

ANNUAL MEETING OF SENIOR OFFICIALS FROM CENTRES OF GOVERNMENT

POLITICAL ECONOMY OF REFORM: ENSURING STAKEHOLDER SUPPORT

25-26 September 2008

Residencia Oficial de los Pinos, Mexico City, Mexico

DRAFT ANNOTATED AGENDA

OBJECTIVES OF THE MEETING

1. The meeting of Senior Officials from Centres of Government offers a unique opportunity for participants to meet with their opposite numbers from the OECD member countries.
2. The 2008 meeting in Mexico City, has three main objectives:
 - To review what role Centres of Government may play in ensuring stakeholders support for reforms.
 - To multiply the opportunities for **informal exchanges between participants** and strengthen ties between the members of this network of colleagues with similar responsibilities in their respective countries.
 - To launch an initial discussion of the issue to be discussed in detail at the 2009 Centres of Government meeting in France entitled “**Ensuring the coherence of reforms: steering from the Centre of Government**”.
3. The annual Centres of Government meeting will also include three parallel workshops. Their purpose is to provide participants with the opportunity to discuss topics of their choice in smaller groups, followed by a report to plenary.
4. In addition, the OECD Secretary and Deputy Secretary General will introduce the horizontal activity exploring the political economy of policy reform across areas of priority in OECD member countries. The purpose of this session is to exchange views on a) different strategies for policy reform and b) to explore how the OECD can be more responsive to member country's efforts to reform.
5. Finally, the meeting will provide an opportunity for a mutual exchange of information between participants and the OECD Public Governance and Territorial Development Directorate (GOV). Participants will be informed about GOVs work, particularly where it has directly benefited from discussions held by Senior Officials from Centres of Government in the past, and OECD activities of interest to them. Participants will also be invited to indicate their priorities for the coming years, in terms of public management and governance.

ANNOTATED AGENDA

Wednesday 24 September 2008

16.30 **Welcome and check in at the “Presidente Intercontinental” Hotel**
Campos Elíseos 218, Col Polanco
C.P. 11560, México D.F.

19.00 **Welcome cocktail and visit of the Chapultepec Castle**

Thursday 25 September 2008

Political Economy of Reform: Ensuring Stakeholder Support

Venue **Residencia Oficial de los Pinos**
Room Venustiano Carranza

08.30 **Departure from the “Presidente Intercontinental” Hotel**
Transport by bus

08.45-09.15 **Opening of the meeting by: Ms. Patricia Flores Elizondo, Chief of Staff of the Presidency and Mr. Angel Gurría, Secretary General of the OECD**

The political economy of reform is a central concern for many governments around the world and is the subject of a major horizontal initiative at the OECD. It is becoming increasingly clear that the problem facing OECD countries is not so much the ‘what’, but the ‘how’ of reform. Ministers need support in terms of the sequencing, evidence-base and communication of reforms if they are to risk their ‘political capital’ in the pursuit of reform goals. Lessons from across the OECD countries show that without stakeholder support, reforms will fail. How can key stakeholders be engaged and their support secured? What role do Centres of Government play?

This year’s meeting of the Network of Senior Officials from Centres of Government (CoG) offers an opportunity for members to discuss this challenging topic on the basis of participants’ own experiences. Building on initial discussions held during the 2007 CoG meeting in Bern, this meeting will allow members to explore issues related to the political economy of reform in more depth, including the specific question of ensuring stakeholder support.

09.15-10.15 Session 1: Timing and pace of reform

[Ref:GOV/PGC/MPM(2008)1]

Reforms are often easier in times of crisis when the need for change is clear to all. But reforms are needed even when the economy is going well. Change, complexity and uncertainty characterise the environment in which governments must decide, act and engage. This requires a higher degree of adaptability and flexibility than ever before – without undermining accountability and transparency. Indeed, spectacular reform initiatives may not be the norm. Rather, reforms may amount to a steady pace of permanent change where the challenge is to maintain momentum.

What role does the Centre play in designing and delivering on a government's reform programme? What participants' experiences with different timing and pacing of reforms (e.g. slow vs. "big bang")? How are budget constraints reconciled with public and political expectations? Do Centres of Government have a role in guarding against the unravelling of phased reform during implementation?

10.15-10.45 (approx.) Coffee break

10.45-12.15 Session 2: Balancing short term and long term goals

[Ref:GOV/PGC/MPM(2008)2]

At times governments have little choice but to react to events without taking into account the long term implications of the reforms they propose. Solutions which may appear satisfactory at first sight may prove dangerous and difficult to reverse in the long term. Short and long term impacts therefore need to be taken into account at the design stage of reform. Reforms also create winners and losers, raising issues of compensation for losers and the need for strong oversight to prevent rent seeking by winners. Checks and balances may slow the pace of reform but improve the chance for successful implementation.

How does the nature of the policy issue at stake affect the choice of reform strategy? What is the role of the centre of government in providing information on the short and long term impacts of proposed reforms and in helping governments to choose a strategy? How do Centres of Government maintain a focus on achieving society's long term goals in the face of government need for reform results in the short term?

