



BETTER GOVERNANCE, PLANNING AND SERVICES IN MUNICIPALITIES IN POLAND: AN OECD ASSESSMENT

Adam Knelman Ostry

Head of Unit; Public Governance Reviews
Public Governance Directorate

Dorothee Allain-Dupre

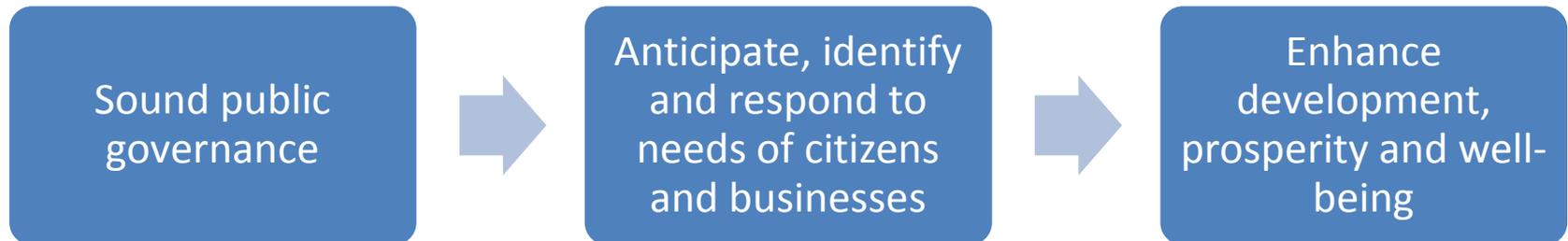
Head of Unit; Decentralisation, Public Investment and Subnational Finance Centre
for Entrepreneurship, SMEs, Regions and Cities

9-10 September 2019, Warsaw (Poland)



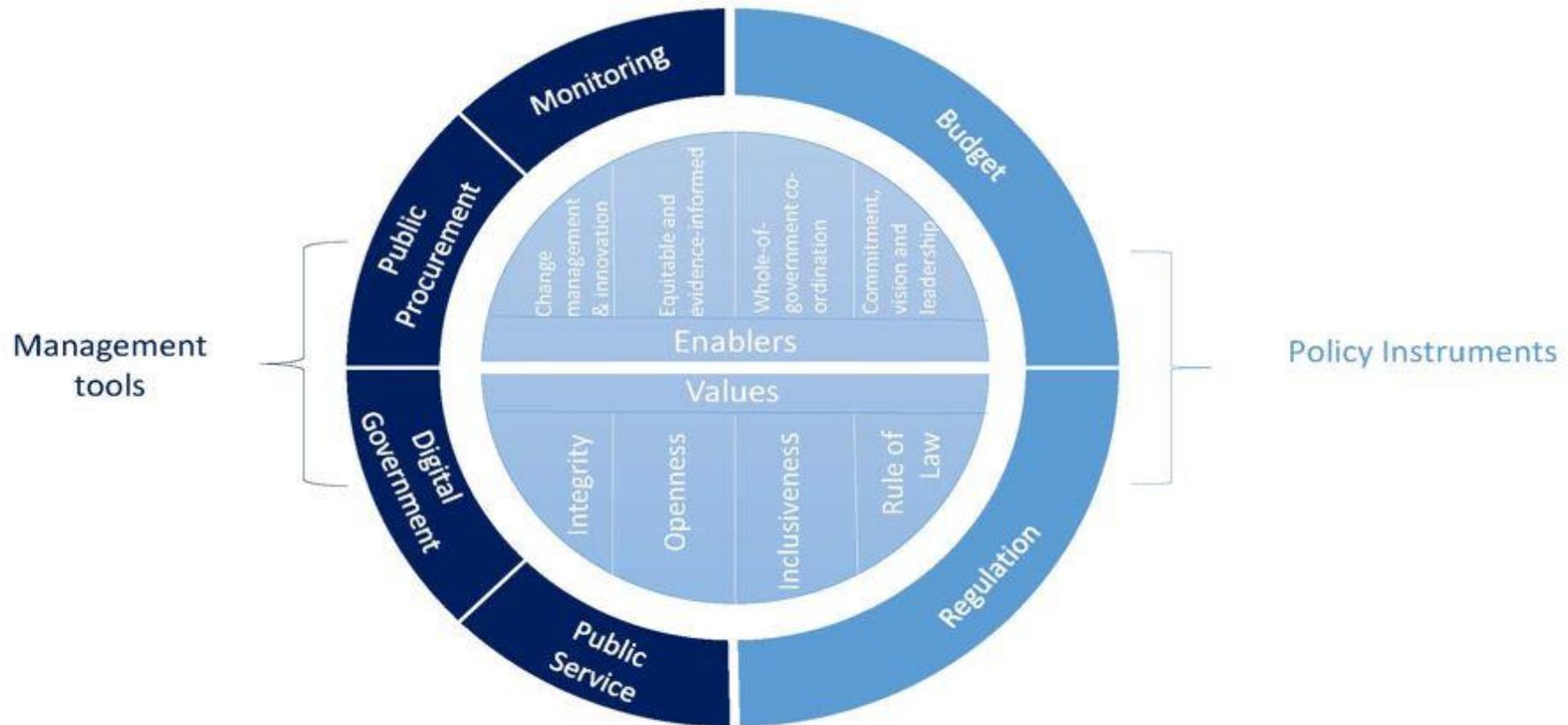
What is sound public governance?

Sound public governance is a means to an end: it aims to ensure governments at any level can successfully anticipate, identify and respond to the needs of citizens and businesses in the public interest, thereby enhancing the development, prosperity and well-being of the country, the region or the municipality and its residents.





Using a governance framework to assess and advise





Better Governance, Planning and Services in Municipalities in Poland: an OECD Assessment

Objective: Strengthening the capacity of a representative sample of municipalities across Poland to pursue integrated local development planning in fulfilment of good-governance principles (PA16 component of the Pre-defined Project)

Focus I: Assessment and Recommendations

Assess municipal policy and practice in key thematic areas of public governance and territorial development and present recommendations for reforms to improve capacity in municipalities to serve citizens and businesses better.

Focus II: Municipal Self-Assessment Tool

Accompany three categories of Polish cities and municipalities (small, medium and large) in strengthening their capacity to set and implement their Development Plans **through the design and use of a municipal public-governance self-assessment tool** to enable municipalities to prepare an Action Plan to implement their Development Plans successfully.



