PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE

Public Employment and Management Working Party

CO-OPERATION OF THE PUBLIC EMPLOYMENT AND MANAGEMENT WORKING PARTY WITH NON-MEMBER COUNTRIES: RATIONALE, PAST ACTIVITIES AND PROSPECTS

Public Employment and Management Working Party Meeting
7-8 December 2006
Château de la Muette, Paris.

For further information, please contact Jürgen BLUM
Tel: 45 24 13 12; e-mail: juergen.blum@oecd.org

JT03218792

Document complet disponible sur OLIS dans son format d'origine
Complete document available on OLIS in its original format
# TABLE OF CONTENTS

I. Overview .............................................................................................................................................. 3  
II. Framework for PEMWP co-operation with non-members ............................................................... 3  
III. Rationale for PEMWP work with non-member countries .............................................................. 4  
    - Co-operation with non-members provides opportunities to add to the core comparative work of PEMWP ........................................................................................................................................ 4  
    - Co-operation with non-members makes a unique contribution to the development objectives of OECD countries ................................................................................................................... 5  
IV. Points for the consideration of the Working Party ........................................................................... 5  

ANNEX I: OVERVIEW OF PEMWP COOPERATION WITH NON-MEMBERS ......................................... 7  
1. Co-operation with Arab countries: Good Governance for Development (GfD) in Arab Countries Initiative .................................................................................................................................................. 7  
2. Co-operation with the Russian Federation: Comparative study on performance-based management for senior civil servants ....................................................................................................................................... 8  
3. Emerging co-operation with Brazil: Global Forum on Good Governance ...................................... 9  

ANNEX II: OVERVIEW OF PAST ACTIVITIES OF GFD WORKING GROUP 1 ON CIVIL SERVICE AND INTEGRITY .......................................................... 10
I. Overview

The co-operation with non-member countries is becoming increasingly important for the Public Governance Committee and its subsidiary bodies, including the Public Employment and Management Working Party. This paper sets out the rationale for maintaining and intensifying PEMWP involvement in existing and emerging outreach activities. It summarises past and ongoing co-operation projects with non-member countries and provides a preliminary outlook on future areas of co-operation, in particular with regards to the PEMWP participation in the Good Governance for Development (GfD) in Arab Countries Initiative and its co-operation with the Russian Federation.

II. Framework for PEMWP co-operation with non-members

The current outreach activities of the PGC include a major regional programme, the Good Governance for Development (GfD) in Arab Countries Initiative, support for regional activities such as the Global Forums on Governance, and country programmes such as those with the Russian Federation, China and Brazil. Within this framework, PEMWP has been actively engaged in the following two outreach activities:

Regional programme with Arab countries: GfD Working Group 1 on Civil Service and Integrity: This Working Group of the GfD Initiative constitutes a unique network of HR policy makers from Arab and OECD countries. It combines Arab countries’ ownership with a practical and focused regional policy dialogue, aimed at improving Arab countries capacity for implementing civil service reforms. It is chaired by Morocco and co-chaired by Spain and Turkey. Since the Working Group's first meeting in July 2005, PEMWP members and HR policy makers from Arab countries have exchanged reform experiences in several regional capacity-building and peer-to-peer learning activities (see Annex II for an overview). As a result, several Arab countries have refined and endorsed their national action plans in the field of civil service reform, and initial implementation is under way. The GfD Initiative is funded by voluntary contributions from key OECD countries as well as by Arab countries.

Country programme with the Russian Federation: Comparative study on performance-based arrangements for senior civil servants: This co-operation was launched in December 2005 in response to a request by the government of the Russian federation. The Secretariat has been preparing a comparative study for the government, and PEMWP members have been involved directly at the Expert Meeting on performance-based arrangements for senior civil servants held at The Hague, The Netherlands on 15 and 16 September 2006. Drawing on the results of this meeting, the OECD study will lead to two products: A comparative study on performance-based arrangements for senior civil servants in OECD countries and a shorter report which will provide specific advice/implications for institutional arrangements in the Russian Federal Civil Service.

Work towards an overall strategy for OECD’s work with non-member countries is currently under way: In the Council Resolution of 1 June 2006 [Document C(2006)73/FINAL] the Council decided to “launch a process to expand the OECD’s global reach and policy impact through an enlarged membership and enhanced engagement with non-members” (p.2). As requested by the OECD Council, a suggested “mechanism to identify countries for potential accession and enhanced engagement” is being developed by the OECD Secretariat. A report on this suggested mechanism is planned to be submitted to the OECD Council by April 2007.
III. Rationale for PEMWP work with non-member countries

There are two principal arguments for maintaining and intensifying the co-operation of the PEMWP with non-member countries. In the short and medium term, it provides an opportunity and funding for the core comparative work of PEMWP. In the long-term, it can make a unique contribution to the development policy objectives of OECD countries.

