

**ASSESSMENT OF THE**

**MENA-OECD GOVERNANCE PROGRAMME**

**2008-2009**



# Assessing the Thematic Outputs and Achievements of the MENA-OECD Governance Programme

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The OECD-MENA Governance Programme is part of an overall OECD Initiative on Governance and Investment for Development, launched in 2005. The MENA-OECD Governance Programme implements the Good Governance for Development (GfD) in Arab Countries Initiative, which is jointly carried out by the OECD and UNDP.

The Steering Group of the Good Governance for Development in Arab Countries Initiative decided at its Ministerial Conference in November 2007 to adopt the Terms of Reference for each Working Group. Complemented by a detailed Programme of Work for 2008-2010 (Terms of Reference) that sets the strategic framework for the implementation of the activities of the Working Groups.

The Initiative made important progress in 2008 and 2009, successfully fulfilling the Programme objectives. The demand-driven approach of the Programme has proven effective in achieving its results as it reflects the stakeholders' needs and expectations.

This report provides a broad assessment of the implementation of the Programme of Work, putting emphasis on some of the concrete results achieved by the various Working Groups and Focus Groups. The assessment reports on the thematic priorities covering the fields of Human Resources Management, Integrity, e-Government, Administrative Simplification, Regulatory Reform, Public-Private Partnerships, Public Finance, as well as cross-cutting issues such as Gender and Environment.

This report also presents concrete impacts of the process of reform supported by the MENA-OECD Programme in MENA countries, as well as outputs and outcomes from a governance perspective. This Assessment reports on a large number of activities: regional dialogue arising from seminars or workshops; capacity-building activities, national adaptation of policy design resulting from tailor-made peer-to-peer studies, joint learning activities, study visits or training sessions.

The following assessment provides insights on how the MENA-OECD Governance Programme can build capacities in linking governments from MENA and OECD countries and allow for regional knowledge sharing and networking. In 2008, the publication of the *"First OECD Joint Learning Study on Enhancing Integrity in Public Procurement in Morocco"* has proven that the OECD can effectively support MENA countries on their path to governance reform, by adapting OECD tested tools to the national policy context of a country. In 2009, the progress report on *Public Governance Reform in the Middle East and North Africa* shed light on the reform achievements reached by countries in some key areas.

This report will show a new commitment to the reform of public governance over the past five years in MENA countries, underlining how countries have developed cross-cutting initiatives to improve public governance and to integrate these initiatives into national reform programs.

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# MANAGING THE IMPACT OF THE CRISIS

## MANAGING REFORM IN A PERIOD OF SLOWDOWN

Workshops and capacity-building seminars of the various Working Groups have addressed the impact of the crisis on public governance reforms in MENA countries. Technical experts have exchanged intensive discussions and experiences on concrete policy measures to adjust structural governance reforms to the impact of the crisis.

The high-level meeting on Moving Forward with the Governance Reform Agenda was held on 5 March 2009 in Cairo, Egypt, provided government officials from MENA and OECD governments with the opportunity, for the first time, to discuss in a regional forum the impact of the economic and financial crisis, as well as strategies for moving forward with national governance reform agendas in times of economic uncertainty.

Delegates discussed, in particular, whether, and to what extent, the current global economic and financial crisis can provide the base for change and a window of opportunity for governance reform, or on the contrary, whether it becomes an obstacle to reform by increasing resistance and slowing down the pace of reforms.

Participants agreed that the impact of the economy on reform projects has to be considered carefully when shaping and implementing reform strategies. They recognised that critical economic and financial situations can become a reform driver and an incentive for adapting government action. The general opinion expressed in the meeting was that the current situation should not be used to justify the deceleration of required reforms.

However, the policy priorities and the sequencing of reforms may shift when economic uncertainty prevails. Delegates from MENA countries noted that the implementation of previous decisions can be postponed, new policy elements can be introduced in the

agenda, and a number of necessary modernisation processes, as for example in the area of e-government, could be perceived as too costly and low-priority. Policies oriented to adjust the size of government and downsize the civil service may also be challenged by the crisis as the public sector has to deal with the implications of increased unemployment.

Discussions reflected on appropriate policy instruments to effectively respond to the crisis. They presented mechanisms for the co-ordination, the adequate sequencing and the prioritization of public governance reforms in times of economic crisis. Several participating countries underlined the utmost importance of leadership, citizen consultation and enforced accountability mechanisms in the government's dealing with the crisis.

## ADJUSTING PUBLIC EMPLOYMENT POLICIES TO CRISIS



Public employment has traditionally been a policy option to avoid large percentages of unemployment in several MENA countries. Although this mechanism plays a role in terms of social cohesion, several concerns arise regarding public administration performance and the cost of wage bills. Few MENA countries have adjusted their public employment level to wage bill projections in line with their HRM policies in order to introduce alternative public management

orientations. Discussions of the 5<sup>th</sup> regional meeting of the Working Group on Civil Service and Integrity held on 16-17 June 2009 in Rabat emphasised that all MENA countries maintain their traditional public employment policies aiming to absorb a high proportion of the qualified young population.

Policy dialogue revolved around the impact of the crisis as a result of which OECD countries have experienced a collapse in growth, public expenses increment and rise in unemployment. The change in the public employer's role is a major breakthrough. The civil service is going to become a "safe investment" for workers and the average earnings in the public sector are favourable against the private sector, even in position-based countries where the competition for talent with the private sector is traditionally tight. As a result, many OECD countries are in the process of adapting their HRM policies, such as freezing civil servants' wages, reducing head counts to increase productivity, constraining spending growth or achieving efficiency savings targets. Country experience shows that there is no main trend in public employment with a view of alleviating the impact of the crisis: some countries have voluntarily increased the entry recruitment rate (i.e. Tunisia, Turkey, UK), while others have reinforced their commitment to downsize the workforce (i.e. France, Belgium).

## ENHANCING INTEGRITY DURING CRISIS THROUGH PUBLIC PROCUREMENT

Discussions of the Special Session on Integrity on 5 May 2009 reviewed the key challenges decision-makers are facing in MENA. The global financial crisis is a test for governments. Their role is critical in designing and implementing anti-crisis measures. In this time of challenge, the integrity of both public officials and decision-making remains under constant scrutiny and can affect public trust in government. Countries are increasingly

# MANAGING THE IMPACT OF THE CRISIS

required to invest in fostering a culture of integrity, transparency and accountability in public sector organisations to maintain trust and a level playing field for business.

The Regional Conference on Integrity on 26-27 October 2009 in Istanbul pointed out that the current global crisis raises additional challenges and requires governments to pay particular attention to risk areas at the interface of the public and private sectors (i.e. lobbying or emergency public procurement processes). All these efforts for ensuring transparency and integrity will ultimately contribute to rebuilding public trust. MENA countries put particular emphasis on the modernization of procurement laws and in embedding the procurement reforms in public financial management, anti-corruption and e-government reforms. As a response to the current economic crisis, countries – including those of the MENA region – have put in place stimulus packages. This increased volume of public funds to be spent in an accelerated manner, which may create additional risk of fraud and corruption in public procurement, for instance in projects devoted to infrastructure. The real challenge, however, is creating capacities to enhance integrity and transparency in public procurement.

## ASSESSING IMPACT OF CRISIS ON BUDGET MANAGEMENT IN MENA AND OECD COUNTRIES

A key issue countries are facing in the short-term is how to return to a sustainable fiscal position. In this regard, the crisis has revealed needs for improvement in structures and processes of budgeting. The MENA Senior Budget Officials Network (MENA-SBO) met on 4-5 November 2009 in Doha, Qatar, to exchange challenges and policy options between MENA and OECD countries. The challenges exacerbated by the crisis have to do with off budget commitments and entities, contingent liabilities and flexibility on budgetary

management in a volatile environment. The first challenge to surface during the crisis for budget offices has been finding ways to respond to the call for fast disbursements of large additional sums without forsaking traditional objectives in integrity and legality of expenditures.

The start of the crisis in financial markets and the major contraction in intermediation have led governments to unprecedented interventions in financial markets. This has translated into a large increase in governments' contingent liabilities for guaranties and loans offered to banks and firms. Budgetary handling of those has always been difficult.

The crisis has also involved a massive expansion of tax expenditures in many countries. In parallel, and probably as a consequence of the crisis, there is a substantial renewal on interest internationally in finding a more effective integration of tax expenditures into the decision processes and disciplines of the expenditures budget. The key underlying question for all Budget Officials is whether and how tax expenditures can truly be reintegrated into a comprehensive expenditure policy framework, years after a first unsuccessful attempt internationally.

## MORE EFFICIENT ADMINISTRATIONS FOR ECONOMIC RECOVERY

The role of e-government in times of crisis is considered as a key resource to both, reducing costs and increasing efficiency and effectiveness of the public sector and as a fundamental tool to promote business and investment. Participants of the 5<sup>th</sup> Regional Meeting of the Working Group on E-government and Administrative Simplification held on 25 June 2009 in Manama, Bahrain, agreed that the role of governments is central in mitigating the effects of the crisis and that national as well as international recovery strategies are based on public policies more than market forces. This

in turn gave an interesting answer to our question on the role of e-government in times of crisis, which was generally considered as an effective tool to promote efficiency in public administration operations and therefore having an impact on the business and investment environment.

## BETTER REGULATIONS FOR WELL-FUNCTIONING MARKETS

The Regional Meeting of the Working Group on Public Service Delivery, PPPs and Regulatory Reform held on 19 May 2009 in Tunis, Tunisia, pointed out the contribution of regulatory policy in tackling the crisis. Improved regulatory quality is one of the main pillars of countries' strategies to avoid future economic turmoil created by market failures and low compliance with regulations. Regulatory management and administrative simplification issues are among the core public policy topics for OECD and MENA countries, especially when considering the current global situation, the financial and economic crisis and the redefinition of the role of the state. The global economic and financial crisis has challenged the capacities of governments around the world to deliver effective policies and to react in a timely manner to urgent demands. Participants underlined the importance of a high-quality public services and a sound regulatory framework for ensuring well-functioning markets and balanced economic growth. A sound regulatory framework is also relevant for competitiveness as investment becomes more discriminating.

To strengthen co-operation in this field and ensure a better regulatory quality, participants agreed that the Regional Charter on Regulatory Quality can be an instrument to provide guidance to Arab countries for improving regulatory policy and integrating its principles into policy reform agendas in MENA countries. The Charter will be submitted for approval to Ministers at the MENA Ministerial Conference in Marrakesh.

## PROGRAMME IMPACT

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1. Improved government ability to identify the reform options and national actions to deal with the crisis and to communicate effectively difficult reforms to public.
2. Enhanced public sector capability to manage the consequences of the crisis on the public budgets and how to absorb recovery plans
3. Enhanced capacity for designing policy instruments to take the crisis as a window for opportunity to reduce costs and increase efficiency in public administrations.
4. Endorsement of a key instrument to improve quality in regulation and therefore build well-functioning markets: The Regional Charter for Regulatory Quality.

## PROGRAMME OUTCOMES

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5. Knowledge-sharing and dissemination of good practices on the impact of the crisis.
6. Identification and dissemination of strategies for moving forward with national governance reform agendas in times of economic uncertainty.
7. Implementation of frameworks to strengthen government capability to adjust the public governance strategies.
8. Supporting countries to anticipate the effects of the crisis and to adjust their governance frameworks to future growing expenditures and stimulus packages.