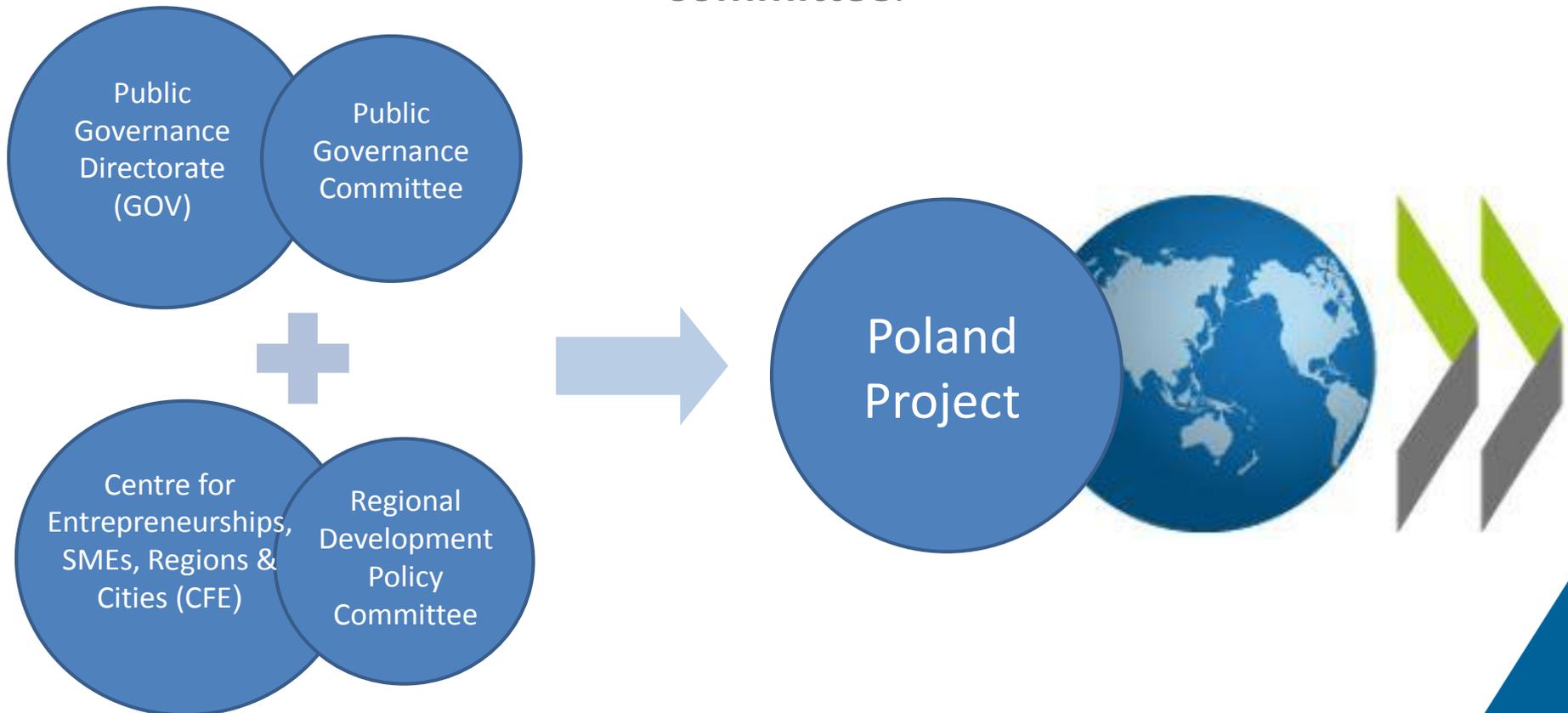
The Assessment's Thematic Chapters

1. Diagnosis-analysis of the economic, social and demographic trends in cities, municipalities regions, their effects on wellbeing and inclusive growth
2. Co-ordination across administrative siloes within city/municipal governments to pursue integrated planning and service design and delivery
3. Strategic Planning for smart, sustainable and inclusive growth in cities and municipalities
4. The use of evidence, including performance evidence, in strategic decision-making in Polish cities and municipalities
5. Linking development strategies to finance and budget systems
6. Strengthening multi-level governance and city/municipal investment capacity through more effective coordination across levels of government
7. Strategic Human Resources Management (HRM) in Polish cities/municipalities
8. Open Government policies and frameworks for greater accountability to citizens in Polish cities/municipalities
9. Reducing administrative burden and red tape to advance reform



A whole-of-OECD approach

This Assessment will be overseen jointly by the **OECD Public Governance Committee** and the **OECD Regional Development Policy Committee**.





FOCUS I: ASSESSMENT AND RECOMMENDATIONS



1. Diagnostic Chapter

- This first chapter will provide a **diagnosis** of the main **economic**, **social** and **demographic** trends in Polish cities, municipalities and regions and their effects on **wellbeing**.
- The analysis will focus on **inclusive growth**, paying special attention to the performance of cities, municipalities and regions and their effects on spatial inequality and national productivity.



2. Co-ordination across administrative siloes to pursue integrated planning, service design and delivery

- This chapter will **identify challenges** and roadblocks in municipal/city administrations that hinder effective **cross-silo co-ordination** for better planning, service design and delivery.
- It will highlight models/structures, mandates and practice across the OECD to **identify** specific institutional and decision-making **arrangements and practices** that could be **transposable** to different cities and municipalities **in Poland** to improve cross-silo co-ordination.
- Special attention will be devoted to examining **governance capacity** to design, deliver and monitor the performance/impact of public services that have been adopted as part of city/municipal **Action Plans**.
- Where practical, this project will use one or more specific service areas **to illustrate** the assessment and recommendations



3. Strategic Planning for smart, sustainable and inclusive growth in cities and municipalities

- This chapter will **assess co-ordination capacity** in Polish cities and municipalities to effectively design and implement their medium and long-term development strategies.
- To do so, it will first **map the responsibilities** and some of **the challenges** of cities and municipalities in **public service design and delivery**
- It will present some of the cross-cutting **megatrends** that affect governments at all levels and their capacity to deliver public services (e.g. climate change, digitalisation, demographic change, etc.)
- To respond to the complex nature of these challenges, **cross-silo co-ordination** in any level of public administration is vital and enables governments to articulate and pursue a multidimensional **Development Plan** through the design and application of **Action Plans**.
-



4. The use of evidence – including performance evidence – in decision-making

- The chapter will examine city/municipal **use and quality of evidence** collected when designing and pursuing their integrated Development Plan and the associated Action Plans.
- It will assess city/municipal institutional **capacity and means to engage in ex-ante and ex-post impact assessments** along with the institutional framework for policy monitoring.
- It will examine the degree to which Polish cities and municipalities use **performance information** to inform decision-making related to budget and strategy, as well as the nature and scope of engagement with citizens and civil-society organizations in performance-monitoring.



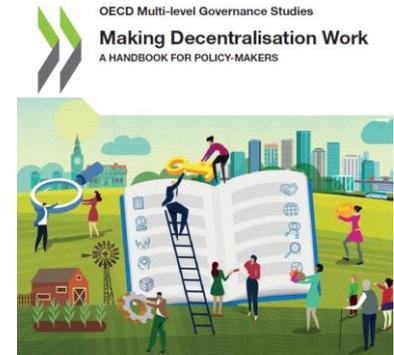
5. Linking strategic planning and budget

- This chapter will focus on city/municipal **capacity to set, execute and manage budgets**, alone and in co-ordination with the other levels of government in Poland, in a way that effectively links budget design to strategy setting.
- It will take into account the **financial management tools** currently used at the local level, some having been developed by the Polish Ministry of Finance at the initiative of the APC, as well as work carried out in **performance budgeting and management**.
- The chapter will **assess this capacity** against the practice-based principles presented in the *OECD Recommendation of the Council on Budgetary Governance* and its related toolkit.