Co-operation with non-members provides opportunities to add to the core comparative work of PEMWP

Past co-operation of PEMWP with non-member countries has shown that it results in comparative analytical work on OECD countries, experiences which provide mutual benefits both to member and non-member countries. Demand and financial contributions from non-member countries for comparative insight into OECD countries experiences in public employment and management can help shape joint projects, which could not be achieved without such synergies. By bringing in a broader range of administrative cultures, the outreach work contributes spill-over effects to sharpening and advancing the OECD internal policy debate.

The comparative reports on performance-based arrangements for senior civil servants in OECD countries, prepared in the framework of the co-operation with the government of the Russian Federation, provide a representative example. The first and comprehensive report looks at experiences in this field across the OECD – and is of value both the OECD member countries and to the Russian Federation. In preparing this report, the Government of the Netherlands generously hosted an expert meeting at which many members of the PEMWP and their colleagues participated. Building on the conclusions of this report, specific advice/implications for institutional arrangements in the Federal Civil Service will be developed for the Russian Federation in a second report. This second report will be developed following an expert meeting in Moscow to which members of the PEMWP will be invited to contribute their experiences.

The comparative report on “Managing the political/ Administrative boundary” is a further example of this benefit for the PEMWP programme of comparative work. This analytic work was prepared in 2006 within a project which received significant funding from the World Bank. Originally requested by the World Bank with the aim of supporting its advisory work to the government of Nepal, it has been welcomed by a number of PEMWP members as a very useful piece of work for their own agenda.

One emerging idea for future joint work that could produce similar mutual benefits is the possible development of a standard diagnostic tool for assessing civil service systems both in OECD and in non-member countries. In the medium-term, such a tool could develop to become an international standard for assessing civil service systems, by providing a common pool of information for measurement and monitoring of civil service institutional and management arrangements. As such, it could contribute to OECD’s work on Government at a Glance and could provide a companion to the Public Financial Management Performance Measurement Framework which has become the standard assessment instrument in field of Public Expenditure and Financial Accountability.1

---

1 PEFA (Public Expenditure & Financial Accountability) is a partnership between the World Bank, the European Commission, the UK's Department for International Development, the Swiss State Secretariat for Economic Affairs, the French Ministry of Foreign Affairs, the Royal Norwegian Ministry of Foreign Affairs, the International Monetary Fund and the Strategic Partnership with Africa. The instrument provides core data concerning the strength of country financial management arrangements. See: http://www.pefa.org/index2.htm
The PEMWP Secretariat together with the Development Assistance Committee are discussing the possibility of developing such a tool. The significance of this work for understanding the institutional roots of corruption in developing countries is pointed out in DAC document [DCD/DAC(2006)51/REV1]. The gradual development of a range of HRM reviews of OECD countries provides the backing for developing such a tool (see agenda item 3). At the same time, the application of such a tool for example in MENA countries would help its testing and refinement and ensure its applicability as an international standard.

**Co-operation with non-members makes a unique contribution to the development objectives of OECD countries**

Acknowledging that this is a long-term prospect, the expertise of PEMWP members can make a unique contribution towards achieving OECD member counties’ foreign policy objectives in non-member countries. Promoting better public governance in non-member countries is an important development objective of many OECD countries. There is increasing awareness of the importance of a well-functioning civil service for ensuring stability and a sustainable political, social and economic development in non-member countries. The PEMWP is a unique source of practical expertise to non-member countries in this field for several reasons:

- **The PEMWP provides non-member countries with access to policy advice from practitioners in senior positions on civil service policy design from an international perspective.** Experienced advice from senior practitioners is not always available within bilateral and multilateral technical assistance projects. In most cases, technical assistance is provided by consultants with, at best, somewhat distant experience of operational realities. Consultants with very recent experience in senior positions are rare. Even when they can be found, often they tend to know only the national context, but lack an international comparative perspective.

- **The PEMWP provides access to a rich pool of experiences which provides tailored solutions for non-member countries.** The distinct civil service systems and administrative traditions in OECD countries show the variety of possible reform approaches and the need to find solutions that are adapted to the specific situation of the respective non-member country. They contrast with one-size fits-all approaches that tend to be used by international consultants.