## PROGRAMME OUTPUTS

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- 2<sup>nd</sup> Meeting of the MENA Senior Budget Officials Network on “Budget offices’ adjustments to an international crisis,” Doha, Qatar, **4-5 November 2009**.
- 5<sup>th</sup> Special Session of Working Party on Regulatory Management and Reform, Paris, France, **4 November 2009**.
- Regional Conference on Public Sector Integrity, *Building a Cleaner Public Sector*, Istanbul, Turkey, **26-27 October 2009**.
- Steering Group Meeting, Cairo, **11 October 2009**.
- 5<sup>th</sup> Regional Meeting of Working Group on Civil Service and Integrity, Rabat, Morocco, **17 June 2009**.
- 5<sup>th</sup> Regional Meeting of Working Group on E-government and Administrative Simplification, Manama, Bahrain, **25 June 2009**.
- 5<sup>th</sup> Regional Meeting of Working Group on Public Service Delivery, PPPs and Regulatory Reform, Tunis, Tunisia, **19 May 2009**.
- The high-level meeting on *Moving Forward with the Governance Reform Agenda*, Cairo, Egypt, **5th March 2009**.

# INTEGRITY IN THE PUBLIC SECTOR

## PLANNED THEMATIC PRIORITIES FOR THE PERIOD 2008-2010

- Enhancing integrity in public procurement
- Citizen engagement in policy making and mobilising public opinion for fighting corruption
- Anti-corruption agencies
- National anti-corruption strategy and action plans
- Conflict of interest in the public service
- Codes of conduct

### ENHANCING INTEGRITY IN PUBLIC PROCUREMENT

Public procurement is one government activity particularly vulnerable to corruption. Given the importance of public procurement in economic and strategic terms, governments have become increasingly alert to the risk of corruption in public procurement and to its prevention. At the invitation of the General Treasury of Morocco and the OECD, government officials from MENA and OECD countries met on 3-4 April 2008 in Rabat to share good practices for enhancing integrity in public procurement and to discuss the main findings and lessons learned from the pilot OECD Joint Learning Study on Integrity in Public Procurement in Morocco.

The Moroccan government has gradually come to realise the scale of the problem and the issues involved. Although public procurement has not been a policy priority in the past, a 2007 decree underlines Morocco's growing determination to reform public procurement processes. Fighting corruption and enhancing integrity in public procurement in Morocco signifies not only formulating and implementing a solid legal framework for procurement, but also enforcing it and imposing sanctions in the event of non-compliance. The Joint Learning Study examines the legislative, institutional and procedural elements of the management and control of public procurement in Morocco. This study has been the first regional application of the OECD Principles for Enhancing Integrity in Public Procurement, approved in 2008 as an OECD recommendation.

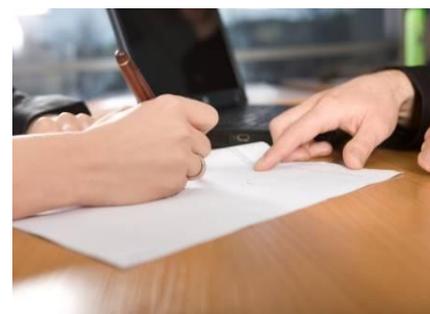
### ENGAGING CIVIL SOCIETY IN REGIONAL DIALOGUE ON INTEGRITY

The active participation of civil society and regional and local actors in the regional conference held on 26-27 October 2009 in Istanbul, Turkey, has shown the progress in citizens engagement in integrity promotion. MENA countries recently introduced anti-corruption reforms that include codes of conduct, new procurement laws and stronger control mechanisms. The plenary session shared experiences and good practices that have proved successful in their national contexts in overcoming the implementation challenges stemmed from capacity issues (technical, budgetary or human resources) or from the absence of a supporting external environment (i.e. awareness of non-governmental stakeholders).

Two workshops were organized to address the issues of integrity standards in public administration on the one hand, and the promotion of the principles of integrity and transparency in public procurement reforms on the other. Outcomes of the first workshop included increased understanding of success factors for effectively implementing integrity standards, particularly in MENA public administrations. Outcomes of the second workshop included better understanding of success factors to effectively integrate the principles of integrity and transparency in procurement reforms in the MENA region, in line with international good practice.

### INTRODUCING MECHANISM OF PEER ADVICE IN MENA COUNTRIES VIA JOINT LEARNING STUDIES

The Joint Learning Studies (JLS) are a new and innovative method established to share knowledge between MENA and OECD countries and to support the successful implementation of reforms. One of the key elements is the involvement of experts from both MENA and OECD countries in the assessment process.



The MENA-OECD Governance Programme is currently implementing a series of JLS in the field of integrity for the purpose of supporting the important efforts of governments in this regard and with a view of enriching regional dialogue in this area. In 2009-10, at least six new JLS will be carried out in key areas of corruption prevention. Fact finding missions have been conducted in Yemen for a JLS on integrity in public procurement, in Jordan for a JLS on the implementation of a Code of Conduct and in Morocco for a JLS on the Central Agency for Fighting Corruption. These fact finding missions to Yemen, Jordan and Morocco took place in January, March and October 2009 respectively.

## INTEGRITY IN THE PUBLIC SECTOR

The Working Group on Civil Service and Integrity intends to support MENA countries in enhancing integrity in the public sector. A key objective of the 4th Regional Meeting of the Working Group on 4 April 2008 in Rabat was to narrow down the programme of work in the area of anti-corruption, integrity and public procurement. MENA as well as OECD countries participating in the meeting defined concrete activities to be carried out during the second phase of the programme. Regional capacity-building activities and joint learning studies in support of national reform appear to be the most adequate tools for co-operation among members of the Working Group. Delegates identified countries interested in future Joint Learning Studies on integrity in public procurement, anti-corruption bodies or code of conduct for civil servants. MENA countries' delegates expressed their strong support to the OECD Joint Learning Studies: the review of the Moroccan procurement system provided not only significant policy advice and helpful recommendations to the Moroccan government, but valuable input to the regional policy dialogue and governance reforms in other MENA countries as well.

### **SUPPORTING NATIONAL ANTI-CORRUPTION STRATEGIES IN IRAQ**

Within the framework of the International Compact with Iraq, collaboration of the OECD with the Government of Iraq started in October 2007 on investment and anti-corruption policies. Supported by the Governance and Investment pillars, high-level meetings and capacity-building workshops were organised on fighting corruption in the public and private sectors and on investment policies. Following a request by the Government of Iraq to prepare Iraq's adherence to the Paris Declaration on Aid Effectiveness, a meeting was organised by the OECD and UNDP Iraq on 26-27 May 2008 in Paris. A back-to-

back meeting provided the opportunity to discuss the analysis of public procurement regulations in light of international benchmarks and the review of anti-corruption efforts by the Government of Iraq and specific agencies.

#### ***Did you know...***

... that worldwide bribery in government procurement is estimated to be adding 10-20% to the total contract costs?

At the high-level meeting on economic and governance policy reforms in Iraq, organised earlier by the OECD and UNDP Iraq on 8-10 July 2008 in Paris, preliminary findings of the OECD surveys on "Improving Transparency in Government Procurement Procedures in Iraq" and on "Fighting Corruption in Iraq: Sources and Challenges" were presented, discussed and agreed upon with Iraqi delegates.

In order to better support Iraq in moving forward with its reform objectives, a back-to-back training session on anti-corruption issues has also been organised by the OECD for Iraqi participants at the French Anti-Corruption Agency.

## PLANNED THEMATIC PRIORITIES FOR THE PERIOD 2008-2010

- Central Human resources bodies and HR units in line-bodies
- Overall human resources planning and management
- Managing senior civil servants
- Performance management and assessing staff
- Pay strategies for better public sector performance

### PROMOTING PERFORMANCE IN HRM

At the Regional Meeting of the Working Group on Civil Service and Integrity on 4 April 2008 in Rabat, delegates from MENA and OECD countries exchanged on the current tendencies and challenges of HRM in the public sector. They identified priority topics for the regional policy dialogue, capacity-building activities and peer advice in support of national reforms. Performance-related pay is a high priority topic for MENA and OECD countries. It is seen as a way to improve performance and efficiency in the public service, and as a policy tool for upgrading salaries and the attractiveness of the public service as an employer. Recruitment and training of civil servants are two other relevant topics for MENA countries. Other areas of interest, more related to the particular needs of specific countries, cover career development, professionalization of local agents, flexibility in HRM, as well as mobility and retirement schemes. Participants also agreed that HRM and integrity indicators in the MENA region should focus on obtaining accurate, up-to-date information on: pay and employment; decentralisation; e-governance linked to transparency; service delivery; anticorruption measures; and case studies of successful reform policies.

### ENHANCING STRATEGIES AND TOOLS OF WORKFORCE PLANNING AND ACCOUNTING IN MENA PUBLIC ADMINISTRATIONS

The Technical Seminar on Workforce Planning and Measurement, held on 16 June 2009 in Rabat, discussed the methodologies used in countries to

account for public employees and to calculate wage bill costs. It concentrated on the methodological processes developed in countries specifically to review and plan workforce needs and skills in government, in a context where political priorities aim at decreasing compensation costs and maintaining capacity.

Addressing the two-fold issue of

#### *Did you know...*

... that the public sector is the first employer in all MENA countries ?

public employment measurement and workforce planning is crucial for the capacity-building of an efficient civil service and the containment of public expenditures. As a consequence, outlining a clear level of public workforce and composition is a prerequisite for ensuring a sustainable and well-balanced public employment, as well as for delivering high-quality public services. Similarly, planning workforce numbers and skills is a preliminary condition for strategic reforms in order to anticipate changes in labor demand and aligning policies to competency requirements. MENA countries have made considerable progress in the past decades in improving their workforce management systems. The public workforce level is above OECD average. Workforce accounting methods, evaluation needs and forecast need to be furthered.

Governments in MENA and OECD countries converge on the increasing priority given to workforce planning on the public management reform

roadmap. HRM policies have shifted to guarantee an appropriately structured workforce based on appropriate skills and competences resulted from organizational goals both short- and long-term, taking into consideration demographic evolution, mobility, turnover and recruitment rate change.

The different HR strategies resulting from workforce planning, such as delegation of the decision-making process at the public employment level, job classification, job descriptions, recruitment procedures, career paths policies, training plans, identification of critical skills, determining size of units, removing oversized units, were all among the topics discussed. MENA countries draw on simple standardized measurement devices and endorsed further activities on the issue (i.e. training session or surveys on workforce and skills planning in government). The first achievement of this seminar was establishing a technical exchange of experiences and information between experts from OECD countries and MENA authorities. Most importantly, countries expressed their interest in the technical approach and the strategic choice of the agenda. The other main achievement was building a solid network of high-level dedicated public HR experts.

### ABSORBING THE SOCIAL IMPACT OF DOWNSIZING POLICIES

The 5<sup>th</sup> Regional Meeting of the Working Group was held on 17 June 2009 in Rabat, Morocco, to address a number of important topics of priority to the Working Group, notably new HR challenges arising from the economic crisis with a view of providing strategic policy responses dealing with short-

# HUMAN RESOURCES MANAGEMENT

and long-term consequences that have been examined (particularly new arrangements for workforce adjustments and the necessity to develop HR policies to cope with the social impact of streamlining strategies). Moreover, examining the social and economic impact of workforce downsizing strategies in countries having already experienced this policy, was also among the topics discussed. These discussions touched on the strategic orientations of the Working Group, especially in relation to modernizing public management in MENA countries.