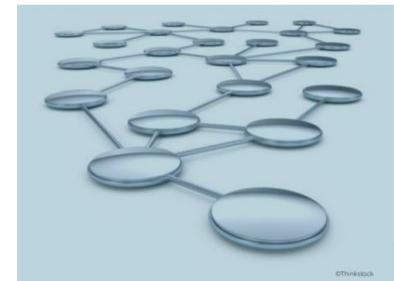
6. Strengthening multi-level governance and investment capacity of cities

- This chapter will focus on **strengthening multi-level governance and investment capacity** of city/municipal governments in Poland. It will focus on 3 main dimensions:
 - **Assignment of mandates/roles/responsibilities to different levels of government:** focus on the main challenges for cities and municipalities in the way responsibilities are assigned and financed
 - **Strengthening local finances and investment capacity:** Analysis of the strengths and challenges in the Polish local finance system against the practice-based principles of *the OECD Recommendation on Effective Public Investment across Levels of Government* and its related toolkit.
 - **Strengthening multi-level governance for regional and local development:** Focus on horizontal co-ordination across city/municipal jurisdictions in functional economic regions and vertical co-ordination for effective multi-level governance between different levels of government.



Recommendation of the Council on
Effective Public Investment Across
Levels of Government

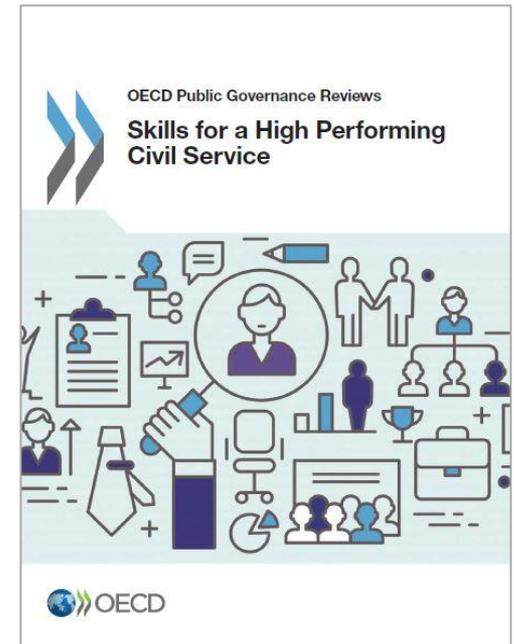
Adopted on 12 March 2014





7. Strategic Human Resources Management at the local/regional level

- Building on the *OECD Report Skills for a High Performing Civil Service* and the 2018 *OECD Recommendation on Public Service Leadership and Capability*, this chapter will present international experiences and best practices in delivering HRM at the local/regional level.
- It will explore the **skills** required to improve policies and regulations to deliver services to citizens.
- Focus on elements of **soft/non-financial incentives** in cities/municipalities.
- Identify approaches for **addressing skills gaps** through recruitment, development and strategic workforce management.





8. Open Government policies and frameworks in cities and municipalities

- Using the *2017 OECD Recommendation of the Council on Open Government*, the chapter will assess Polish city/municipal standards, methods and practices for sharing information and evidence to engage citizens at all points in the policy cycle.
- It will examine the existing **institutional capacity** and **monitoring** and **evaluation** mechanisms indispensable to sound open government reforms.
- It will analyse key tools to **engage citizens** at all points in the policy cycle and advance Open Government policies and frameworks.

Recomendación del Consejo de la OCDE sobre Gobierno Abierto

- 1. ACUERDO** con la voluntad de la presente Recomendación, se adoptan las siguientes definiciones:
 - Gobierno Abierto** es una cultura de gobierno que promueve los principios de transparencia, integridad, rendición de cuentas y participación de las partes interesadas en apoyo de la democracia y el crecimiento inclusivo.
 - Estado Abierto** es una cultura de gobierno que promueve los principios de transparencia, integridad, rendición de cuentas y participación de las partes interesadas en apoyo de la democracia y el crecimiento inclusivo.
- RECOMENDACIÓN** que los Adherentes desarrollen, adopten e implementen estrategias e iniciativas de gobierno abierto que promuevan los principios de transparencia, integridad, rendición de cuentas y participación de las partes interesadas en el diseño y entrega de políticas y servicios públicos, de manera abierta e inclusiva. Con este fin, los Adherentes deberán:
 1. **Analizar** medidas, en todo lo relativo a los roles del gobierno, para descubrir e implementar estrategias e iniciativas de gobierno abierto en colaboración con las partes interesadas y para fomentar el compromiso de los públicos, miembros del gobierno, otros directivos y funcionarios públicos, para garantizar una efectiva implementación y evitar o superar obstáculos relacionados con la resistencia al cambio.
 2. **Garantizar** la existencia e implementación del marco jurídico y regulatorio de gobierno abierto nacional, incluyendo la provisión de documentos de soporte tales como guías y manuales, mientras se establecen mecanismos de supervisión adecuados para garantizar el cumplimiento.
 3. **Generar** espacios fomentadores y de adaptación para los roles de las estrategias e iniciativas de gobierno abierto:
 - (i) **Desarrollar** un mandato a la función pública para diseñar e implementar estrategias e iniciativas de gobierno abierto sólidas, así como recursos humanos, financieros y técnicos adecuados, promoviendo al mismo tiempo una cultura organizacional de apoyo.
 - (ii) **Promover** la colaboración del gobierno abierto en la administración, en todos los niveles de gobierno y entre las partes interesadas.
 4. **Construir** mediante los recursos institucionales adecuados, las estrategias e iniciativas de gobierno abierto -horizontal y verticalmente- a través de todos los niveles de gobierno para garantizar que estas sean adaptadas, y consistentes, en todos los objetivos socioeconómicos relevantes.
 5. **Desarrollar e implementar** mecanismos de monitoreo, evaluación y rendición de cuentas para las estrategias e iniciativas de gobierno abierto:
 - (i) **Identificar** los actores institucionales que se encargaron de recopilar y difundir información y datos actualizados y fiables en el Estado Abierto.
 - (ii) **Desarrollar** estándares compatibles para medir procesos, rendimientos, resultados e impactos en colaboración con las partes interesadas.
 - (iii) **Implementar** una cultura de monitoreo, evaluación y rendición de cuentas entre las funciones públicas orientada a su capacidad para hacer a su vez un seguimiento oportuno a todos los efectos en colaboración con las partes interesadas pertinentes.
 6. **Consultar** activamente sobre las estrategias e iniciativas de gobierno abierto, así como sobre sus resultados e impactos, a fin de garantizar su conocimiento dentro y fuera del gobierno, para fomentar su aceptación y extender la aceptación por parte de las partes interesadas.
 7. **Preparar** proactivamente información y datos del sector público que sean claros, completos, oportunos, fiables y relevantes de manera gratuita, disponible en un formato abierto y legible en máquina y no propietario, fácil de acceder, comprender, utilizar y reutilizar, y accesible a través de un sitio web nacional, a ser posible en consulta con las partes interesadas.
 8. **Dar** a las partes interesadas oportunidades iguales y justas de ser informados y consultados y participar activamente en todos los temas de alta prioridad pública y del diseño y prestación del servicio público. Esto debe hacerse con tiempos suficientes y canales claros, mediante un sitio de dedicación para minimizar la carga de la consulta. Además, esfuerzos significativos deben ser realizados para llegar a grupos más vulnerables, vulnerables, menos representados o marginados dentro de la sociedad, en donde la influencia individual y la reputación del público son bajas.
 9. **Prever** formas innovadoras para incluir activamente a los miembros de las partes interesadas con el fin de generar ideas y otras soluciones que mejoren la efectividad y el diseño de los mecanismos del gobierno digital, incluyendo el uso de datos abiertos gubernamentales, para apoyar el logro de los objetivos de las estrategias e iniciativas de gobierno abierto.
 10. **Recomendar** las reglas, prerrogativas y la independencia general de todas las partes involucradas y conformar a sus marcos jurídicos y normativos actuales, mejorar la posibilidad de pasar del concepto de gobierno abierto al de un estado abierto.