The strong support which OECD countries provide to the GfD Initiative illustrates the significance that they attach to the role of OECD expert groups such as the PEMWP in reaching their development objectives in the MENA region. Conversely, the recent peer-to-peer study visit of HR policy makers from Jordan and Lebanon to Brussels to discuss the Belgian experience with reforming the federal job classification system (20-24 November 2006) provides an example of the value that the human resources management policy makers from Arab countries place on PEMWP expertise. The study visit was proposed following the presentation of the Belgian experience at the GfD capacity building seminar on pay and grading reform that took place in Amman, Jordan, on 20-21 September 2006. Policy makers from Jordan and Lebanon expressed strong interest to get deeper insight into the Belgian experience and identify lessons-learnt for their ongoing national reforms in this field.

**IV. Points for the consideration of the Working Party**

Working Party members may wish to comment on the value of work with non-member countries for the PEMWP's own programme of work. Members may also wish to offer proposals for improving the effectiveness with which OECD experiences are shared with non-member countries, noting the need for sensitivity to differing institutional and governance environments.
Working Party members may also wish to propose options for extending cooperation and outreach work, and for engaging the contribution of a broader range of PEMWP members. One practical step to generate support for such activities could be for PEMWP members to alert the respective Ministries of Foreign Affairs and the Ministries of Development Co-operation to OECD work in the area and to seek their support.
ANNEX I: OVERVIEW OF PEMWP COOPERATION WITH NON-MEMBERS

1. Co-operation with Arab countries: Good Governance for Development (GfD) in Arab Countries Initiative

The Good Governance for Development (GfD) in Arab Countries Initiative (www.oecd.org/mena/governance) is a regional effort, initiated and led by Arab countries. It was launched by prime ministers and ministers from 18 Arab countries at a ministerial conference hosted by the Prime ministers of Jordan at the Dead Sea in February 2005. The GfD Initiative aims at strengthen Arab countries’ capacity to design and implement public governance reforms through results-oriented policy dialogue among practitioners from MENA and OECD countries. It is implemented in conjunction with the OECD MENA Investment Programme (www.oecd.org./mena/investment).

The GfD Initiative is funded by voluntary contributions from Canada, Belgium, France, Italy, Japan, Netherlands, South Korea, Spain, Sweden (Swedish International Co-operation Agency, SIDA), Turkey, the UK and the US as well as by contributions from Arab countries. In addition, these and further OECD countries as well as multilateral institutions like the World Bank provide policy expertise on an ongoing basis.

PEMWP members from several OECD countries have been closely involved in the GfD Initiative through its Working Group 1 on Civil Service and Integrity. This Working Group covers one of the six priority reform areas of the Initiative that have been identified by Arab countries. The key results that have been achieved by this Working Group since its first meeting in June 2005 comprise the following:

- A unique in and sustainable network of HR policy makers from Arab and OECD countries has been built, combining Arab countries’ ownership with an OECD-type regional policy dialogue. It comprises key HR policy makers from Bahrain, Egypt, Iraq, Jordan, Morocco, Oman, Qatar, Tunisia, West Bank/Gaza, Lebanon, Syria and Yemen.

- Strategic country action plans for civil service reform combined with concrete, time-bound objectives have been formulated and endorsed by six Arab countries (Bahrain, Egypt, Jordan, Lebanon, Morocco and Tunisia) and implementation is under way. These action plans have been presented at the GfD Steering Group meeting at ministerial level in Sharm-el-Sheikh on 19-20 May 2006;

- Regional priorities for policy dialogue have been identified and several regional capacity-building seminars and peer-to-peer learning activities have been implemented (see Annex one for a complete overview);

- Due to time-lags in implementation, it is too early to appreciate the impact of the policy dialogue in GfD Working Group 1 on public sector modernisation in Arab countries. However, some preliminary direct results are already becoming visible, such as the formulation and endorsement of a new HR policy statement in Jordan.

For the work within GfD Working Group 1 in 2007, the following priority areas have been identified and planning is under way for future regional capacity building and peer-to-peer learning activities in the following priority areas.

1. Pay strategies for better public sector performance: pay and grading reform (regional capacity-building seminar held in Jordan on 20-21 September 2006, peer-to-peer study visit to Belgium undertaken from 20-24 November 2006);
2. Assessing staff: recruitment, assessment centres and performance appraisal (regional capacity-building seminar envisaged for spring 2007);

3. Overall Human Resources planning (regional capacity-building seminar held on 6 December 2006 in Paris);

4. The role of central Human Resources agencies and HR units in central, regional and local line-bodies (regional capacity-building seminar envisaged for spring 2007);

There is a strong case for continuance of the GfD Initiative beyond 2007 to benefit from and build on its achievements so far. Consultations are currently under way regarding the design of a possible follow-up of the Initiative beyond its current mandate.