## ENCOURAGING REFORMS OF PUBLIC EMPLOYMENT THROUGH JOINT LEARNING STUDIES

Joint Learning Studies (JLS) on public employment and human resources management practices will be undertaken in the upcoming months with intentions to support the important efforts of governments and with a view of enriching regional dialogue in this area. Morocco expressed its wish to commit its administration to this exercise. A specific methodology based on a process of consultation with experts and countries has been refined and will be put in practice in the near future.

## MODERNISING CIVIL SERVICE IN TUNISIA AND BAHRAIN

The Tunisian government has launched a national consultation process for the modernisation of the civil service. To this end, the government initiated in early 2008 a national consultation process to review the statute of the civil service, in place for 15 years, with the objective to ensure transparent recruitment and promotion processes in the public sector and to enhance the performance and efficiency of civil servants.

In order to sustain the momentum of reform, the Tunisian Prime Ministry and the OECD organised a seminar on Human Resource

Management on 14-15 February 2008 in Tunis, that was opened by Mr. Zouheir M'Dhaffar, Minister Delegate to the Prime Minister in charge of the Civil Service and Administrative Development. Participating officials from seven OECD and five MENA countries discussed the delegation of recruitment processes in line with ministries and to loosen up employment conditions in the public sector. They also addressed the use of performance incentives such as performance related pay and rewards. Several sessions considered the training of public sector staff, in particular of senior public officials, as a crucial tool for capacity and leadership development. The seminar helped the Tunisian government to advance with its roadmap for reform.

Bahrain also seeks to modernise its Human Resources Management in the public sector, which also requires reviewing and streamlining a growing number of related regulations and administrative procedures. Bahrain's Civil Service Bureau, the central unit in charge of HRM, initiated and financed a peer learning activity on HRM and regulation inside government.



The event took place on 26-27 May 2008 at the OECD headquarters in Paris. Senior officials from Belgium, Germany and the Netherlands shared their expertise with Bahraini civil servants and provided focused policy advice. With respect to efficient HRM, the officials of the CSB were especially interested in learning from OECD countries' experiences with HR policy formulation, job evaluations, and the delegation of HR authority to line ministries. Participants also discussed approaches to downsize the civil

service workforce as well as the pros and cons of outsourcing manpower planning and job evaluation processes. Participants also underlined the importance of examining administrative procedures and regulations inside the government for improved HRM in the public sector. In this context, the practitioners from OECD countries presented best practices, strategies and tools for administrative simplification.

## PROGRAMME IMPACT

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1. Enhanced institutional capacity to improve integrity and performance of the civil service.
2. Enhanced public sector integrity, transparency and accountability and fighting corruption in the public sector.
3. Enhanced capacity for designing workforce planning and performance management strategies and tools to establish a well-dimensioned and effective public workforce in government.
4. Improved public employment environment in the MENA region for social and economic development.

### ***Concrete examples of progress in integrity supported and disseminated through the programme and included in the MENA progress report.***

- The implementation of the Jordan Code of Conduct and Ethics in the Civil Service
- Enhancing integrity in public procurement in Morocco
- The establishment of a Central Agency for Corruption Prevention in Morocco
- The development of a comprehensive governmental National Reform Agenda in 2006 in Yemen

### ***Concrete examples of progress in Human Resources Management supported and disseminated through the programme and included in the MENA progress report.***

- The competence-based model adopted in Bahrain in 2007
- The establishment of an integrated workforce planning system in Morocco since 2007
- The consultation process started in Tunisia in 2007
- The drafting of a new civil service law in Egypt

## PROGRAMME OUTCOMES

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### **1. Progressing with reforms**

- Knowledge sharing and networking among national policy makers from MENA and OECD countries.
- Adoption and implementation of international standards for integrity and corruption prevention: codes of conducts, public procurement and conflict of interest.
- Adoption and implementation of strategies to improve the management of the workforce in the administration.
- Designing strategies to formulate and implement codes of conducts in the civil service, public procurement rules and anti-corruption prevention policies.
- Establishment of control mechanisms to manage conflicts of interests and to ensure enforcement of the integrity standards on the daily work (guidance for public officials, establishment of central agencies to manage corruption policies, whistle blowing, etc).
- Growing institutional capacity for managing the performance of government employees and HRM bodies.
- Implementation of integrated policies including the various HR processes (recruitment, training, career development, pay scales, performance appraisal, etc).

# INTEGRITY AND HRM: RESULTS

## 2. Monitoring reform implementation

- Collecting and mapping out data on public employment and integrity as a first step to build up indicators.
- Development of methodologies to account for public workforce and wage bill in MENA countries.
- Continuous monitoring of progress in implementing workforce planning instruments and policy arrangements on recruitment, pay, training and senior civil service.
- Methodological support for developing a review mechanism through the Setting up of the MENA Network to support the implementation of the UNCAC.
- Progressive conception of indicators on the Integrity framework and oversight mechanisms.
- Continuous monitoring of progress in implementing international corruption prevention and integrity standards in national legislations and regulations.

## PROGRAMME OUTPUTS

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### 1. Active networking of reform drivers and regional dialogue

- Regional Conference on Public Sector Integrity, Istanbul, Turkey, **26-27 October 2009**.
- 5th Regional Working Group Meeting on Civil Service and Integrity, Rabat, Morocco, **17 June 2009**.
- Technical seminar on Measuring and Planning workforce, Rabat, Morocco, **16 June 2009**.
- Special MENA Session on Integrity back to back with the OECD Forum on Public Governance: Building a cleaner world: tools and good practices for fostering a culture of integrity, Paris, France, **5 May 2009**.
- 4th regional meeting of the Working Group on Civil Service and Integrity, Rabat, Morocco, **4 April 2008**.
- Regional Capacity Building Seminar Comparative Approaches in the Field of Civil Service Modernisation in OECD Countries, Tunis, Tunisia, **14-15 February 2008**.

### 2. Capacity building and national adaptation of capacity design

- Participation of MENA countries in the Meeting of the Public Employment Working Party on Strategies for building a representative public workforce, Paris, France, **1 October 2009**.
- National capacity building to support the Government of Iraq : High-Level Meeting on Economic and Governance Policy Reforms in the Republic of Iraq, Paris, France, **8-10 July 2008**.
- Peer Learning Study Visit Modernising the Civil Service Bureau: Human Resource Management and Regulation inside Government, Paris, France, **26-27 May 2008**.
- Regional Conference and Capacity Building Seminar on Integrity in Public Procurement, Rabat, Morocco, **3-4 April 2008**.
- Finalization of the JLS on Enhancing Integrity in Public Procurement in Yemen.
- Finalization of the JLS on the implementation of the Code of Conduct in the Civil Service in Jordan.
- Ongoing drafting of the JLS on Central Authority for Corruption Prevention in Morocco.
- Discussion on a JLS on Public Employment and Human Resources Management in the Moroccan administration.

### **3. Publications**

- OECD Joint Learning Study on Morocco: Enhancing integrity in Public Procurement.
- Chapter on Public Employment and Human Resources Management reform - MENA-OECD progress report on the public governance reform in MENA countries, submitted at the MENA ministerial meeting in **November 2009**.
- Chapter on Enhancing integrity in Public Administration – MENA-OECD progress report on Public Governance Reform in the Middle East and North Africa countries, submitted at the MENA ministerial meeting in **November 2009**.

## PLANNED THEMATIC PRIORITIES FOR THE PERIOD 2008-2010

- Measurement and evaluation of e-government
- E-government training and capacity building
- Legislative infrastructure for e-government
- E-services
- Institutional arrangements for e-government
- Strategy formulation and implementation

### SOLUTIONS FOR COLLABORATIVE E-GOVERNMENT DELIVERY

Carring out e-government projects requires the combined availability of financial resources, infrastructure assets, information and communication technology products and services, and human capacities. This is the reason for which many individual governmental organisations that are not necessarily able to provide these items on their own, have increasingly turned to other public and non-public entities through partnerships and arrangements in order to access specialized skills and knowledge and to acquire the capacity to develop innovative solutions. However, the involvement of third parties creates complex collaboration arrangements and partnerships for e-government.



Within this context, delegates from eleven MENA countries and seven OECD countries met on 27 May in Tunis to discuss different forms of collaborative arrangements and their areas of application. Participants recognised that partnerships between governments and the private sector have become one key feature for e-government. PPPs no longer deal only with technical services; they have

moved to the direct contribution by non-government entities to the development and delivery of e-services. Furthermore, the traditional model for e-government, in which agencies work in isolation to develop their own systems and services, has been challenged. International experience has shown that countries have adopted different solutions for collaborative e-government delivery, which were also discussed during the seminar. The intensive exchange of experiences between experts from MENA and OECD countries paved the way for implementing best practices and to set up state of the art e-governance procedures.

### SUPPORTING GOVERNMENTS ON DEFINING E-GOVERNMENT AGENDA

At the 4<sup>th</sup> Regional Meeting of the Working Group on E-government and Administrative Simplification that took place on 28-29 May 2008 in Tunis, participants from eleven MENA and seven OECD countries identified the activities to be carried out in 2008-09. In addition to traditional seminars, MENA delegates agreed to conduct Joint Learning Activities and Joint Learning Studies in the area of e-government and administrative simplification. Most countries showed interest in deepening their knowledge on the technical infrastructure for digital identification and authentication. Some MENA and OECD countries, such as Morocco and Belgium, expressed their availability to share their knowledge and experience in the area of electronic identity cards. Organisational arrangements for e-government and administrative simplification are also a priority area

for most MENA countries, which are particularly interested in the institutions and tools for e-government coordination and implementation across levels of government. Enabling e-services – referring in particular to specific cases of e-service design and implementation – and the introduction of shared applications, are priority topics for most countries.

Several MENA countries participated in the first OECD E-Leaders Conference on 6 March 2008 in The Hague, the Netherlands. The event brought together the most senior government officials responsible for e-government in OECD countries to discuss three main issues: Role of e-government in 2020, e-government's impact on economic development, and the future agenda for e-government and public service delivery.

### BETTER E-SERVICES FOR CITIZENS: THE CASE OF ELECTRONIC IDENTITY CARDS

MENA countries expressed great interest in e-government tools, for example in electronic identity cards that some MENA countries have already introduced or are seeking to implement. A pioneering joint learning activity took place on 21 November 2008 in Brussels, organised by the OECD and FEDICT, the Belgian Ministry in charge of Information and Communication Technology. Experts from Egypt, Jordan, Lebanon, Morocco and Tunisia learned from the experience of Belgium in the conception, implementation and production of electronic identity cards. Belgium presented its experiences with e-ID cards such as strategic decisions related to card implementation,

environments for e-ID employment, marketing campaigns and quick-wins to gain support from citizens and policy-makers. This activity was organised as follow-up with the *OECD's Expert Seminar on the Business Case for Digital Identity Management* on 19-20 November 2008 at the OECD headquarters in Paris.