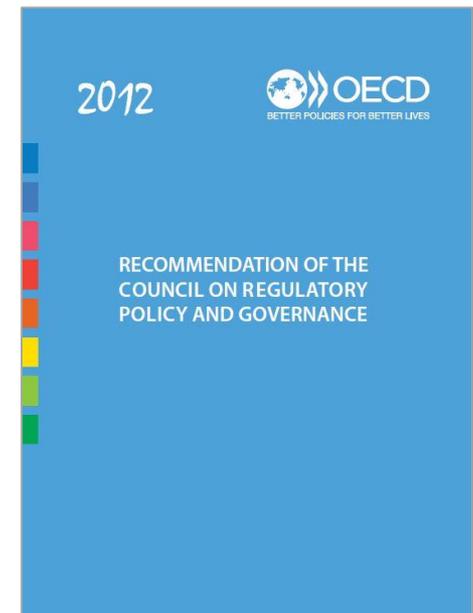
Para más información, por favor póngase en contacto: open@oecd.org | <http://oecd.org/open>

para más información, por favor póngase en contacto: open@oecd.org | <http://oecd.org/open>



9. Reducing administrative burden and red tape for effective and efficient service delivery

- This chapter will examine **the regulatory framework** governing Polish cities/municipalities, including regulations from the European Union and national level government.
- It seeks to identify possibilities to **reduce “red-tape”** at the city/municipal level to facilitate local governance reforms and improve the capacity of civil servants to deliver services effectively and efficiently to residents .
- This chapter will use municipal **public procurement practices** as a lens through which to assess Polish practices in this area.





FOCUS II: MUNICIPAL SELF-ASSESSMENT TOOL



Focus II: Municipal Diagnostic / Self-assessment Tool

- As part of the assessment process, the Project will support the APC and the cities/municipalities in designing and using a **public governance and territorial development self-assessment diagnostic tool**:
 - In the short term, this tool will enable municipalities to prepare an **Action Plan** to implement their **Development Plans**.
 - In the long term this self-assessment tool will help improve public governance and territorial development more generally.
- The self-assessment tool will be developed and fine-tuned using the questionnaire and a series of workshops:
 - The **questionnaire**, will serve to inform the project/report as well as to create the self-assessment tool for municipalities.
 - A first series of **workshops** for a small representative sample of 6-10 municipalities will be convened to **test a preliminary version** of the tool
 - A second series of **capacity-building focus-group workshops** will be held to enable municipalities develop a **good-governance toolkit** and allow the OECD to “**train the trainers**”.



PROJECT METHODOLOGY



The OECD's Peer Review Methodology

- The OECD will apply its peer review approach to the Project:
 - The project will benefit from the OECD's comparative databases as well as the international expert and practitioner networks.
 - Country peers— senior officials from local, regional and national levels of government governments who have faced or are facing similar challenges to those being analysed in the Assessment – will be selected based on discussions with the APC and the Ministry to engage in effective dialogue with their Polish counterparts.
 - In working with the APC and the Ministry, it will include the Norwegian Association of Regional and Local Authorities (Donor Programme partner) as an institutional peer.



Project Timeline

• Q3 2019: Kick-off/Scoping mission

• Q4 2019 Questionnaire Preparation / Initial focus group workshops with 6-10 cities

