OECD Global Forum on Governance
Public Governance

FINAL AGENDA

Conference for High-Level Officials "Devolving and Delegating Power to More Autonomous Public Bodies and Controlling Them: The Governance of Public Agencies and Authorities"

Bratislava, 22-23 November 2001

Hosted by the Government of the Slovak Republic
Organised by the Public Management Service (PUMA) of the OECD

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**Conference for High-Level Officials**


Hotel FORUM, Congress Hall, Bratislava November 22-23, 2001
Hosted by the Government of the Slovak Republic
Organized by the Public Management service of the OECD

**Background note**

**Objective**

1. The goal of this global conference is to help eastern and central European countries strengthen the governance arrangements of their public bodies which have been given a certain level of autonomy to carry out public tasks, including service delivery, regulatory functions, or advisory activities. These bodies include both bodies which have their own legal identity separate from that of the state, and those which do not have separate legal identity. The conference will also attempt to adopt principles for the good governance of agencies and authorities.

2. Many central and eastern European countries have recently provided some managerial autonomy or independence from political influence to public bodies to favor a more economical use of public resources, higher efficiency, higher quality services, higher rates of innovation, and closer relations with citizens/customers, to distance functions from political “interference”, and to promote better motivation and “ownership” by staff.

3. At the same time, these organisational changes have created new concerns of loss of political control, weakened accountability for performance and financial management, fragmentation of policy making, as well as increasing danger of unethical conduct in the public sector.

4. This forum will provide policy-makers and high level officials from OECD and non-OECD Member countries with the opportunity to discuss the governance problems encountered in the creation and management of agencies and authorities, and share their experiences of solutions which have been put in place to solve these problems.

**Participants**

5. It is expected that representatives from the following countries will participate:
   - OECD Member countries mostly from the central and eastern European countries: Czech Republic, Greece, Hungary, Poland, Slovak Republic, Turkey.
   - Presenting experts from other OECD Member countries including probably: France, Germany, Ireland, Netherlands, New Zealand, Sweden, United Kingdom, United States.
   - Non-OECD member countries from the region, including: Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Estonia, Federal Republic of Yugoslavia, Former Yugoslav Republic of Macedonia, Latvia, Lithuania, Moldova, Romania, Russian Federation, Slovenia, Ukraine.

6. The forum will gather high level officials and policy makers either from central government (Prime Minister’s Office, Ministry of Finance, department in charge of general public management or state reform, etc.) or from central agencies themselves.
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“Devolving and Delegating Power to More Autonomous Public Bodies and Controlling Them:
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Final Agenda

Thursday, November 22, 2001

9.15 a.m. – 9.45 a.m.: Welcoming address and introductory speech

- Welcoming Address by Deputy Prime Minister for Economic Affairs, Mr. Ivan Miklos
- Introductory Speech by Jorge Braga de Macedo, President of the Development Centre (OECD)

9.45 a.m. – 1.00 p.m.: Introduction and broad overview of the issue of accountability of autonomous public bodies

This session will introduce the subject and outline the experience of selected OECD Member countries and other central and eastern European countries in the devolution and delegation of power to more autonomous public bodies, the accountability issues that the waves of “agencification” have raised, and how countries are coping with these issues. The presentations will give tools of analysis and a broad overview of practices which aim at balancing accountability and autonomy.

- Keynote Presentation: Governing and delivering services through more autonomous public bodies: is there a right balance between autonomy or independence and accountability? By Pr. Allen Schick, Professor at the School of Public Affairs at the University of Maryland, and Visiting fellow at the Brookings Institution, United States.
- Keynote Speech: A ministerial perspective on the governance of agencies and authorities, by Mr. Simon Upton, Chair of the Roundtable on Sustainable Development, OECD, former minister (with various sectoral portfolios including public sector portfolio) of the Government of New Zealand.
- Discussion
- Presentations and Discussion:
  - The experience of OECD Member countries in the governance of public agencies and authorities, by Mr. Alex Matheson, Head of the Budget and Management Division of the Public Management Service of the OECD.
  - Understanding the waves of agencification and the governance problems they have raised in central and eastern European countries, by Advisor to Deputy Prime Minister and Leader of the State Administration Reform Team, Slovak Republic, Mr. Miroslav Beblavy.
1.00 p.m. – 2.45 p.m.: Lunch

(Buffet lunch will be hosted by the Government of the Slovak Republic)

2.45 p.m. – 5.30 p.m.: Maintaining government coherence and a whole of government perspective on policy making and service delivery — Country experiences

This session will focus on how governments can maintain government coherence and a whole of government perspective on policy making and service delivery in a context of government devolution and delegation of power to more autonomous bodies. More precisely, the session will look at the following issues:

i) Types and degrees of autonomy provided to the different types of autonomous public bodies with different types of functions;

ii) The legal coherence of the administrative organization (legal personality, status of public agents);

iii) The clarity of the whole administrative system (rules for the creation of agencies, clarity of missions, clarity/classification of organizational and governance arrangements for the management of autonomous bodies);

iv) The coherence of public bodies internal governance structure (existence of a board with what functions, relationships between heads of boards, CEOs, etc.);

v) The performance of government management and supervisory institutions;

vi) Policy coordination schemes and mechanisms for reporting to cabinet/council of ministers and Parliament on agencies’ activities.