### **IMPROVING TAKE-UP OF E-GOVERNMENT SERVICES**

A high-level seminar on *Improving Take-up of E-Government Services* was held back-to-back with a Regional Meeting on e-Government and Administrative Simplification on 24-25 June 2009 in Manama, Bahrain. During this two-day event, the MENA countries had the opportunity to discuss the challenges, solutions, and good practices on e-government. They brought to the table the outcomes of an OECD report on the issue of users' take-up of e-government application. This report identified a number of trends in OECD countries considered test-worthy against the diversified experiences within the MENA region.

Attended by the Bahraini chair and a large number of other valuable contributions from MENA participants, the seminar turned out to be a great success. The presence of Bahraini Minister of Cabinet Affairs Sheikh Ahmad Al Khalifa at the opening of the event also testified the relevance of the seminar to the Government of Bahrain, receiving considerable media attention.

The Italian Ambassador in Bahrain also attended the first day of the seminar, confirming his country's commitment to the Initiative, especially within the activities of the Working Group on E-Government and Administrative Simplification, currently co-chaired by Italy and Korea.

Twelve participants in this event presented their experience in the field and discussed concrete case studies, followed by a stimulating account of different practices and a comparison of

policies and initiatives among OECD and MENA countries that proved useful for both, the OECD and MENA countries.



### **PROMOTING JOINT STRATEGIES BETWEEN E-GOVERNMENT AND ADMINISTRATIVE SIMPLIFICATION AUTHORITIES**

A seminar held on 24-25 June 2009 in Manama, emphasized the role of Information and Communication Technologies (ICT) and E-government in time of international financial crisis. It also emphasized the need for building joint strategies with regulatory authorities dealing with administrative simplification. The issues discussed were of great importance for a strategic evaluation and understanding of the impacts of the Initiative in terms of its capacity to elaborate ad hoc analyses and contribute to policy elaboration in the MENA region.

The MENA as well as the OECD delegates had the opportunity to verify that, although in different ways, the economic crisis is indeed affecting both geopolitical areas with similar levels of intensity, both are facing the important task of identifying the most productive and effective way out.

The meeting ended with a renewed list of priorities in the field of e-Government for the region in view of the forthcoming Ministerial Conference in November 2009.

# ADMINISTRATIVE SIMPLIFICATION

## PLANNED THEMATIC PRIORITIES FOR THE PERIOD 2008-2010

- Simplification of administrative procedures for citizens and businesses
- Simplification of the legal system
- Implementing and coordinating policy and policy tools for administrative simplification across levels of government
- Institutional arrangements for administrative simplification.

### REDUCING ADMINISTRATIVE BURDENS



Burdensome legislation and inefficient administrative procedures are barriers to economic growth and social development. Improving efficiency through cutting red tape and administrative simplification is thus a policy priority for MENA and OECD countries. In this context, governments increasingly use a wide range of policy tools, such as e-government, as levers for a more efficient public sector. The main goal of simplification remains to ensure a citizen-focused, proactive and timely public service delivery.

Several MENA countries participated in a workshop on "Administrative Burden Reduction: Experiences, Practices and Use of ICT Tools" that was organized on 5-6 March 2008 back-to-back with the first OECD E-Leaders Conference in The Hague. The workshop addressed MENA countries designing and implementing programs focused on the simplification and rationalization of administrative procedures. It aimed at an exchange of good practices on implementing policies and tools for administrative simplification, with a focus on the use of electronic means. The workshop was co-organized by the OECD and the Dutch Ministry of Interior and Kingdom

Relations. In addition, a very concrete training session on tools to measure administrative burdens will be organized for the benefit of MENA country experts on 3 November 2009. This session will disseminate practical concrete knowledge on the Standard Cost Model.

### OVERCOMING BARRIERS TO ADMINISTRATIVE SIMPLIFICATION

Administrative simplification is not only about saving money but also about increasing efficiency. Most governments engage in administrative simplification activities by laying down economic objectives positive for business, citizen and government. Cutting red tape and simplification of administrative procedures have been identified by MENA countries as one of the top priorities in their policy agendas, in particular overcoming barriers to the implementation of administrative simplification strategies. In many countries, burdensome legislation, inefficient administrative procedures, and unnecessary administrative obligations are barriers to economic and social development. In this context, the *High Level Capacity Building Seminar on "Administrative Simplification: Overcoming Barriers to Implementation,"* held on 18-19 June 2008 in Cairo, provided participating delegates with the opportunity to learn from each other's experience in the development of sound simplification strategies. Participants jointly identified barriers commonly encountered when designing and implementing administrative simplification strategies, and identified a number of policy options to overcome these barriers.

At the 4<sup>th</sup> Regional Meeting of the Working Group on E-Government and Administrative Simplification in Tunisia, MENA countries reconfirmed their interest in capacity-building activities on comprehensive and long-term administrative simplification strategies with a whole-of-government perspective. MENA countries increasingly seek to measure administrative burdens imposed to business and citizens. Bahrain, Lebanon, Morocco, the Palestinian National Authority, and Tunisia have expressed strong interest in hosting technical capacity-building activities on administrative simplification, and also undertaking JLS.



### GUIDANCE FOR POLICY-MAKERS

Following the seminar in Cairo, the OECD published in early 2009 a *Guide on Overcoming Barriers to Administrative Simplification Strategies: Guidance for Policy Makers*. The publication was approved during the Special Session of the OECD Working Party on Regulatory Management and Reform on 20 October 2008. It draws on the experiences of MENA and OECD countries. The guide explores the

# ADMINISTRATIVE SIMPLIFICATION

challenges of minimizing administrative burdens imposed by bureaucratic requirements. It identifies good practices in streamlining procedures, reducing complexity, paperwork and uncertainty of the administrative environment. Its objective is to help governments make public service delivery more efficient and to foster a regulatory environment that enables economic and social activity.

## TRAINING OFFICIALS ON CUTTING UNNECESSARY RED TAPE

Administrative simplification is pertinent to this Working Group in order to ensure better public service delivery, improved regulatory quality and investment climate.

For a number of years, the MENA countries have been successfully implementing ad hoc administrative simplification initiatives; however, it is very important to develop a clear whole-of-government approach and programmes that utilize more evidence-based tools to improve efficiency of administrative systems and reduce red tape.

A training session on tools to measure administrative burdens, presenting Dutch and Belgium experiences, was organized on 3 November 2009 at the OECD headquarters in Paris. Designed to answer demands from MENA delegates working on administrative simplification and regulatory reform issues, this activity allowed for assessing the advantages and disadvantages of different methods applied in MENA and OECD countries, especially as the quantification of costs and benefits helps decision-making on the effectiveness of administrative obligations.

During the first part of the training session, participants had the opportunity to broaden their knowledge on the Standard Cost Model, which is the most popular method of assessing the costs of red tape. The second presentation dealt

with putting in place a comprehensive strategy for implementation of tools for administrative simplification. The importance of impact assessment was highlighted as an instrument for preventing unnecessary administrative burdens stemming from newly developed regulation.

## SHARING EXPERIENCES ON IMPLEMENTING ADMINISTRATIVE SIMPLIFICATION: Study Visit

A study visit to the Directorate General for State Modernisation (DGME) in the French Ministry of Budget was organized on 4 November 2009. Held back-to-back with the 5<sup>th</sup> Special Session of the Working Party on Regulatory Management and Reform, this visit was an excellent opportunity for delegates from MENA countries to observe how the French Government deals with administrative simplification from a practical point of view.

Presentations on French methods and systems applied to implement administrative simplification policies, to simplify the administrative procedures, and to ensure a better regulatory quality were given during the event.

Launched in 2005, the DGME is developing measures to review public policies, ensuring an innovative approach with projects that entail policy guidance. Particularly attention was given to a user-oriented approach and better coordination across ministries.

## MOVING FORWARD WITH EVIDENCE-BASED POLICY TOOLS

Since 2008, activities have focused on three key areas: *Law drafting*, *administrative simplification*, and *evidence-based policy tools*.

Law drafting requires standardized procedures to reduce uncertainty and discretion, the refinement of techniques that support drafters in their work, and the use of ICT to make law proposals accessible to

all parties interested. As well, administrative simplification is required to improve efficiency and economic performance related to the design of comprehensive simplification strategies; and evidence-based policy tools, such as RIA (Regulatory Impact Assessment), are necessary to study the effects of regulation on the economy and the society, and to better inform regulatory activity.

### PROGRAMME IMPACT

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1. Increased access to e-government services and citizen participation.
2. Enhanced institutional capacity to improve e-government and administrative simplification.
3. Enhanced capacity for designing e-government strategies and establishing instruments or shared applications.
4. Simplified administrative environment through reduced burdens and red tape affecting business for better economic performance.
5. Capacity building on the use of the Standard Cost Model

#### ***Concrete examples of progress in Electronic Government supported and disseminated through the programme and included in the MENA progress report.***

- The financial accounting system of the ministry of finance of Jordan.
- The company-registration schemes run by the Dubai Economic Development Agency.
- The new five-year plan in Morocco, bringing e-government into the context of broader ICT industry support.

#### ***Concrete examples of progress in Administrative Simplification supported and disseminated through the programme and included in the MENA progress report.***

- The Bahrain Investors' Centre (BIC) created in 2003: one-stop shop to register companies.
- The new Administrative Simplification Unit created in the Office of the Minister of State for Administrative Reform (OMSAR) in Lebanon
- The administrative simplification strategy and reengineering process designed in the 2007-2011 National Strategy for Administrative Development in Tunisia.

### PROGRAMME OUTCOMES

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#### **1. Progressing with reforms**

- Knowledge sharing and networking among national policy makers from MENA and OECD countries.
- Enhanced capacity to design e-government national frameworks – both at political and at technical level.
- Improved use of e-government instruments and electronic services (e.g. national identity cards)
- Further collaborative partnerships with the private sector on e-government and within government units on shared services.
- Supporting governments to set frameworks to overcome the administrative and technical barriers to trade, competition and innovation.
- Elaborating administrative simplification toolkit for governments, linking better regulation to a greater use of ICT.
- Helping governments to introduce instruments such as burden measurement techniques or standard cost model.

### 2. Monitoring reform implementation

- Collecting and mapping out data on e-government and administrative simplification as a first step to build up indicators.
- Continuous monitoring of progress in implementing e-government strategies and in using ICT tools.
- Methodological support for developing qualitative and quantitative e-government indicators on back office performance.

## PROGRAMME OUTPUTS

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### 1. Active networking of reform drivers and regional dialogue

- 5<sup>th</sup> Regional Working Group Meeting on E-government and Administrative Simplification, Manama, Bahrain, **25 June 2009**.
- High Level Regional Seminar on Improving E-Services Take Up: Challenges, Solutions and Good Practices on E-government, Manama, Bahrain, **24 June 2009**.
- 4<sup>th</sup> Regional Meeting of the Working Group on E-government and Administrative Simplification. Tunis, Tunisia, **29 May 2008**.
- 6<sup>th</sup> High Level Seminar on Partnerships and Frameworks for E-government Collaboration, Tunis, Tunisia, **28 May 2008**.