• Q1 2020: Fact-finding missions to assess the Assessment's thematic areas

• Q2 2020: Workshops on self-assessment tool with 6-10 cities

• Q3 2020: Drafting process of the Assessment

• Q4 2020: Mission to test findings with stakeholders in Poland

• Q1 2021: Discussion in OECD committees, Launch of the Assessment

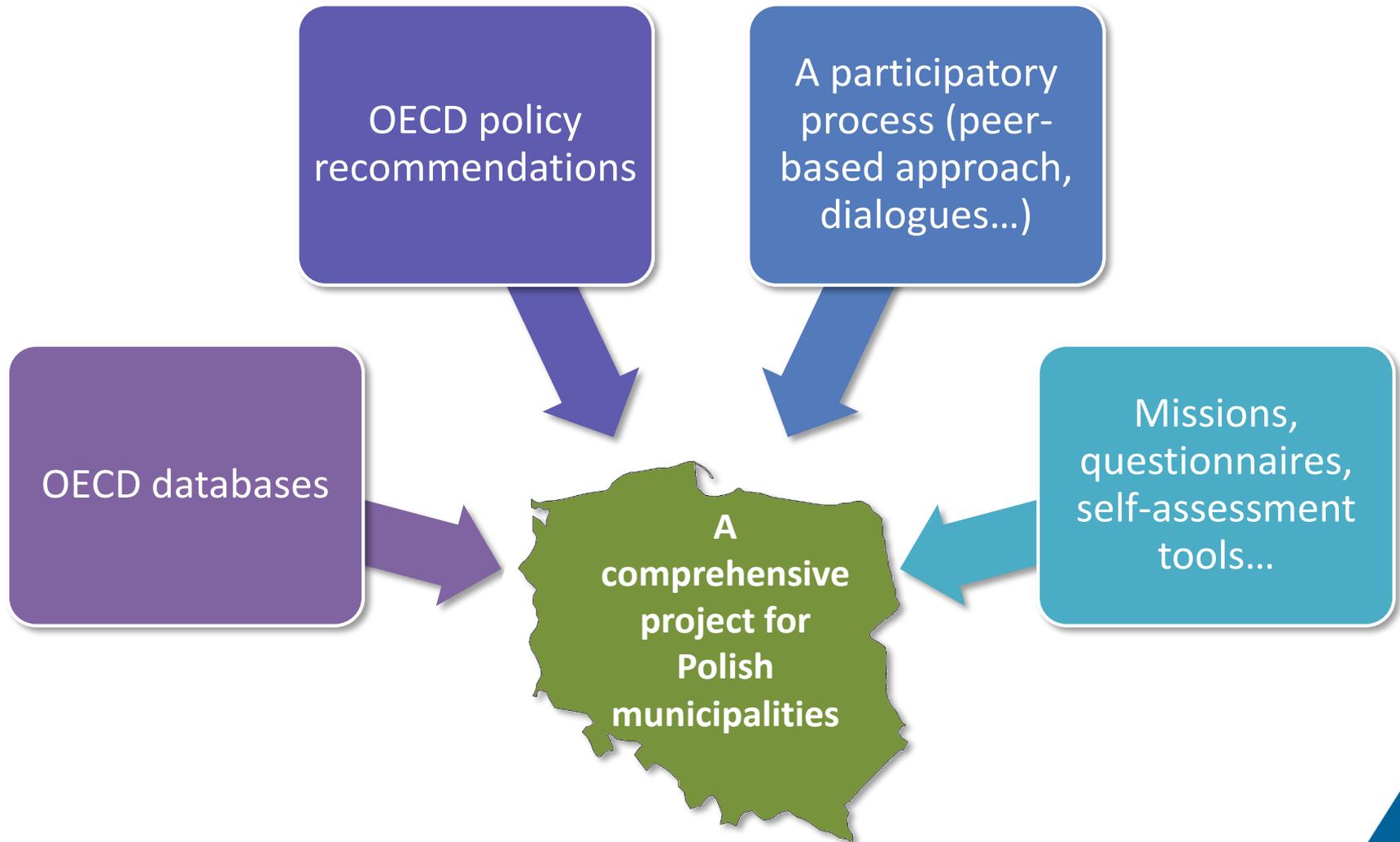


PART II

OECD APPROACH TO LOCAL GOVERNANCE AND TERRITORIAL DEVELOPMENT



Better Governance, Planning and Services in Municipalities





How does the OECD look at **territorial development**
and multi-level governance?

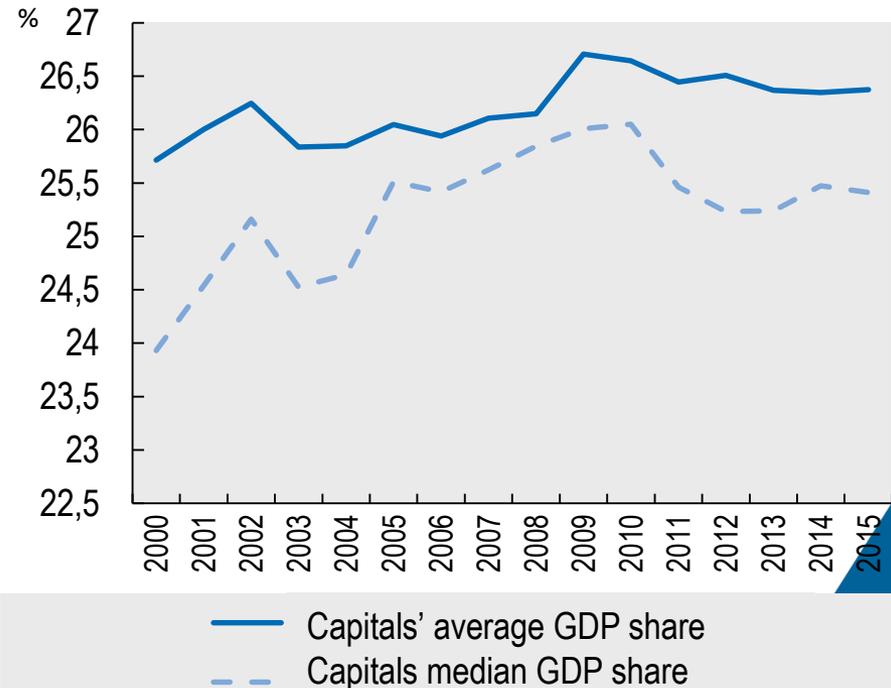
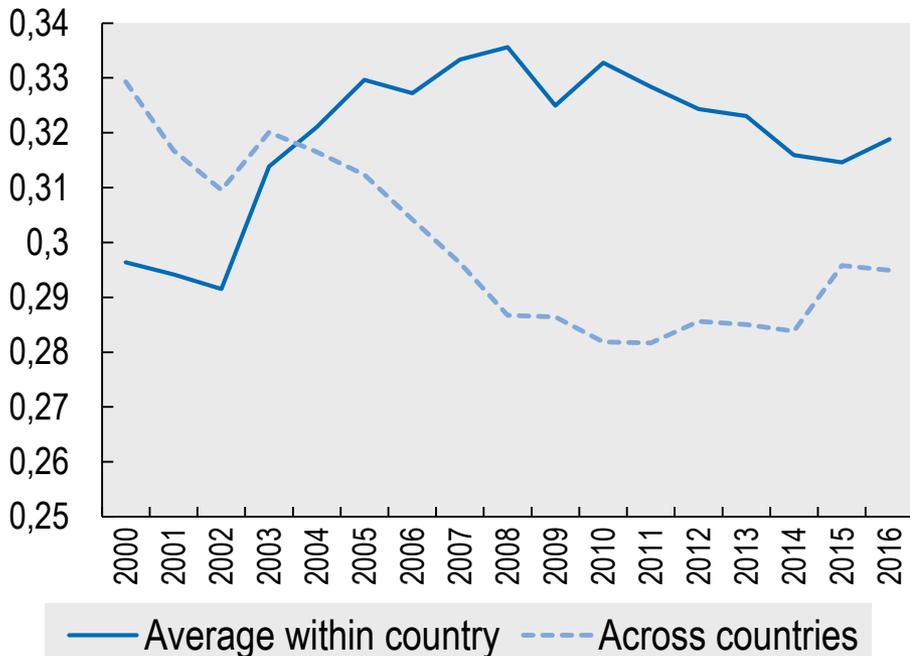


We see high disparities within countries

Across OECD regions, disparities in GDP per capita are larger **within countries** than across countries.

There is an relatively high concentration of economic activity within OECD countries. **Capital regions** contribute over **25%** to the country GDP.

Coefficient of variation for GDP per capita





To address disparities and support regional development OECD promotes placed-based policies

