stretched resources.
- 2.5 In many highly regulated countries, ineffective regulatory policies stimulate corruption and disempower citizens. Bad regulations distort the economic competitiveness of a nation; understanding the real cost of regulation is crucial to competitiveness in the global economy. While governments often think about the cost of implementing regulations, only a few are currently assessing the cost of complying with regulations on citizens and businesses. Few are also considering the need for capacity development in this area; it is essential that those who write regulations have proper training in understanding the importance and impact of their work. Regulatory programs must balance the outcomes citizens want with the cost of their programs. It is important for regulatory programs to have strong enforcement capabilities. However, it is also crucial to look at how citizens, businesses and civil society groups can engage in leading compliance efforts. In particular, reform and enforcement of tax policy is often fundamental to healthy economies. Reforming the tax policy of a country is often an important first step in global competitiveness.

- 2.6 For innovations and reforms to grow strong roots, the role of ethics in public service and sensitivity towards and respect for citizens' needs cannot be ignored. It includes an accountable and transparent political and administrative system which ensures a citizen's fundamental right to information. Governments have to be willing to undertake anti-corruption measures through the creation of commissions or bodies that are willing to investigate inconsistencies and anomalies, and introduce innovations to improve integrity and transparency in the public sector. Access to public information is crucial to ensuring oversight, and that access must be guarded by independent bodies such as the ombudsmen.

Programs for the prevention of corruption should be installed and supported by the government and monitored by civil society. We agreed that the role of a national audit office is critical to internalizing assessment of transparency practices. Fiscal transparency and financial management tools are critical instruments that promote transparency and accountability.

- 2.7 Improving governance is often a function of decentralization and citizen participation. Decentralization of the administrative, financial and political aspects of government is critical to the process of reform. It requires a legal framework that entails transfer of authority and resources to local governments and instituting checks and balances between central and local governments. At all levels, governments should aim to instill higher professional standards, ethics, and values as part of the good government agenda, and, ultimately, to set the standard for society at large.

III. Follow up

- 3.1 Reiterating our deepest appreciation to the government of Mexico, the participants recommended appropriate action to ensure the follow-up to the above recommendations among world leaders, international organizations, NGOs, and actors of civil society. We also recommend that the government of Mexico present the report of the Fifth Global Forum to the General Assembly of the United Nations.

- 3.2 Participants urge the governments represented in the Forum, civil society organizations and the private sector to promote partnerships to foster innovation and quality in the public sector, e-government development, access to services, decentralization and local governance, and accountability and transparency.
- 3.3 The participants appreciated the strong technical support provided by the United Nations to the Fifth Global Forum and urged the United Nations to continue such support for future forums, including the establishment of a network of innovators and reformers in order to capitalize on the results of the previous global forums. The participants welcomed the statement of the representative of Government of Italy to continue to provide financial support for the next forum, for which they expressed great appreciation.

IV. Sixth Global Forum

The participants welcomed with appreciation the kind invitation of the Government of the Republic of Korea, extended by His Excellency, Goh Kun, Prime Minister, to host the Sixth Global Forum in Seoul in 2005.