### 2. Capacity building and national adaptation of capacity design

- Training on Tools to Measure Administrative Burdens: an Introduction to the Standard Cost Model. Paris, France, **3 November 2009**.
- Joint Learning Activity on Electronic Identity Cards in Belgium, Brussels, **21 November 2008**.
- Participation of MENA representatives in the Expert Seminar on the Business Case for Digital Identity Management, organised in the framework of the OECD Network of Senior E-Government Officials, Paris, France, **19-20 November 2008**.
- 1<sup>st</sup> OECD e-Leaders Conference with the participation of invited MENA countries, The Hague, the Netherlands, **6 March 2008**.

### 3. Publications

- *Overcoming Barriers to Administrative Simplification Strategies, guidance for policy makers*, containing statements to overcome barriers to administrative simplification strategies based on OECD and MENA countries' experiences, OECD, 2009.
- Chapter on *Administrative Simplification Strategies: Making life easier for citizens and businesses* - MENA-OECD progress report on *the Public Governance reform in the Middle East and North Africa*, submitted at the MENA ministerial meeting in **November 2009**.
- Chapter on *Achievements in E-government* - MENA-OECD progress report on *the Public Governance reform in the Middle East and North Africa*, submitted at the MENA ministerial meeting in **November 2009**.

# GOVERNANCE OF PUBLIC FINANCE

## PLANNED THEMATIC PRIORITIES FOR THE PERIOD 2008-2010

- Supporting MENA countries in improving the transparency, comprehensiveness, accountability, and control of public financial management
- Financial risk management
- Long-term budget projections
- Legal frameworks for financial management reforms
- Management of debt and temporary revenues
- Cash management and allocation systems
- Market mechanisms and their use for public services delivery
- Medium-term expenditure frameworks; and performance budgeting

### SHARING EXPERTISE ON PERFORMANCE BUDGETING

The 4<sup>th</sup> Regional Meeting of the Working Group on the Governance of Public Finance took place on 20 May 2008 in Rabat, Morocco. The meeting was hosted by Mr. Abdellatif Bennani, Budget Director in the Moroccan Ministry of Economics and Finances.



Participants reviewed the achievements and activities of the Working Group in the past year, exchanged experiences and innovative approaches to public financial management. The delegates of the Working Group confirmed their unanimous support for the creation of a MENA Senior Budget Officials Network and agreed to organize a launching meeting in November 2008 in Cairo. Participating countries also agreed on the programme of work for the coming years that confirmed the thematic priorities as identified at the previous meeting. The below themes shall be retained for policy dialogue and analysis within the Working Group during the coming years: Performance

budgeting clearly ranks above all other themes. Comprehensiveness of the budget ties for second place with multi-year expenditures framework and its uses. The following themes were of interest only to a minority of countries or are ranked much lower than the preceding four by most: a) market mechanisms and their use for public service delivery; b) cash management and allocation systems; c) debt management and management of temporary revenues from petroleum; d) legal frameworks to give a permanent character to financial management reforms.

### LAUNCHING MENA SENIOR BUDGET OFFICIALS NETWORK

The Working Party of Senior Budget Officials (SBO) has been established in 1980. This Working Party brings together regularly budget directors and other senior officials from OECD member countries to discuss main public expenditure concerns and relevant policy options. As part of the OECD's co-operation programme with non-member countries, several SBO Regional Networks have been implemented in recent years, following the model introduced by the OECD. In the past, the OECD invited delegates from MENA countries as observers to SBO meetings, most recently to the SBO Symposium on PPPs on 22-23 February 2008 in Zürich, Switzerland. The participation of MENA countries in these meetings and the collection of information from peers on the benefits

of the SBO network proved that such an institution would provide the MENA region with a novel and efficient instrument for policy dialogue and innovation dissemination on financial governance.

The MENA SBO emerged from the Working Group on the Governance of Public Finance of the OECD MENA Governance Programme. Senior officials from OECD and MENA countries have regularly met since 2005 to address a wide variety of budget and public expenditure issues within this Working Group that is chaired by H.E. Mr. Yousef Boutros Ghali, Egyptian Minister of Finance and co-chaired by Sweden and the United States.



On November 24-25, the MENA SBO was officially launched at a high level meeting in Cairo, Egypt. This meeting was chaired by Mr. Hany Dimian, Deputy Minister of Finance in Egypt. Nearly fifty delegates from thirteen MENA and seven OECD countries as well as representatives from the European Union, the World Bank and the International Monetary Fund participated in the meeting.

In keeping the objective of a self-sustained and permanent MENA SBO Network, the delegates appointed a committee to reflect on the network's structure, organisation and financing for the post-2010 phase. Until 2010, the MENA SBO will carry out the work of the Working Group on the Governance of Public Finance. The names Working Group and MENA SBO will be used jointly. Chairmanship of the SBO is ensured by Egypt as chair of the Working Group. The OECD Secretariat provides the MENA SBO network with administrative support and technical expertise.

### **SBO MEETING ADDRESSES IMPACT OF THE CRISIS ON PERFORMANCE BUDGETING**

Current emphasis of the SBO work will be put on the consequences of the crisis on budget management and budget reforms. New outputs were also reached at the second meeting of the MENA Senior Budget Officials Network on "Budget offices' adjustments to an international crisis," held on 4-5 November 2009 in Doha, Qatar. As requested by delegates to its first meeting in Cairo last November, the meeting focused on various aspects of the present economic and financial crisis. The nature of problems created by the crisis and its policy responses in various countries occupied an important place. Even more immediately relevant for SBOs was how various countries were handling exit questions as the crisis abates, notably how the economy is envisaged to return to a sustainable fiscal position, and how the crisis has revealed needs for improvement in structures and processes of budgeting. The challenges exacerbated by the crisis have to do with off budget commitments and entities, contingent liabilities, flexibility on budgetary management in volatile environment, etc.

The first output was to identify the responses to the crisis. The problems and solutions in major large economies were abundantly reported and discussed. The meeting also focused on less well-known examples of the impacts and reactions to the crisis in Central and Eastern Europe, where many conditions close to those of the MENA region prevailed, notably on question of debts and access to capital markets. The second main output was on responses to come out of the crisis and manage its budgetary sequels and consequences.

MENA countries seek to exchange experiences with OECD countries on budget planning and long-term projections. ***Did you know*** that currently 10 OECD countries make long-term budgetary projections that extend out as long as 75 years?

## PROGRAMME IMPACT

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1. Enhanced performance budgeting and cost effectiveness in MENA countries.
2. Enhanced institutional capacity for designing a performance budgeting framework to ensure the economic and social stability.
3. Improved budget planning, budget forecasting and debt management to guarantee the financial sustainability.

### *Concrete examples of progress in the Governance of Public Finances supported and disseminated through the programme and included in the MENA progress report.*

- The Public Finance Training Institute (PFTI) in Egypt
- The budget reform in Morocco implementing a multi-objectives and multi-tracks strategy and using a programmatic Medium-Term Expenditure Framework.
- The creation of the General Directorate for Public Debt Management and Financial Cooperation at the Tunisian Ministry of Finance.
- Phasing out oil subsidies in Jordan absorbing the social impact through specific measures.

## PROGRAMME OUTCOMES

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### **1. Progressing with reforms**

- Creation of the Senior Budget Official network in MENA countries.
- Designing and implementing a comprehensive budget reform based on results/outputs and on long-term perspective.
- Improved policies on budgetary allocation and use of resources.
- Designing and implementation of budget forecasts and budget control instruments for a more efficient budget decision-making process.
- Developing and furthering the use of sophisticated debt management instruments.
- Better use of financial tools to manage public investment programs in countries.
- Building financial governance institutions and budget practices in keeping with the international standards.

### **2. Monitoring reform implementation**

- Collecting and mapping out data on budget procedures and practices as a first step to build up indicators.
- Continuous monitoring of progress in implementing performance measurement and budgeting.
- Reviewing budget information (audit, budget formulation, reporting, etc.)

## PROGRAMME OUTPUTS

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### 1. Active networking of reform drivers and regional dialogue

- 2<sup>nd</sup> Meeting of the MENA Senior Budget Officials Network on “Budget offices’ adjustments to an international crisis,” Doha, Qatar, **4-5 November 2009**.
- Launching meeting of the MENA Senior Budget Officials Network, Cairo, Egypt, **24-25 November 2008**.
- Symposium on the Fundamentals of Implementing a Government Financial Management Law, Cairo, Egypt, **28-29 May 2008**.
- 4<sup>th</sup> regional meeting of the Working group on the Governance of Public Finance, Rabat, Morocco, **20 May 2008**.

### 2. Capacity building and national adaptation of capacity design

- Participation of MENA countries in the Senior Budget Officials Symposium on Public-Private Partnerships, 21-22 February 2008, Zürich, Switzerland.
- Creation of the Tax and Financial Management Training Centre in Cairo, Egypt, in **2008**.

### 3. Publications

- Chapter on *Public Finance Management Trends in MENA: Innovation and convergence amid diversity* MENA-OECD progress report on *The Public Governance Reform in Middle East and North Africa*, submitted at the MENA ministerial meeting in **November 2009**.

# REGULATORY REFORM

## PLANNED THEMATIC PRIORITIES FOR THE PERIOD 2008-2010

- Law-drafting procedures and frameworks promoting cooperation between the public administration and the private sector
- Assessing the impact of regulations and regulatory decisions on economic and social development
- Tools and policies for quality law-making and regulations
- Institutional design for regulatory quality such as oversight bodies for regulatory quality control
- Plain and multi-language law-drafting
- Use of public-private partnerships in the delivery of public services

### DRAFTING LEGISLATION AND OVER-SIGHT BODIES FOR REGULATORY QUALITY

Anticipating the impacts of new regulations on economic and social development, adapting existing legislation to the needs of changing societies, and promoting enabling regulatory frameworks are major policy concerns for the MENA and OECD countries. Governments seek to improve capacities so as to promote high-quality regulation. At a seminar on *"Drafting Legislation and Oversight Bodies for Regulatory Quality"* on 29-30 April 2008 in Amman, Jordan, delegates discussed key factors for quality law drafting and ways to improve capacities within government. Delegates identified institutional settings, training, manuals and guidelines as crucial elements for the improvement of law drafting capacities. They also addressed the importance of anticipating the impacts of new regulations on administrative procedures and economic developments as well as the need to adapt legislation to changing societies. In the first session, participants presented experiences regarding regulatory oversight bodies whose role is to promote coherence and coordination in regulatory management. The second session focused on managing the creation of new legislation, also highlighting the importance of impact assessment tools. The use of these mechanisms enables governments to foresee the impacts of regulation and thus avoid unnecessary regulatory barriers. The third session

focused on the revision and simplification of existing legislation.

**Did you know...** that since 1974, Regulatory Impact Analysis (RIA) has become widespread among OECD countries? In 2004, 26 of 30 OECD member countries require RIA of new regulatory proposals. Arab countries seek to use RIA to evaluate the effects of regulation on the economy and the society.

Different approaches to the management of the stock of legislation were also presented and discussed. The challenge for governments is to keep up-to-date all legislation, and to adapt it to changing society's needs. The fourth session focused on strengthening capacities for legal drafting in government institutions. The aim of this capacity-building should be to improve the quality of legislation. Participants discussed resource allocation questions, human capital development, and training mechanisms. The last session referred to improving legal drafting techniques and use of drafting manuals and guidelines.

