KEY EVENTS AND DEVELOPMENTS SINCE THE LAST MEETING OF THE PGC

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1. This document summarises key events, such as working party and expert group meetings, as well as important developments in the work of these groups and the Committee, since the 38th session of the Committee in October 2008.

Government at a Glance

2. Using the indicators selected by the Public Governance Committee at their 38th meeting in October 2008, GOV produced a draft of Government at a Glance under the guidance of the Steering Group, who provided detailed comments which have been incorporated into the draft. The draft has been circulated to all delegates, who have been asked to provide comments by June 5, 2009. This first edition of Government at a Glance will be released in October 2009 at the Public Governance Committee meeting.

3. Planning has begun on the future direction of Government at a Glance. GOV has conducted missions to seven member countries to talk to policy makers about their comparative data needs and discuss data availability. Countries visited include Australia, Austria, New Zealand, Netherlands, Canada, Finland and Italy. The Steering Group will discuss the results of these missions at the next biannual meeting on May 5th, 2009. A paper will be prepared for the 40th meeting of the PGC putting forth a strategy for future publications.

4. In addition, GOV published Measuring Government Activity in April 2009, which is based on the technical papers that were a precursor to Government at a Glance and serves as a technical companion to the forthcoming publication. Measuring Government Activity introduces a comprehensive data classification and analysis framework, and discusses in detail the challenges associated with measuring public sector outputs and outcomes.

Public Management Reviews

5. Following up from the first comprehensive Public Management Review (CPMR) of Ireland last year, the OECD has launched CPMRs of Finland and Mexico, and a review of Greece will take place in 2010.

6. The purpose of the CPMRs is to help provide recommendations and drive for a more overarching and coherent approach to modernisation efforts and improved public sector efficiency and effectiveness by focusing on how the public management building blocks fit together and reinforce one another. OECD countries increasingly agree that such an approach is absolutely essential for developing a citizen-centred approach to public services, improving service delivery and innovation, and ultimately reinforcing citizen trust in government.

7. In this context, GOV has also been working with Greece to provide appropriate good practice examples of reform in OECD countries that can serve as an inspiration and policy options for its overall strategy to public management reform.
Budgeting and public expenditures

8. The 5th Annual Meeting of the SBO Network for Performance and Results was held in Paris on 27-28 October 2008. The meeting was chaired by Mr. Balázs Romhanyi, Deputy Head of Department, Hungarian Ministry of Finance. This Network provides Member countries with a forum to discuss the opportunities and challenges of implementing performance budgeting and management. This meeting examined the issues surrounding the pacing and sequencing of performance budgeting and management reforms.

9. The 7th Annual Meeting of the SBO Regional Network for Latin America was held in Santiago, Chile on 26-29 January. This meeting is organized jointly with the United Nations Economic Commission for Latin America and the Caribbean (ECLAC/CEPAL). The meeting was chaired by Mr. Alberto Arenas, Director of the Budget, Chile. The meeting included a roundtable discussion on the fiscal response to the financial crisis, performance budgeting and management, budgeting for natural disasters and long-term (inter-generational) budget projections, the role of accrual accounting and budgeting.

10. The 6th Annual Meeting of the SBO Regional Network for Asia was held in Bangkok, Thailand on 12-13 February 2009. It was co-chaired by Mr. Ian Watt, Secretary, Australian Department of Finance and Mr. Bandhoon Supakavanich, the Director of the Thai Bureau of the Budget. The meeting was opened by the Deputy Prime Minister of Thailand. The meeting included a roundtable on the budgetary impact of the financial crisis, long-term (inter-generational) budget projections, budgeting for natural disasters, as well as peer reviews of Budgeting in Indonesia and Budgeting in Australia. The meeting attracted ministerial-level representation from the People’s Republic of China and the Secretary-General of the Indonesian Ministry of Finance.

11. The 1st Annual Meeting of OECD Parliamentary Officials took place in Rome, Italy on 26-27 February 2009. The meeting was hosted by the Italian Chamber of Deputies and was chaired by Mr. Sandro Palanza, Deputy Secretary-General of the Chamber of Deputies. This meeting represents a re-launch of the SBO Network of Chairs of Parliamentary Budget Committees, which also includes parliamentary officials and broader range of delegates. The focus of the meeting was two-fold: to profile the various parliamentary budget institutions in OECD countries; to discuss specific issues facing parliaments as they scrutinize the government’s budget proposal, including oversight of complex economic assumptions, fiscal risks and fiscal sustainability matters and the impact of modern budgeting (decentralization, performance budgeting) on parliament’s traditional “power of the purse” duties.

12. The 9th Annual OECD Public Sector Accruals Symposium (SBO Network on Financial Management) was held in Paris on 2-3 March 2009. The meeting was chaired by Mr. Ian Mackintosh, Chairman, Accounting Standards Board, United Kingdom. The theme of the meeting was the accounting treatment of the various fiscal measures taken during the financial crisis, especially vis-à-vis financial institutions. The meeting featured a debate on the merits of fair value accounting as well as those of accrual budgeting. Finally, reports by the International Public Sector Accounting Standards Board, the International Accounting Standards Board, and the United States Federal Accounting Standards Advisory Board were made at the meeting.