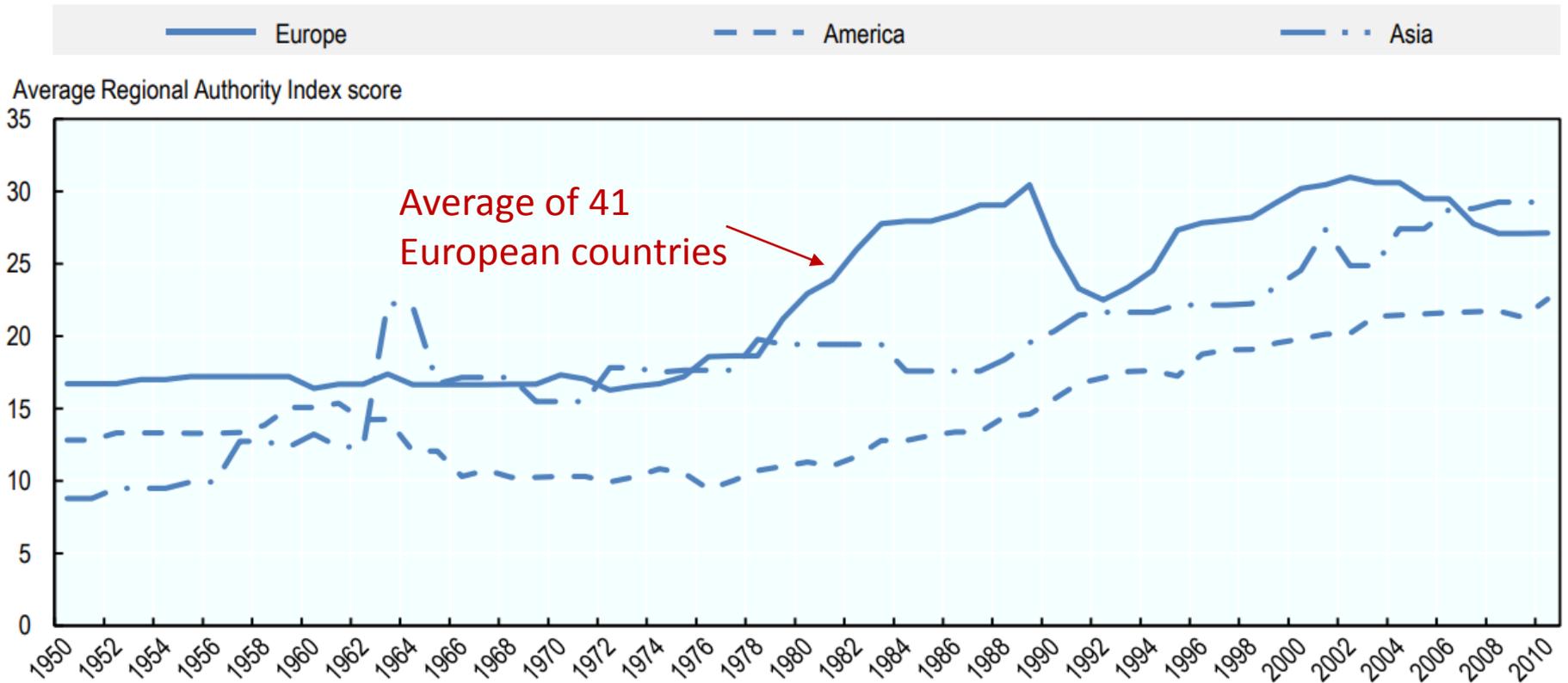
	Traditional Regional Policies	OECD approach to regional development policies
Targeted regions	Lagging regions	All regions, including drivers of growth and rural areas close to cities
Objectives	Balancing economic performances by temporary compensating for disparities	Tapping under-utilised regional potential for competitiveness
Strategies	Sectoral approach	Integrated development projects
Tools	Subsidies and state aid	Investment in soft and hard infrastructures
Actors	Central government	Different levels of government
Unit of analysis	Administrative regions	Functional regions
	Redistribution from leading to lagging regions	Building competitive regions by bringing together actors and targeting key local assets



Place-based policies are more crucial as The role of SNGs is increasing

Regionalisation in America, Asia and Europe since 1950

Regional Authority Index





This is evident in their share of spending and investment

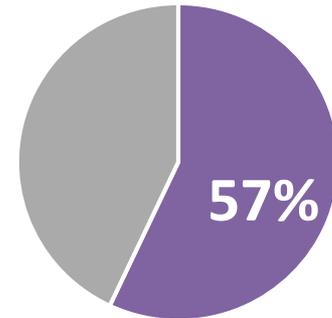
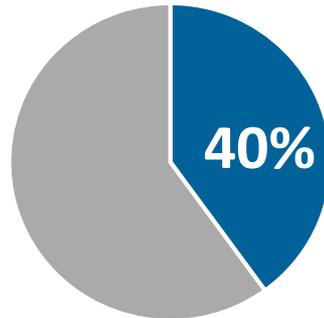
SNG spending

as % of general government spending

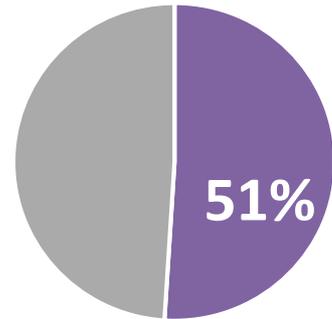
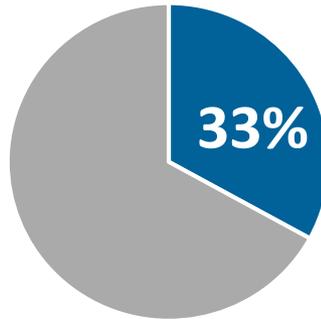
SNG investment

as % of general government investment

OECD average



EU average



Meanwhile, we see mutual dependency across levels of government remains strong. Most responsibilities are shared among levels of government.



Typical challenges faced by EU subnational governments

Red tape and regulatory burden

- A large majority of respondents (90%) consider excessive administrative procedures, lengthy procurement and red tape as a challenge

Designing and planning infrastructure in a long-term perspective

- Lack of capacity to design long-term public investment strategies (65% SNGs)
- Lack of sufficient in-house expertise to design infrastructure projects (56%)
- Lack of coordination across sectors

Coordination across levels of government & jurisdictions

- Mismatch between local/regional needs and those given priority at central level (84%).
- Absence of a joint investment strategy with neighbouring cities/regions (76%)
- Lack of incentives (such as financial incentives) to cooperate across jurisdictions

Performance monitoring

- Though a monitoring system might exist, it is frequently pursued as an administrative exercise and not used as a tool for planning and decision-making (66% of SNGs)
- Lack of (ex-post) impact evaluations (71%)



10 Guidelines for policy-makers for better multi-level governance



1. Clarify the responsibilities assigned to different government levels



2. Ensure that all responsibilities are sufficiently funded



3. Strengthen subnational fiscal autonomy to enhance accountability



4. Support subnational capacity building



5. Build adequate coordination mechanisms across levels of government



6. Support cross-jurisdictional cooperation



7. Strengthen innovative and experimental governance, and promote citizens' engagement



8. Allow and make the most of asymmetric decentralisation arrangements



9. Consistently improve transparency, enhance data collection and strengthen performance monitoring



10. Strengthen fiscal equalisation systems and national regional development policies to reduce territorial disparities



OECD Recommendation on Effective Public Investment across Levels of Government

Pillar 1

Co-ordinate across governments and policy areas

Invest using an integrated strategy tailored to different places

Adopt effective co-ordination instruments across levels of government

Co-ordinate across SNGs to invest at the relevant scale

Pillar 2

Strengthen capacities and promote policy learning across levels of government

Assess upfront long term impacts and risks

Encourage stakeholder involvement throughout investment cycle

Mobilise private actors and financing institutions

Reinforce the expertise of public officials & institutions

Focus on results and promote learning

Pillar 3

Ensure sound framework conditions at all levels of government

Develop a fiscal framework adapted to the objectives pursued

Require sound, transparent financial management

Promote transparency and strategic use of procurement

Strive for quality and consistency in regulatory systems across levels of government