### FURTHER STEPS TO IMPLEMENT REGULATORY REFORM

The Working Group on Public Service Delivery, PPPs and Regulatory Reform supports MENA countries in improving the design and implementation of regulatory reforms. The 4<sup>th</sup> Regional Meeting of the Working Group on 29

April 2008 in Amman, Jordan, provided an opportunity for delegates to present regulatory reform initiatives and developments in their countries. Delegates also identified the following key priorities for the future programme of work: Improving law drafting capacities as a pre-condition for moving forward with the agenda of high-quality regulation; Regulatory Impact Analysis (RIA), used by governments to study the effects of regulation on the economy and the society; strengthening institutions dealing with regulatory quality; and using administrative simplification as one of the most dynamic and prevalent policy tools to undertake regulatory reform. Delegates welcomed the close co-operation on administrative simplification questions with the Working Group on e-Government and Administrative Simplification. Delegates supported the creation of a Regional Centre of Expertise on Regulatory Quality, which Tunisia has offered to host. This centre could promote regulatory expertise in MENA by organising regional training seminars and providing manuals and guidelines for sound regulatory management.



# REGULATORY REFORM

## SUPPORTING QUALITY IN REGULATION

Public sector performance is directly related to the quality of regulations, compliance and the government's ability to enforce them. Policy dialogue in this area increases the institutional capacity to design and enforce regulations. In this context, the 4<sup>th</sup> *Special Session of the OECD Working Party on Regulatory Management and Reform*, which took place on 20 October 2008 at the OECD headquarters in Paris, aimed at deepening understanding of regulatory management and reform issues across the OECD and MENA countries.

The meeting dealt in particular with law drafting capacities, administrative simplification and the use of evidence-based tools to support policy-making. During the meeting, the project "Law-Drafting Capacities" in MENA countries was endorsed. This project aims at assessing capacities for providing high quality regulation, which should be clear, transparent, predictable, effective, efficient, and enforceable. It will focus on law-drafting mechanisms, institutional design, training and dissemination of guidelines and manuals for government officials.

## ADVANCING LAW-DRAFTING CAPACITIES IN MENA COUNTRIES

Anticipating the impact of new regulations on economic and social development, adapting existing legislation to the needs of changing societies, and promoting stronger regulatory frameworks are major policy concerns for MENA and OECD countries. Over the past months, the MENA-OECD Governance Programme has provided several capacity-building seminars to support ongoing regulatory reform initiatives in MENA countries.

A capacity-building seminar on the review of existing legislation held on 11-12 March 2009 in Cairo, Egypt, provided MENA and OECD countries with an opportunity to exchange ideas and showcase regulatory reform efforts. The seminar helped assess progress of the ongoing Egyptian Regulatory Reform and Development Activity (ERRADA) and explore international experience to support the definition of the way ahead towards configuring a sound regulatory management system in Egypt.

In view of supporting regulatory management reform, the 4<sup>th</sup> *Special Session of the OECD Working Party on Regulatory Management and Reform*, which took place on 20 October 2008 in Paris, also dealt with law-drafting capacities, administrative simplification and the use of evidence-based tools to support policy-making processes. To this end, delegates from the participating MENA and OECD countries agreed to carry out a "Project on Improving Law-Drafting Capacities in MENA countries" as a precondition for enhanced regulatory quality. The aim of this project is to build capacities for providing high-quality regulations, which should be clear, transparent, predictable, effective, efficient, and enforceable. The project is expected to address law-drafting mechanisms, institutional design, as well as training and dissemination of guidelines and manuals for government officials. It is to be implemented within the framework of the Working Group on Public Service Delivery, PPPs, and Regulatory Reform. A mid-term review meeting for this project took place on 19-20 May 2009 in Tunis, Tunisia.

## IMPROVING REGULATORY ENVIRONMENT

The Working Group on Regulatory Reform held a capacity-building seminar in May 2009 in Tunis, Tunisia, on "*Institutions Promoting Expertise on Regulatory Management.*" The meeting

was organized in co-operation between OECD, the Tunisian Prime Ministry and the Centre of Legal and Juridical Studies of Tunisia.



The aim of the event was to build capacities on law-making in MENA countries through an analysis of institutions promoting expertise in regulatory management. This event has provided a forum to discuss how OECD and MENA countries have strengthened their institutional capacities to promote better regulatory policies, and will contribute to the ongoing work of the LDC.

The Seminar provided an opportunity to build capacities on law making through a discussion about the institutions which disseminate knowledge and promote understanding about regulatory management and reform. These institutions should play a key role in the process of improvement of law drafting capacities and promote the regulatory quality by enhancing clarity, transparency, predictability, efficiency, effectiveness and enforceability. Participants stressed on the importance of legal and technical expertise in different government institutions. They also presented some of the mechanisms and tools which are used in their countries to promote better regulatory quality. They also agreed on the necessity of monitoring quality and ensuring accessibility and transparency of rules for a more comprehensive and confident approach to law. Finally, delegates discussed results of the training for juri-linguists at the University of El Manar in Tunisia. Participants emphasized the benefits of

# REGULATORY REFORM

training activities for their daily work, stressing on the advantages of the practical dimension of training.

## **ADDRESSING IMPACT OF CRISIS ON REGULATORY REFORM POLICIES**

Held back-to-back with this event, was the 5<sup>th</sup> Regional Meeting of the Working Group, during which delegates discussed how the impact of the Working Group activities could be reinforced and its programme of work enriched in the future. With sound legal frameworks for markets compromising regulatory inflation and complexity, uncertainty, burdensome compliance costs, poor risk management, and under-resourced institutions, the delegates also discussed possible ways to overcome the challenges of the current global economic slowdown, with regulatory quality being one of the main pillars of countries' national strategies.

Delegates agreed that clarity, accessibility, coherence and applicability are supported through the promotion of regulatory policy tools and approaches such as: the use of clear objectives to justify regulatory action to which regulation should be accountable; a life-cycle approach should balance the creation and management of existing legislation; consultation processes which involve stakeholders in the regulatory process; evidence-based analysis policy tools that strengthen regulatory management; and administrative simplification to make the life of citizens and business easier. The sequencing of the reforms is important to ensure success.

## **REGIONAL TOOLS TO SUPPORT REFORM**

The Regional Charter for Regulatory Quality was presented and submitted for approval by all participant countries, and delegates agreed to submit the contribution of the Working Group at

the Ministerial Conference in November. This normative approach should help promote common principles and facilitate the implementation of regulatory reform policies.

Moreover, expertise and training programs on regulatory management will be ensured by the Regional Centre of Expertise for Regulatory Quality (RCERQ) in Tunis, in cooperation with the Tunisian government. Its purpose is to provide specialized training on law drafting as it has been developed unevenly across countries.

## **STUDYING THE CANADIAN REGULATORY SYSTEM**

Regulatory modernization is a priority for the Government of Canada. The Treasury Board of Canada Secretariat (TBS) plays a central role in the regulatory management and reform process. The TBS' Regulatory Affairs Sector (TBS-RAS) hosted a study visit about Canada's regulatory management system on 28-30 April 2009. This visit was timely as Tunisia is presently establishing the Regional Centre of Expertise for Regulatory Quality (RCERQ), which is designed to respond to the interest expressed by a number of MENA countries to deepen knowledge and capacity-building on regulatory reform and, in particular, the role of oversight bodies and Regulatory Impact Analysis (RIA).

The Canadian TBS-RAS Centre of Regulatory Expertise (CORE) was identified as a model for the establishment of Tunisia's own centre of expertise. CORE's model as a consulting service for federal departments was of particular interest since the centre in Tunisia is also intended to provide consultative services throughout the MENA region.

TBS-RAS developed a three-day agenda for a group of 11 government officials from Tunisia, as well as Egypt and Lebanon. The sessions included

presentations by and discussions with representatives from TBS-RAS, the Canada School of Public Service, Justice Canada, the Community of Federal Regulators, the Standing Joint Committee for the Scrutiny of Regulation, and several clients of CORE including Health Canada and the Canada Food Inspection Agency.

The visit provided a complete overview of Canada's regulatory policy and process, focusing on the Cabinet Directive on Streamlining Regulations and on the establishment and functions of CORE, the Regulatory Impact Analysis Statement process, cost-benefit analysis, evaluation of regulatory programs, and training.

# PPP'S AND PUBLIC SERVICE DELIVERY

## ENHANCING THE USE OF PPPs IN PUBLIC SERVICE DELIVERY

Fiscal deficits, public debt burdens and a quest to enhance efficiency has led, since the mid 1990's in MENA and OECD countries, to a redefinition of the roles of the public and private sectors in delivering services. The private sector increasingly finances large infrastructure projects and delivers services that have traditionally been provided by the public sector. The selection of Public Private Partnerships over other procurement methods raises economic, financial, legal, and organizational questions that countries have to deal with.

The 4<sup>th</sup> Regional Meeting of the Working Group Public Service Delivery, PPPs, and Regulatory Reform in April 2008, organised under the Patronage of the Prime Ministry of the Hashemite Kingdom of Jordan, was attended by 80 participants. This meeting supported MENA countries in improving the delivery of public services and the arrangements of PPPs. The objective of the meeting was to provide an opportunity to delegates to present latest developments and current activities on public service delivery and PPPs in their countries and to identify priorities for the future programme of work.

## PROMOTING SUCCESSFUL USE OF PPPs: VALUE FOR MONEY AND ECONOMIC AFFORDABILITY

A two-day seminar on *PPPs: Affordability, Value for Money, and the PPP Process* was held on 21-22 February 2008 in Zürich, Switzerland. The meeting was hosted by the Institute for Public Management of the Zürich University of Applied Sciences. A broad range of important issues in the PPP process were discussed. Countries exchanged experiences on handling complex PPPs.

The first day of the seminar was devoted to issues such as affordability, risk sharing, value for money, budgeting and accounting for PPPs, and the institutional and regulatory aspects. On the second day, countries discussed country-specific PPP frameworks and experiences.



A *Capacity Building Workshop on Public Private Partnerships* also took place on 28 April 2008 in Amman, Jordan, hosted by the Executive Privatization Commission in co-operation with the OECD. Participants reviewed case studies and good practices for the interaction of the public and private sectors in the provision of goods and services. Participants concluded that the effectiveness and success of PPPs depends on appropriate allocation of risks between partners, the efficiency and value for money of the partnership, the affordability of the projects, budgeting and accounting considerations, the establishment of PPP units in the government, and a sound regulatory framework, including complementary regulations on competition policy, transparency and accountability.

At the *Public Private Partnership Symposium*, held on 20-21 May 2008 in Rabat, Morocco, delegates from OECD and MENA countries discussed the use of PPPs taking into account the concerns of economic affordability, financial risk sharing, competition, and transparency. Participants addressed the importance of appropriate regulatory and oversight mechanisms and institutional capacity to initiate and manage PPPs.