2. Co-operation with the Russian Federation: Comparative study on performance-based management for senior civil servants

The government of the Russian federation requested in December 2005 that the OECD undertakes a comparative assessment of how performance incentives are structured into the management arrangements for senior civil servants in OECD countries. This assessment will serve to providing specific policy advice on the introduction of appropriate arrangements within the Moscow-based ministries of the Russian Federation. There is intensive donor support to the Government of the Russian Federation for institutional reform, as is evidenced by the complex matrix of donor activities, which is co-ordinated by the World Bank and DFID. The comparative advantage of the OECD’s contribution lies in its ability to distil lessons from current practice and experience drawing on the expertise of senior practitioners from OECD member governments.

The PEMWP has been involved in this work at the Expert Meeting on performance-based arrangements for senior civil servants held at The Hague, The Netherlands on 15 and 16 September 2006. Drawing on the results of this meeting, the OECD study will lead to the following two products by April 2007:

1. A comparative report on performance-based arrangements for senior civil servants in OECD countries. This report will set out the issues at stake for OECD and middle-income country governments concerning performance-based contracts for senior civil servants. First, and relatively briefly, it will examine the arrangements that create a "bridge" between the broad indicators and output measures specified in the budget and individual targets specified for senior civil servants. Second and more specifically, it will track current OECD practices for incorporating performance into the four key elements of senior civil servant "contracts": appointment, management, mobility and termination. In reviewing these practices, the study would assess the significance of the increasing functional delineation of a group of senior managers. Although only a few OECD countries have a separate group or service for senior staff, all OECD countries, except Finland and Mexico, de facto treat senior staff differently – with the strongest trend towards a formally demarcated Senior Civil Service in position-based systems.


"Contract" can take many forms – implicit (France), explicit (New Zealand); single or double (Civil Service and departmental) (UK)
PEMWP members will be invited to a workshop in Moscow in late January 2007 to assist in developing the recommendations for the Government of the Russian Federation.

3. Emerging co-operation with Brazil: Global Forum on Good Governance

The government of Brazil has shown strong interest in working with the OECD in the field of governance in key reform areas, including public employment and management issues. As a first step, senior staff from the Secretariat provided assistance to the government of Brazil in developing a major report on the efficiency of the public sector in Brazil. In subsequent moves towards a closer co-operation with the OECD, consultations are under way with the Brazilian Ministry of Planning with regards to a Global Forum on Governance entitled “Public Sector Modernisation, Efficiency and the Economy of Change” which is envisaged to be held in Rio de Janeiro in April 2007.
ANNEX II: OVERVIEW OF PAST ACTIVITIES OF GFD WORKING GROUP 1 ON CIVIL SERVICE AND INTEGRITY

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-19 July 2005</td>
<td>Rabat, Morocco</td>
<td>First Meeting of Working Group 1 – Civil Service and Integrity</td>
</tr>
<tr>
<td>8-9 December 2005</td>
<td>Rabat, Morocco</td>
<td>Technical co-ordination meeting for Assessment Case Studies on Civil Service and Integrity</td>
</tr>
<tr>
<td>19-20 April 2006</td>
<td>Rabat, Morocco</td>
<td>Second Meeting of Working Group 1 – Civil Service and Integrity</td>
</tr>
<tr>
<td>20-21 September 2006</td>
<td>Amman, Jordan</td>
<td>Regional Capacity Building Seminar on Pay Strategies for Better Public Sector Performance: Pay and Grading Reforms in Arab Countries</td>
</tr>
<tr>
<td>20-24 November 2006</td>
<td>Brussels, Belgium</td>
<td>Peer-to-peer study visit of senior HR officials from Arab countries on the Belgian experience with reforming the federal job classification system (GfD WG I)</td>
</tr>
<tr>
<td>6 December 2006</td>
<td>Paris, France</td>
<td>Regional Capacity Building Seminar on Overall Human Resources Planning and Management</td>
</tr>
<tr>
<td>7 December 2006</td>
<td>Paris, France</td>
<td>Third Meeting of Working Group 1 – Civil Service and Integrity</td>
</tr>
</tbody>
</table>