12.15-12.20 Conclusions of the morning's discussions by Mexican Chair

12.20-14.15 Lunch hosted by the Mexican authorities at the meeting venue

14.15-15.15 Session 3: Parallel workshops

WORKSHOPS

As in previous years, the purpose of the parallel workshops is to provide participants with the opportunity to discuss topics of their choice in smaller groups, followed by a report to plenary. The first two workshops will allow for the in-depth discussion of a specific issue related to the main theme of the meeting, while the third workshop will have no pre-established topic, allowing for 'free' discussion on issues of mutual interest.

- **Workshop 1: Engaging civil society organisations in the design and delivery of reform.** Reforms are often perceived as being imposed from above with little explanation or debate with citizens, businesses and civil society. The design of reform initiatives can take many forms, ranging from 'reform by decree' to 'reform through consensus building' – each carrying its own benefits and risks. How do Centres of Government provide advice on the appropriate choice of model? What are, based on experience to date, the comparative advantages of each? What criteria do Centres of Government use when advising governments whether to consult specific stakeholders, recognised experts or a wider cross-section of the public when framing reform issues and scoping options?
- **Workshop 2: Coordinating reform with regard to supranational and subnational levels.** A government's ability to reform may be limited by framework agreements reached at the supranational level and in some cases they may have little choice but to transpose reforms originating at the supranational level. In other cases, reforms adopted at the national level must be 'translated' or adapted for different levels of subnational government in the light of their level of autonomy. What is the role of Centres of Government in adapting supranational reforms? How does the Centre of Government contribute to the adaptation of national level reforms by the subnational level?
- **Workshop 3:** a 'free' session (e.g. on the daily challenges of managing the Centre of Government)

15.15-15.45 Coffee break

15.45-16.15 Reports to plenary: highlights from the parallel workshops

16.15-17.45 Session 4: Dynamics of consultation and building dialogue with stakeholders

[Ref:GOV/PGC/MPM(2008)4]

The 'constellation' of stakeholders has expanded and now reaches far beyond political parties, ministers, parliaments and the traditional interest groups of employers and labour. It now encompasses new actors, ranging from traditional local associations to online global movements.

Each stage of reform (design, adoption, financing and implementation) requires the support of specific 'reform coalitions' made up of different combinations of stakeholders. Ensuring that these stakeholders are well informed, appropriately engaged and are equipped to not only accept but actively support reform is a critical task.

How can Centres of Government contribute to building broad-based constituencies for reform? How do political advisors, civil servants and other stakeholders engage with Centres of Government to discuss reforms? Do Centres of Government need to invest in new forms of leadership, communication tools and professional skills to be successful? What are some new ways of dealing with traditional stakeholders? How do new stakeholders want to engage?

18.00-18.30 Conclusions of the day's discussions by Mexican Chair

18.45 Transfer to “Presidente Intercontinental” Hotel

19.45 Transfer to the National Palace of Mexico

20.00–22.00 Official dinner hosted by Ms. Patricia Flores Elizondo, Chief of Staff of the Presidency, in the National Palace of Mexico.

Friday 26 September 2008
Exploratory discussions for 2009

8.30 **Departure from “Presidente Intercontinental” Hotel**

09.00-10.30 **The Political Economy of Reform at the OECD**
Opening by Aart de Geus, OECD Deputy Secretary General followed by discussion

[Ref: The OECD Horizontal Project on the Political Economy of Reform - Draft Issues Paper]

The OECD has embarked in an activity to enhance OECD’s analysis and advice for effective realisation of domestic policy reforms. The aim is to increase the impact of OECD’s work and contribute to improve policy making in OECD countries. This session will present and get feedback as to how OECD is exploring the question of what are critical success factors in the realisation of reforms in areas of policy priority. It also aims to explore how OECD’s work on political economy of reform can be useful to Centres of Government.

10.30-11.00 **Coffee break** (approx.)

11.00-12.00 **Session 5: Preparation of the meeting of Senior Officials from Centres of Government 2009 – Ensuring the Coherence of Reforms: Steering from the Centre of Government**

[Ref: GOV/PGC/MPM(2008)5]

This session will serve to identify the key points of interest to Centres of Government as basis for developing an agenda for next year’s annual meeting, which will be hosted by France. The proposed topic for this meeting is “*Ensuring the Coherence of Reforms: Steering from the Centre of Government*”.

Over the past few years, discussions within the CoG have highlighted two major challenges in relation to public governance reforms: public trust in institutions and the need to engage stakeholders. Together, they make implementing reforms more complex and require an integrated approach to ensure that change is coherent.

How does the Centre of Government ensure coherence between the various public actors (ministries, agencies, Parliament, sub-national authorities) and private actors (enterprises, associations, trade unions, citizens)? How to develop an effective plan of action, one which generates a multiplier effect among different reform projects affecting different parts of the government? What tools does the Centre of Government have to steer reforms? What are the limits to its role?

12.00-12.15 **Conclusions of the morning’s discussions and general conclusions of the meeting**

12.15-12.45 **Closing address by President Felipe Calderón of the United States of Mexico and Mr. Angel Gurría, Secretary General of the OECD**

13.00 -14.30 **Lunch** hosted by the Mexican authorities at the meeting venue

14.45 **Departure to hotel**

NOTE: The Mexican authorities would warmly welcome the presence of participants’ spouses during the official events (welcome cocktail, official dinner). See accompanying programme for spouses in annex attached.