## PPPs for E-GOVERNMENT

At the *Sixth High Level Seminar on Partnerships and Frameworks for E-government Collaboration* on 28 May 2008 in Tunis, Tunisia, delegates from MENA and OECD countries exchanged on partnerships with the private sector for implementing e-government. Partnering with the private sector has become one key feature of the use of ICT in government. PPPs for e-government have moved from focusing on the simple acquisition of technical products and services to the direct contribution by non-government entities to the development and delivery of electronic services (i.e. through establishing and managing front office service portals). However, partnerships with the private sector in e-government pose a number of challenges to governments. Implementing these partnerships requires that governments be able to strike a balance between existing accountability frameworks (which involve public scrutiny and oversight) and the search for innovative solutions (requiring increased flexibility). One important challenge is to ensure that a proper governance framework for such partnerships is in place. Another challenge includes ensuring that public organizations have the adequate capacity and skills to manage these partnerships, in particular with regards to specification of outputs and risk management.

### PROGRAMME IMPACT

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1. Setting up of regional tools for regulatory reform: Regional Charter for Regulatory Quality
2. Enhanced institutional capacity on introducing regulatory framework, improving law drafting and reviewing the existing legislation to ensure the market flexibility and the economic development.
3. Enhanced use of PPP's or innovative management techniques to accelerate the improvement of public infrastructures and then impact upon the economic growth.
4. Improved quality of public service provision and delivery.

#### ***Concrete examples of progress in regulatory reform, public service delivery and public private partnerships supported and disseminated through the programme and included in the MENA progress report.***

- The introduction of two new legal databases in Jordan, and the creation of the inter-ministerial steering committee to provide legislative drafting support in 2009.
- The establishment of the "the higher National Committee on the Legislative Plan" in 2007 in the Palestinian National Authority.
- The 2007 initiative called the "Egyptian Regulatory Reform and Development Activity" aiming at compiling an inventory of all legislation that impacts Egyptian businesses and preparing for regulatory impact assessment on economic activity in Egypt.
- Implementation of new PPP's policy frameworks in Jordan and in Tunisia

### PROGRAMME OUTCOMES

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#### **1. Progressing with reforms**

- Increased introduction of appropriate legal frameworks and regulatory policy tools
- Extensive dissemination of guidelines for law drafters and better practices on regulatory reform and on types of service delivery.
- Introducing concrete evidence-based mechanisms (such as the Regulatory Impact Assessment) or normative instruments (such as the Regional Charter for Regulatory Quality) to support policy-making.
- Further review process of the existing legislation.
- Continuous adaptation of the legal frameworks to the PPP process
- Reinforced the administrative capacities for the conclusion and the implementation of PPP contracts
- Enhanced technical expertise in MENA countries on institutional and accounting aspects of PPP's and outsourcing processes.
- Disseminating expertise through extensive training on the use of regulatory quality instruments.

#### **2. Monitoring reform implementation**

- Collecting and mapping out data on regulatory quality and PPP's as a first step to build up indicators.
- Continuous monitoring of progress in implementing regulatory policy, law drafting capacities and PPP's.
- Progressive building of a Regional Framework for Regulatory quality and performance, taking inspiration from the OECD Guiding Principles of Regulatory Quality and Performance.
- Reviewing implementation of Regulatory Impact assessment in national contexts.

## **PROGRAMME OUTPUTS**

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### **1. Active networking of reform drivers and regional dialogue**

- Capacity-building seminar on “Institutions Promoting Expertise on Regulatory Management”, Tunis, Tunisia, **20 May 2009**.
- 5<sup>th</sup> Regional Working Group Meeting on Public Service Delivery, Public Private Partnerships and Regulatory Reform, Tunis, Tunisia, **19 May 2009**.
- Capacity building seminar on the Review of the existing legislation, Cairo, Egypt, **11-12 March 2009**.
- High Level Capacity Building Seminar on Administrative Simplification: Overcoming Barriers to Implementation, Cairo, Egypt, **18-19 June 2008**.
- Symposium on Public-Private partnerships, Rabat, Morocco, **20-21 May 2008**
- 4<sup>th</sup> regional meeting of the Working Group Public Service Delivery, Public Private Partnerships and Regulatory Reform, Amman, Jordan, **29 April 2008**.
- Capacity building workshop on Public Private Partnership, Amman, Jordan, **28 April 2008**.

### **2. Capacity building and national adaptation of capacity design**

- 5<sup>th</sup> Special Session of the OECD Working Party on Regulatory Management and Reform, Paris, France, **4 November 2009**.
- 4<sup>th</sup> Special Session of the OECD Working Party on Regulatory Management and Reform, Paris, France, **20 October 2008**.
- Jordan Regional Capacity building seminar on “Drafting Legislation and Oversight Bodies for Regulatory Quality”, Amman, Jordan, **29-30 April 2008**.
- Study visit of Canada's regulatory system, Ottawa, Canada, **28-30 April 2009**.

### **3. Publications**

- Chapter on Regulatory Management and Reform (law drafting capacities illustrating jurisdictions in some countries) / MENA-OECD progress report on Public Governance Reform in the Middle East and North Africa, submitted at the MENA ministerial meeting in **November 2009**.
- Building an Institutional Framework for Regulatory Reform Impact Analysis (RIA): Guidance for Policy Makers, drawing on the regional policy dialogue among MENA and OECD countries on regulatory reform issues, OECD, **2008**.

# ENVIRONMENT AND GOVERNANCE OF WATER

## ADDRESSING ENVIRONMENTAL ISSUES

In the MENA region, institutional responses are needed to address the environmental problems and to better manage the region's scarce natural resources. While environmental problems are becoming increasingly global in scope and significance, governments' responses remain largely territorial. For the widespread adoption of ecologically compatible behavior and for the effective management of natural resources, strengthened governance institutions and increased regional policy dialogue and co-operation will be necessary.

Reforms to improve governance could have particular leverage on environmental policies, as well as on the development of related judicial capacity and the enforcement of environmental legislation. In 2008, the MENA-OECD Governance Programme conducted a strategic environmental assessment in accordance with the OECD Development Assistance Committee (DAC) Guidelines and in close co-ordination with the OECD's Development Co-operation Directorate. Conducting this Strategic Environmental Assessment increased the awareness of the OECD Secretariat of the programme's potential impact on the environment. The environmental assessment explored potential relations between public sector reforms and the environment.

The OECD member countries are aware of the importance of addressing environmental issues in the MENA region and provided specific funding for activities to be carried out by 2010. MENA country delegates recognise the importance of enhancing the public sector performance in preserving the environment and have defined technical activities with an environmental focus to be carried out within the programme. In particular, Tunisia has expressed great interest in addressing environmental aspects

related to local governance as well as regulatory questions, and hosted in July 2009 a "Conference on Sharing Experiences on the Governance of Water between Arab and OECD countries." Given the critical environmental implications of the governance of water, this activity can also progressively help integrate other environmental challenges into the process of policy dialogue.

## ENHANCING GOVERNANCE OF WATER IN MENA COUNTRIES

A high level Regional Conference on the Governance of Water was held on 8-9 July 2009 in Tunis. The Conference was organized at the invitation of the Tunisian Ministry of Agriculture and Water Resources. It brought together representatives from governments, public companies, the private sector, and civil society from MENA and OECD countries from the Mediterranean region, to exchange experiences on governance reforms in the water sector.

The Conference provided participants from a wide range of backgrounds with the opportunity to share experiences on the trends and challenges of water reforms, as well as on the major institutions in the sector and their interaction. Discussions were organized around four sessions, which essentially concentrated on the following aspects of water governance: Coherence of public water policies, the modalities of the implementation of these policies, and the establishment of partnerships with the private sector, including the participation of citizens and civil society. The territorial dimension and its implementation from the point of view of both local specificities and overall coherence also received special attention.

## IDENTIFYING CHALLENGES

Participants agreed that improving water governance is a top priority due

to the lack of effective operational strategies, weak policy implementation and law enforcement, weak monitoring and assessment at the national and local level; limited technical, as well as management and implementation capabilities and financial constraints.

Major regulatory challenges identified were the financial cost of setting regulatory agencies and ensuring their viability (financing gap), the technical expertise and competences of their staff (capacity gap), their autonomy and independence from the executive power, the asymmetry of information between the regulator and the operator (information gap), and citizen participation in regulatory agencies.

## PROMOTING A SUSTAINABLE WATER MANAGEMENT APPROACH

This event determined to what extent the agencies assigned to the water sector could contribute to the reconciliation of hydrological and environmental views with national and sub national administrative ones. The examples of river basin organization in Mediterranean countries stressed the diversity of existing agencies as well as their place in the institutional national or supranational arrangements.

## INVOLVING CITIZENS

The creation of local expertise in the water sector must involve civil society. Discussions provided examples of how communication, education and awareness could be encouraged at local levels to promote sustainable management of water resources. Some citizen groups were identified as leaders in capacity-building at local level (i.e. women in the case of Tunisia), and young generations and farmers (i.e. Morocco). Interesting experiences involving the consultation of actual users of public services were also discussed, based on an initiative of the French Institut de la Gestion Déléguée.

## IMPACT

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1. Enhanced awareness of water governance challenges in MENA countries.
2. Enhanced institutional structure of water governance and improved policies to ensure an improved quality of service.

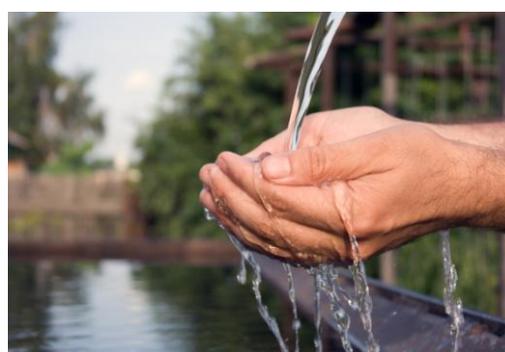
*Concrete examples of progress in environment and governance of water supported and disseminated through the programme and included in the MENA progress report.*

- Comprehensive approach of “Integrated Water Resources Management” in Tunisia
- Setting up of basin agencies in Morocco
- The National Water plan in the Palestinian National Authority

## OUTCOMES

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- Dissemination trends and sharing good practices on integrated water resources management.
- Creation of a new technical network on environment and water experts from governments, public companies, private sector and civil society.
- Supporting governments to develop a territorial approach and local mechanisms for dealing with environment related issues.
- Elaboration of a common framework on rules and practices for decision-making and strategic planning in the field of water governance.
- Supporting governments to Establishment of partnerships with the private sector.



## OUTPUTS

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### 1. Active networking of reform drivers and regional dialogue

- Participation of MENA countries in the Conference on Climate Change and Sustainable Cities, Las Palmas de Gran Canaria, Spain, **June 2009**.
- Regional Conference on the governance of water: Sharing experiences between OECD and MENA countries, Tunis, Tunisia, **8-9 July 2009**.

### 2. Publications

- Chapter on Water governance – MENA-OECD progress report on Public Governance Reform in the Middle East and North Africa, submitted at the MENA ministerial meeting in **November 2009**.



## FOCUS GROUP TO PROMOTE GENDER EQUALITY IN PUBLIC SECTOR

The MENA-OECD Governance Programme is increasingly addressing gender questions, transversally within its thematic Working Groups, and in coherence with the strategic directions for 2008-10 approved at the Ministerial Conference in November 2007.



Reinforcing gender policies in the MENA region is critical for the empowerment of women and the promotion of good governance. Gender-sensitive personnel policies, for example, can ensure adequate representation of women within the public sector, in particular in decision-making and senior positions. Governments can further provide enabling online environments by ensuring equal access to e-government services as well as ICT education and training. Another policy tool to promote gender equality, increasingly applied by MENA and OECD member countries, is in mainstreaming the gender perspective in the budgetary process. Moreover, several MENA and OECD countries analyse the impact of law proposals on equality between men and women and use legal measures to foster gender-friendly administrative structures.