13. The 2nd Annual OECD Public-Private Partnerships (PPP’s) Symposium was held in Paris on 5-6 March 2009. The meeting was chaired by Mr. Barry Anderson of the OECD Secretariat. Mr. Gordon McKechnie, Head of PPP/PFI Policy in HM Treasury, United Kingdom, delivered the keynote address. The focus of the meeting was two-fold: to highlight the organization and functions of specialized PPP Units with government administration; to go through each phase of a PPP project’s lifecycle and identify key issues.
14. The 5th Annual Meeting of the Collaborative Africa Budget Reform Initiative (CABRI) was held in Dakar, Senegal on 7-9 April 2009. CABRI is the equivalent of the SBO Regional Network for Africa, and the OECD has been co-operating very closely with CABRI from its inception. This meeting was hosted and chaired by Mr. Oumar Sylla, Permanent Secretary, Ministry of Economy and Finance, Senegal. The major theme of the meeting was the presentation of the OECD-CABRI joint survey of budgeting practices and procedures in Africa. The results are available online on the OECD website (see www.oecd.org/gov/budget). In addition, an extensive analysis report of the results is being prepared in co-operation with the African Development Bank and the London School of Economics.

15. Three issue of the OECD Journal on Budgeting were published during this time period, Volumes 2008/2, 2008/3 and 2009/1.

16. In 2008 the Dutch Government asked the OECD Secretariat (GOV) to provide a two-part study: a limited, mostly quantitative, comparison of employment in the general government sector for a sample of OECD countries; and a qualitative assessment from an international perspective of some particular developments concerning the structure and standard operating procedures of central government (shared services, steering of agencies, spending reviews, productivity savings). This “OECD Efficiency Study I” will be presented and discussed at a conference on 3 June at OECD Headquarters in Paris. The afternoon session of the conference is devoted to a seminar under the title “Public Administration after New Public Management”. The agenda of the conference is on OLIS. The conference will also serve as a platform for the launch of a more extensive OECD study about the size and organization of central government (“OECD Efficiency Study II”), which will lead to a report in the autumn of 2010, as well as to at least four Country Assessments.

Regulatory management and reform

Indicators of Regulatory Management System

17. Fifty delegates and experts from 19 OECD countries met in London on 2-3 April 2009 to participate actively in an OECD workshop on indicators of regulatory management systems, hosted by the UK Better Regulation Executive. Discussions and presentations revolved around technical and policy-related issues involved in the quantified measurement of regulatory quality and the design of appropriate tools to compare countries. An innovative peer-review evaluation of the data involving delegates makes this a more objective assessment of current trends. Outcomes of the London workshop will contribute to further reports on the Regulatory Management Systems Indicators 2008 both for the Working Party on Regulatory Management and Reform as well as for Government at a Glance.

E-government

18. The Network of Senior E-Government Officials organised in co-operation with the Working Party on Information Security and Privacy a seminar which took place 19-20 November 2008. The seminar was part of the OECD E-Government Project’s work on cost-benefit analysis of e-government and was one of the prioritised activities of the complementary work programme of the Network. The objectives of the seminar were to exchange experiences and good practices on building the business case for digital identity management and understand its fundamental role in the deployment of e-government and innovation in service delivery. The seminar covered three interrelated themes of digital identity management: (a) the initial identity management decision; (b) the implementation within a national context; and (c) the inter-operability between, on the one hand, the public and private sector and, on the other, across national governments and levels of governments. A final seminar report based on the background report authored by Prof. Jon P. Gant, University of Illinois at Urbana-Champaign, USA, with

**Public engagement**

19. A strategy is being formulated to carry out a consultation on the Guiding Principles for Open and Inclusive Policy Making. This consultation will be launched before summer 2009.

**Integrity and resistance to corruption**

20. An **OECD Global Forum on Public Governance “Building a Cleaner World: Tools and Good Practices for Fostering a Culture of Integrity”** was held on May 4-5 2009 in Paris back-to-back with the Public Governance Committee session. This high profile event was opened by OECD Secretary-General and organised jointly with the Dutch National Integrity Office to review key challenges decision-makers face and discuss solutions for fostering integrity, transparency and accountability in public organisations. The Forum supports a better understanding of causes related to the financial crisis and workshop results will shape the contribution of the Committee to address the economic crisis and support OECD’s strategy to build stronger, fairer and cleaner economies (see at http://www.oecd.publicgovernanceforum.org/).

21. The meeting of the **Expert Group on Conflict of Interest** was organised back-to-back with the Global Forum on 5 May. The Expert Group will discuss the implications of the Global Forum on how to support OECD’s strategy to build cleaner and fairer economies and how to contribute to the Committee’s response to address the economic crisis. The Expert Group will also launch the integrity activities of the current Programme of Work with specific focus on political advisors and developing data and benchmarks for the Government at a Glance Project.

22. The **OECD Principles for Integrity in Public Procurement** was published to provide guidance, checklist and examples to help governments review and prevent risks to integrity in the entire public procurement cycle, from needs assessment, through the award stage, until contract management and payment (www.oecd.org/gov/ethics/procurement/integrity).