<https://www.oecd.org/effective-public-investment-toolkit/>

This is the first OECD Instrument in the area of regional policy and where subnational governments are explicitly recognised



...as well as instruments for urban and rural development

OECD Principles on Urban Policy



OECD Principles on Rural Policy





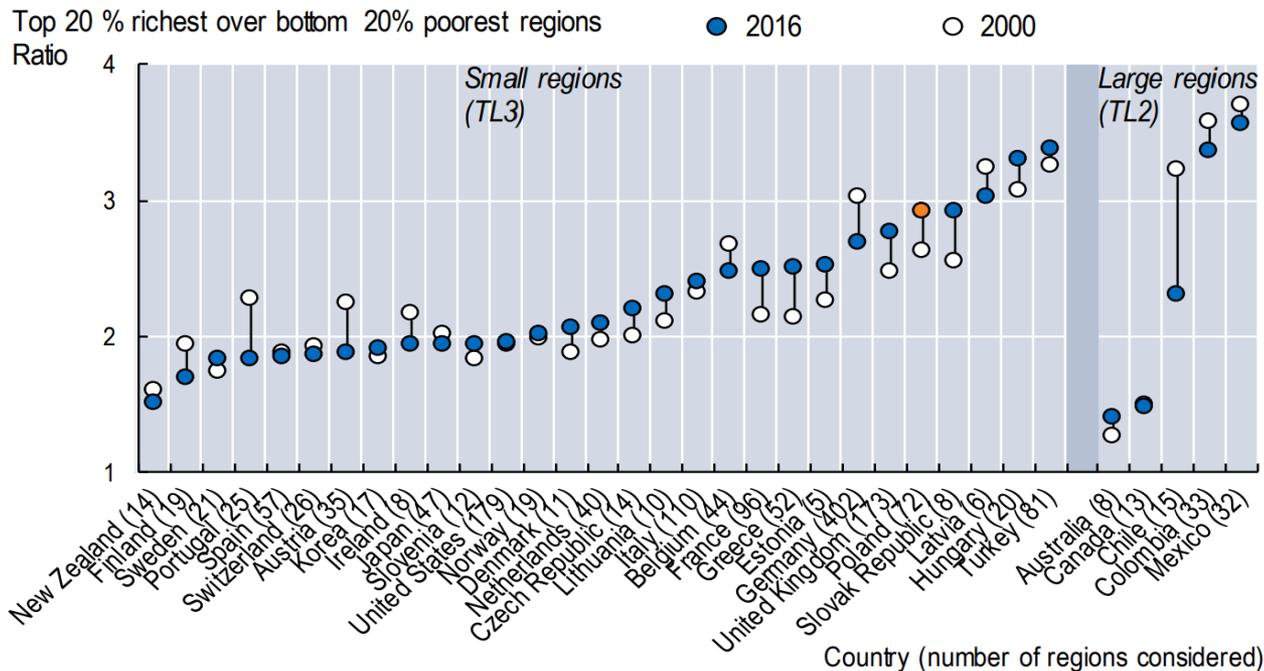
With these perspectives and research,
what have we found on Poland so far ?



Regional disparities in Poland are high

In the OECD, Poland has the 5th highest regional economic disparities in terms of GDP per capita across small regions.

Metropolitan areas with more than 500 000 inhabitants in Poland account for one-third of national population but generated 49% of national GDP growth in 2000-16.

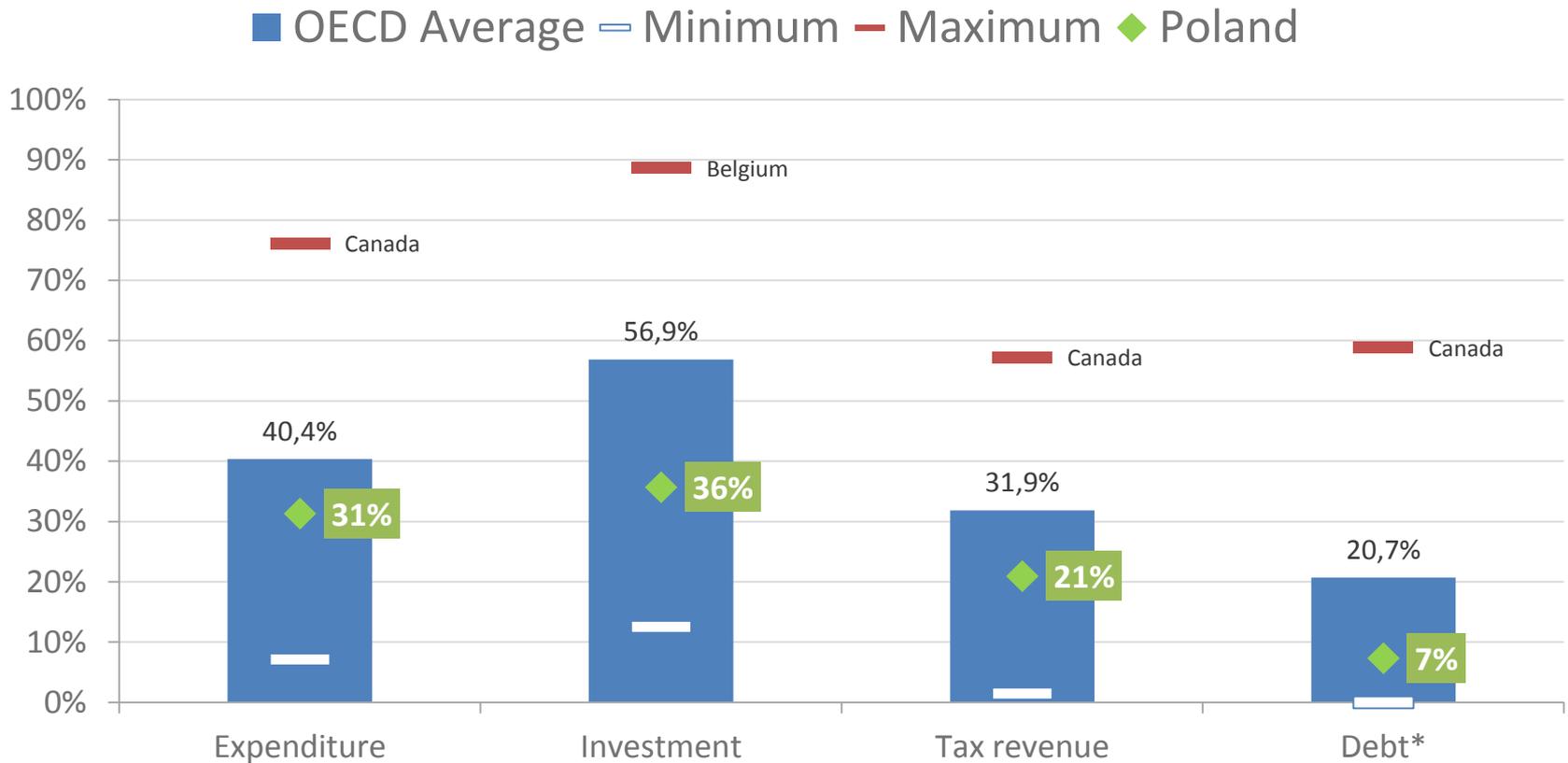


Source: OECD (2018), OECD Regions and Cities at a Glance 2018, OECD Publishing, Paris, https://doi.org/10.1787/reg_cit_glance-2018-en.