Country Presentations by:

- Presentation on the case of the Czech Republic by Mr. Jiri Marek, Director of the Modernisation of Public Administration Department of the Ministry of Interior, Czech Republic.
- Presentation on the case of Germany by Prof. Dr. Werner Jann, Chair for Political Science, Administration and Organisation, Potsdam University, Germany.
- Presentation on the case of Latvia by Mrs. Svetlana Proskurovska, Deputy Head, Reform Secretariat, Latvia.
- Presentation on the case of Lithuania, by Mr. Algirdas Astrauskas, Vice Minister, Ministry of Interior, Lithuania.

6.00 p.m.: Cocktail

(Cocktail will be hosted by the OECD)
Friday, November 23, 2001

9.00 a.m.-11.00 p.m.: Financial management and control of public agencies — Country experiences

This session will focus on the financial management and control risks inherent in the devolution and delegation of power to more autonomous public bodies including the misuse of public money and assets, the increase of public borrowing beyond approved limits, the new opportunities of corruption, the neglect/irrelevance of financial reporting and audit. The session will look at the following factors of good financial management and control:

i) needed capacity at central and agency level to exercise good financial management and control;
ii) budget review and financial accounting and reporting mechanisms;
iii) general rules for the use of real property assets;
iv) oversight of agency/authority borrowing;
v) agency revenue policies;
vi) the principles of earmarked contributions to agencies;
vii) needed increased capacity of audit bodies to carry out their functions in relation to these bodies.

• Introduction: Principles of financial management and control of public agencies: By Mr. François-Roger Cazala, Principal Administrator, Secretariat of Support for Improvement in Governance and Management in Central and Eastern European Countries (SIGMA)¹, OECD.

Country presentations by:

• Presentation on the case of France by Mr. Patrick Mordacq, Cour des Comptes, France.
• Presentation on the case of the Netherlands by Mr. Ronald van Oosteroom, Head Management Control Directorate of Budget Affairs, The Netherlands.

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¹ SIGMA is a joint initiative of the OECD and the European Commission mainly funded by the European Commission’s PHARE Programme.
11.00 p.m. – 12.30 p.m.: Regulatory governance: Improving the institutional basis for sectoral regulators of infrastructure public services — Country experiences

The session will discuss the governance issues of sectoral regulators. It’s goal is to identify and examine some of the key elements in relation to the design of the institutional framework for economic regulation, particularly in the industries, such as telecommunication, electricity, gas, transports, etc. In particular, some of the following points will be addressed:

i) What are the current trends in OECD Member countries with respect to establishing independent sectoral regulators?

ii) How independence can be built through clearer role and scope of the authority and appropriate instruments for action, capacities and work methods? How can the risks of capture be minimised?

iii) How independence can be counterbalanced with adequate accountability measures?

iv) The importance of general coherence and relations with other institutions for the well functioning of sectoral regulators, particularly how they need to relate to the competition and consumer protection authorities as well as to parliament and the judiciary.

Country presentations by:

- Presentation on the experience of OECD Member countries in setting up independent and accountable regulators, by Mr. Cesar Cordova-Novion, Deputy Head of Programme, Principal Administrator, PUMA, OECD.
- Presentation on the case of Hungary by Mr. Peter Szegvari, Head of Office, Political Secretariat for Public Management and Regional Policy, Prime Minister’s Office, Hungary.
- Presentation on the case of Ireland by Mr. Tom Ferris, Senior Economist, Department of Public Enterprise, Ireland.
12.30 p.m. – 2.00 p.m.: Lunch Break

2.00 p.m. – 4.00 p.m.: Reporting to central government, Parliament and citizens — Country experiences

This session will be dedicated to mechanisms for reporting to central ministries (including performance reporting), Parliament and citizens. It will also concentrate on issues of capacity both at agency and at central ministry and Parliament level (for monitoring purposes).

This session will specifically look at the following:

i) Formal reporting mechanisms including content of annual report and review process;

ii) The difficulties in establishing performance reporting and needed reforms to be put in place: the lack of strategic management by activity allowing a reallocation of human and financial resources; the lack of a clear definition of outcomes and indicators; the lack of accountability of managers for the performance of their agency; the lack of multi-year agreements; the need to get the policy department to change to more outputs/outcome-oriented management; the need to connect costs and resource consumption to goals, outputs and outcomes; the limited capacity at central government to analyse data;

iii) The mechanisms put in place to strengthen accountability to Parliament and citizens.

Country Presentations by:

- Presentation on the case of France, by Mr. Claude Rochet, Ministry of The Civil Service and Reform of the State, France.

4.00 p.m. – 5.00 p.m.: Guidelines for the good governance of public agencies and authorities

This session will be dedicated to examining draft principles for the good governance of public agencies and authorities. These principles will have been drafted by the OECD Secretariat and revised during the conference.

5.30 p.m.: Concluding remarks