At the regional meeting of the Working Group on Civil Service and Integrity on 4 April 2008 in Rabat, Moroccan representatives suggested the creation of a gender focus group that would reflect on concrete measures for introducing the gender dimension in activities undertaken within the MENA-OECD Governance Programme. In July 2008, the Steering Group approved the creation of the gender Focus Group and the implementation of gender activities.

The first meeting of the gender Focus Group took place on 18 May 2009

**Did you know...**that the percentage of women holding ministerial positions reaches roughly 10% in a significant number of MENA countries ?

in Cairo, Egypt. At the meeting, participants exchanged their experiences on empowering women in public decision making and fostering a gender-balanced environment in the public sector by considering the specific needs of women within public management. Representatives from MENA and OECD countries drew on their experiences with national or regional strategies, action programmes and pilot projects for the promotion of gender equality in the public sector and presented recent trends, key developments, lessons and challenges. Participants addressed budgetary and regulatory instruments as well as organizational policies and procedures that can contribute to counteracting inequalities in the public sector. They identified key factors which help in overcoming obstacles to introducing gender initiatives in the public sector.

## COMPREHENSIVE APPROACH TO GENDER IN PUBLIC POLICIES

A comprehensive gender approach to public management implies bringing gender concerns to the attention of the public sector, raising awareness about existing gender inequalities and adequately communicating policy objectives to public sector staff, political leaders, citizens and the media. In order to build support for gender policies and action programmes within and outside the administration, governments need also to develop strategies and tools for raising awareness on persistent gender inequalities in the public sector and for communicating the expected benefits of the action programmes.

The whole-of-government perspective comprises institutional approaches to gender policies. The following thematic priorities will be

addressed in the upcoming years by the Focus Group: Addressing gender objectives in HRM; addressing gender discrimination and unethical behaviour in the public sector; gender-aware e-government policies, services and practices to address gender-related digital divide and enhancing the participation of women in public services and policy making; integrating the gender dimension in public budgets, and introducing gender analysis into regulatory quality frameworks.



A second meeting on addressing gender in public management was held 2 October 2009 in Paris, back-to-back with the meeting of the OECD Working Party on Public Employment and Management on 1 October 2009, entitled "*Building a stronger and fairer public service by strengthening diversity.*" Taking advantage of the presence of the OECD experts on HRM, the meeting thematically paid special attention to the question of addressing gender in HRM.

## PROGRAMME IMPACT

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1. Endorsment of a Gender Programme of Work to mainstream gender in public policies, with special focus on personnel policies, gender budgeting and regulatory policies.
2. Enhanced the gender perspective in institutions and processes to address gender imbalances in decision-making
3. Consolidated strategies and whole-of-government approaches to make governance more gender-sensitive.

***Concrete examples of progress in Gender policies supported and disseminated through the programme and included in the MENA progress report.***

- National Strategy for Gender Equality through the Integration of Gender Objectives in Public Policies and Development Programmes in Morocco.
- Gender budgeting in Egypt.
- Equality in legal frameworks in Tunisia.

## PROGRAMME OUTCOMES

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- Creation of a new technical horizontal network on gender in public management including experts from governments, civil society, and media
- Enhanced capacity to incorporate gender objectives in public policies and adopt comprehensive institutional approaches to gender policies
- Raised awareness on the necessity to introduce gender objectives in personnel policies as well as budget and legal frameworks

## PROGRAMME OUTPUTS

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### 1. Active networking of reform drivers and regional dialogue

- Kick-off meeting of the gender focus group on *Addressing gender in public management*, Cairo, Egypt, **18 May 2009**.
- Meeting on *Addressing gender in public management*, Paris, France, **2 October 2009**.
- Expert meeting of the Public Employment and Management Working Party on *Building a stronger and fairer public service by fostering diversity, Innovative practices and future challenges*, Paris, France, **1<sup>st</sup> October 2009**.

### 2. Publication

- Chapter on Gender in Public Management in MENA countries – MENA-OECD Progress Report on Public Governance reform in the Middle East and North Africa, submitted at the MENA ministerial meeting in **November 2009**.

# REGIONAL CENTERS

## REGIONAL PLATFORMS FOR CAPACITY BUILDING

This initiative supports the efforts of MENA countries to create regional centres for capacity building in different fields related to managing public policy. These centres have an important role to play in strengthening regional cooperation, improving governance, and disseminating good practices. It is as such that three centres: for evaluating public policy, for expertise in regulatory quality, and for training in financial management, were created in Morocco, Tunisia, and Egypt respectively.

At this stage, these centers are operating as initial core units, each sponsored by an existing institution in their respective host country. With the support of the OECD Secretariat, they have developed feasibility plans, defined an institutional structure, and a substantive orientation which is being translated into an action-oriented programme of work. Initial activities are currently being implemented with the support of the Working Groups. A strategy for fundraising and partnership building is also in progress to ensure the viability of the Centers.

### REGIONAL CENTER FOR PUBLIC POLICY EVALUATION (RCPPE) IN MOROCCO

The RCPPE addresses the needs of the MENA region in terms of public policy evaluation and will bring added value to national efforts to improve public policy evaluation.

The main goal of this Centre is to promote public policy evaluation practices and sector and administrative reform in MENA countries, as well as capacity-building for public policy evaluation and analysis, notably through the training of public officials.

Its objectives are: To strengthen the capacities of governments in doing ex-post and ex-ante evaluations; to offer consultation on public policy

evaluation for governments in the MENA zone; to raise awareness and inform its partners about the importance of studies to evaluate public policy; and to offer training in evaluation.

With the aim of supporting governance and public policy reform already underway in Morocco and other countries in the region, the RCPPE has elaborated its strategy around four poles of excellence responsible for: training to improve skills in the field of public policy evaluation; Information sharing and increased exchange between evaluation practitioners in order to encourage the emergence of professional and ethical standards; raising awareness in MENA countries about the need for evaluation studies and the role that these play as a key instrument in the rendering of accounts in the public sector; research and regional evaluation studies.

As a regional centre, the services of the RCPPE are available to all countries in the MENA region, which will allow for strengthening regional co-operation and collaboration. Over time, a pool of evaluation experts and professionals will be created and the Centre will become recognised for its quality training programmes and top-level seminar organisation.

In February 2010, the RCPPE is organising an international seminar on trends and practices in public policy evaluation and four training workshops on evaluation techniques. These activities will be regional and involve the participation of senior government figures from different MENA countries involved in the MENA-OECD Governance Programme. A centre for documentation and analysis will be opened that will be responsible for procuring adequate documentary resources about public policy evaluation for the countries involved.

Regarding mid-term projects, similar to what is done by the bodies in

charge of evaluation in OECD countries, the RCPPE will have to implement an action plan that can incorporate the following: the establishment of quality standards or a regional good practices guide which integrates internationally recognised standards, yet adaptable to the specificities of countries in the MENA region; and the establishment of decentralised co-operation with centres in OECD countries regarding public policy evaluation. A partnership is envisioned with the National Agency for the Evaluation of Public Policies and Quality of Services in Spain, based on the experience of the Agency, particularly with regard to its systems for planning activities, managing information and agency expertise; and the creation of a website for the RCPPE which will promote the Centre and its activities in the region.

### REGIONAL CENTRE OF EXPERTISE FOR REGULATORY QUALITY (RCERQ) IN TUNISIA

The RCERQ has several roles, including: Promoting the culture of regulatory quality practices in local, sub-regional, and regional legal and governmental spheres. Developing individual and institutional capacities in managing regulatory quality in Tunisia and in other MENA countries involved in the OECD-MENA Governance Programme; and creating a network of regional and national expertise in regulatory quality.

The Centre has set, as a major goal, improving the quality of legal texts by getting involved in the preparation and drafting of legislative and regulatory texts, private acts (private sector, government, and international contracts, for example), international agreements, and in the translation of legal texts. It will also facilitate access to and involvement in comparative law and improving legal electronic data processing. To help reach its goals, the RCERQ benefits from the support and expertise of the Centre for Legal and Judicial Studies (CEJJ) created in 1993 in Tunis.

## REGIONAL CENTERS

The RCERQ's plan for 2009-10 include: launching an interactive website for the Centre; creating a database for the tools and techniques of regulatory quality in three languages (Arabic, French, and English); Organising a national seminar (October) and a regional seminar (January/February 2010) to promote the activities of the RCERQ. This will allow for connections to be made between civil servants in the MENA region and for a network of legal experts to be established.

Over the course of 2010, the RCERQ is planning to organise study visits between its members and different MENA country governments.

### TAX AND FINANCIAL MANAGEMENT CENTRE IN EGYPT

With the support of the MENA Senior Budget Officials Network, co-chaired by Sweden and the United States, the Egyptian government has created a Regional Centre for Tax and Financial Management Training in Cairo.

The idea of creating a centre coincided with the reforms undertaken by most of the countries in the MENA region to modernise their revenue and budgetary management systems. Currently, the main impediment to successful modernisation efforts is insufficient training of staff involved in establishing reforms. Such training needs to exceed the capacities of national institutions, hence the pertinence of creating a regional centre.

The Tax and Financial Management Training Centre was inaugurated in 2008, and intends to launch regional activities within the framework of the MENA-OECD Governance Programme. In May 2009, an Egyptian delegation visited Spain to learn from the Spanish Institute for Fiscal Studies tied to the Ministry of Finance, which plays an important role in shaping Spain's public finance policy.

The Centre aims to provide quality training in public taxation and financial management on the one hand, and to carry out research on new trends in public finance and fiscal policy on the other.

To maintain its regional dimension, the Centre needs a decision-making body that is representative of the different countries in the MENA region and their interests, hence its structure into three levels: a Board of Directors or Governors (supervisory board) which includes the Ministers of Finance from member countries; an Advisory Council represented by donor countries, technical experts, and organisations; and an Executive Committee in charge of running its affairs.

The Centre does not intend to simply provide training courses, but rather to implement a complete training system which defines needs, designs models and measures their efficiency through trainee evaluations, and uses performance indicators to assess the success of its operations.

To successfully achieve these goals, the Centre will draw on the expertise of regional and international organisations (OECD, World Bank, IMF, ...etc). It will establish an active partnership with international institutes such as the Slovenian-based Centre of Excellence in Finance, the British Chartered Institute of Public Finance and Accountancy, and the Singapore Regional Training Institute.

Once it is fully operational, the Centre will offer three types of training:

i) A "Responsive Programme" involving the organisation of short (2-5 day) conferences on specific topics, based on the best international practices regarding different aspects of fiscal and financial governance. The subjects addressed will pertain mostly to financial management, taxation, planning and implementing a budget, results- and performance-based

budgeting, debt management, internal auditing, change management, and PPPs;

ii) A Certification Programme that includes long-term training and leads to professional certification recognised throughout the region. The first programme to be launched by the Centre will be the "Professional Certification in Governmental Accounting," for which there is already strong demand. This programme will be taught in collaboration with international experts and institutions specialised in governmental accounting; and,

iii) A programme for "training trainers" which will ensure that subsequently, the best practices are quickly spread throughout the region.