Overview of subnational government in Poland

% of general government - 2016

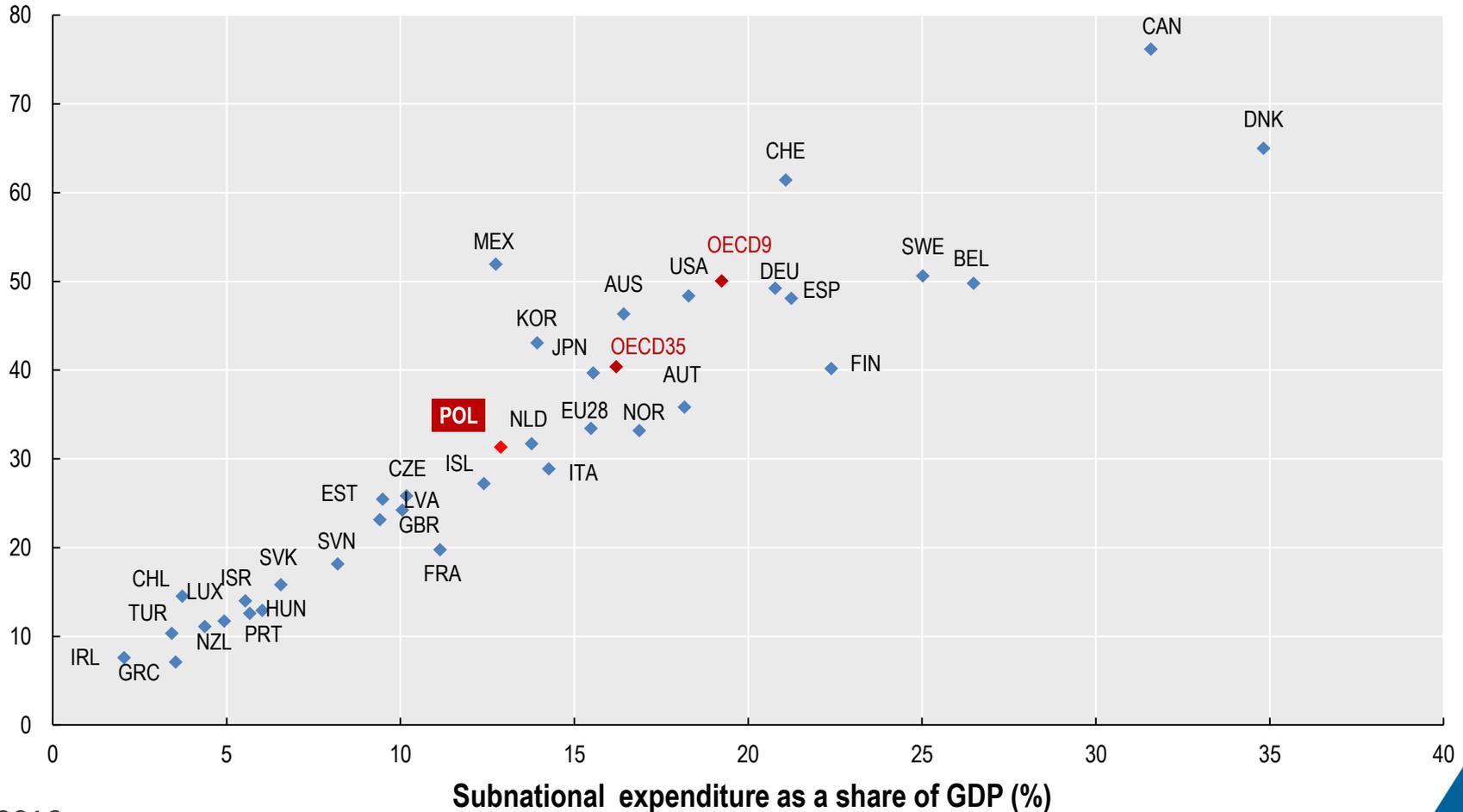


*: Debt OECD definition ie including, in addition to "financial debt", insurance reserves and other accounts payable. No data for Mexico, Chile and New Zealand



Poland stands below OECD average in the share of subnational spending

Subnational expenditure as a share of total public expenditure (%)



Year: 2016

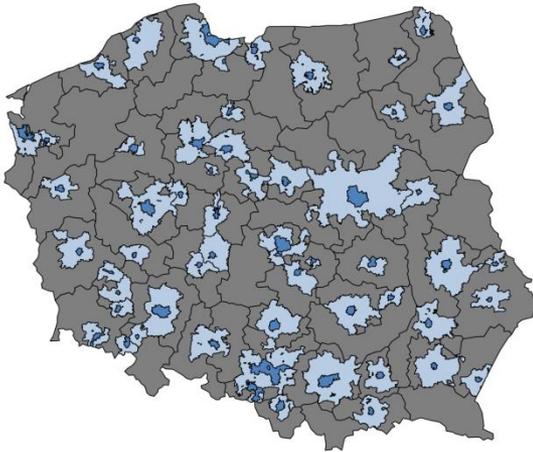
Subnational expenditure as a share of GDP (%)



Recent OECD studies

OECD Rural Policy Reviews: Poland 2018

Poland Functional Urban Areas (FUAs)



Dispersed settlement requires effective inter-municipal coordination

Increase incentives for **local spatial development plans**; reduce reliance on **ad hoc planning decisions**; **monitor spatial trends** and **lend technical expertise** to municipalities

**OECD and the European Commission have jointly developed a methodology to define FUAs across countries, using population density and travel-to-work flows*



Other OECD instruments and resources on local governance, MLG and regional development

OECD Publications

- Multi-level governance review
- Urban policy review
- Rural policy review



Website (www.sng-wofi.com) with database, country profiles, etc. on subnational finance and investment across over 100 countries

Self-assessment toolkit on public investment for all levels of government

<https://www.oecd.org/effective-public-investment-toolkit/>

OBJECTIVES	INDICATORS
PRINCIPLE 1: Invest using on integrated planning tailored to different places	<ul style="list-style-type: none"> Existence of planning for regional development that is coherent with national and sub-national development plans Existence of public investment plans that reflect national and sub-national development plans Existence of public investment plans that are coherent with national and sub-national development plans Existence of public investment plans that are coherent with national and sub-national development plans
PRINCIPLE 2: Adopt effective instruments for co-ordinating across national and sub-national levels of government	<ul style="list-style-type: none"> Existence of instruments for co-ordinating across national and sub-national levels of government Existence of instruments for co-ordinating across national and sub-national levels of government Existence of instruments for co-ordinating across national and sub-national levels of government Existence of instruments for co-ordinating across national and sub-national levels of government



Thank you!

Contact:

adam.ostry@oecd.org
dorothee.allain-dupre@oecd.org