23. A series of **Joint Learning Studies** (JLS) were launched on integrity measures in Middle East and North African countries with the financial support of the UK Department for International Development (DFID). The project applies the OECD peer review methodology in developing countries to support the implementation of the preventive measures of the United Nations Convention against Corruption. The series started with the pilot JLS in Morocco in 2008, ongoing projects focus on integrity in procurement in Yemen and implementation of code of conduct in Jordan. This project is implemented within the OECD-MENA Governance programme.

**Public employment and management**

24. The **annual meeting** of the Public employment and management working party was held in December in Paris. The meeting focused on recent developments in HRM across OECD countries and especially on downsizing and reallocation of workforce including in response to the economic crisis, as well as on changes to service delivery to adjust to ageing in society, making reform happen in the field of HRM in government, designing job profiles, and using information technology for HRM.

25. The book on **The State of the Public Service** was published on December 2008. This book summarises the conclusions of the work of the working party over the past 10-15 years, and includes, for the first time, a broad set of indicators on quantitative measurement of public employment and qualitative assessments of human resource management in central governments.
26. The report on **HRM challenges for multi-level government** has been published and is now available on the website at the following address: www.oecd.org/gov/hrm. It is also part of GOV’s horizontal study on multi-level governance (see below).

27. The report on **Ageing and service delivery** that was discussed at the PEMWP is available on OLIS under the cote GOV/PGC/PEM(2008)7/FINAL.

28. In terms of the working party’s work with enhanced engagement countries, the Government of Brazil has confirmed its willingness to undertake an **OECD peer review of human resource management in the Federal Government of Brazil**. This review will be undertaken throughout 2009 and should be discussed at the annual meeting of the working party for its finalisation before the end of the year 2009.

**Multi-level governance**

29. A final report of the 2007-8 cross-cutting work on enhancing relations across levels of government, entitled “Managing mutual dependence between levels of government” has been prepared for the 39th session of the PGC. Countries will be able to send written comments on the report until 29 May 2009.

30. The Committee has also contributed to the OECD’s horizontal water project – see document ENV/EPOC/GSP(2009)4.

**Regions at a Glance**

Note: although this publication is an output of the Territorial Development Policy Committee (TDPC), it is included here as it may be of interest to PGC delegates.

31. The third edition of *OECD Regions at a Glance* was published in March 2009. It provides the latest comparable data and trends across regions in OECD countries, including a special focus on the spatial dimension for innovation. It relies on the OECD Regional database, the most comprehensive set of statistics at the sub-national level on demography, economic and labour market performance, education, healthcare, environmental outputs and knowledge-based activities comparable among the OECD countries. This publication provides a dynamic link (StatLink) for each graph and map, which directs the user to a web page where the corresponding data is available in Excel.

**Communications**

32. A web portal has been created for the PGC, to enhance collaboration and communication. This web portal uses Web 2.0 technology, offering a wide range of possibilities for more collaborative work among Committee members, working parties and networks, and the Secretariat. Delegates are invited to visit the site, post events and participate in discussions. The Secretariat welcomes feedback on the site to make it as user-friendly and useful as possible. See https://community.oecd.org/community/pgc.
Global relations

MENA


33. The fourth Special Session of the OECD Working Party on Regulatory Management and Reform, which took place at the OECD headquarters in Paris on 20 October 2008, aimed at deepening understanding of regulatory management and reform issues across Arab and OECD countries. The meeting dealt in particular with law-drafting capacities, administrative simplification and the use of evidence based tools to support policy making. At the meeting, delegates from Arab and OECD countries agreed to carry out a “Project on Improving Law-Drafting Capacities in Arab countries”. Improving law drafting capacities is a precondition for enhanced regulatory quality. The Project on Improving Law-Drafting Capacities in Arab countries aims at assessing capacities for providing high quality regulation, which should be clear, transparent, predictable, effective, efficient, and enforceable. The project will focus on law-drafting mechanisms, institutional design, training and dissemination of guidelines and manuals for government officials. The project will be implemented within the framework of the Working Group on Public Service Delivery, Public Private Partnerships and Regulatory Reform. A mid-term review meeting for this project has been scheduled for 19-20 May 2009 in Tunisia.

Joint Learning Activity on Electronic Identity Card in Belgium, 21 November 2008, Brussels, Belgium

34. Following the demand of Arab countries, 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 Belgium’s experience in the conception, implementation and production of the Belgian electronic identity card. Belgium presented its experiences with eID cards such as strategic decisions related to card implementation, environments for eID employment, marketing campaigns and quick-wins to gain support from citizens and policy makers. This activity was organised in follow up of the “OECD’s Expert Seminar on the Business Case for Digital Identity Management”, which took place on 19-20 November 2008 at the OECD headquarters.

Launching meeting of the Senior Budget Officials Network for the Middle East and North Africa (MENA SBO), 24-25 November 2008, Cairo, Egypt

35. On 24-25 November 2008, the MENA SBO was officially launched at a high level meeting in Cairo. The meeting was chaired by Mr. Hany Dimian, Deputy Minister of Finance in Egypt. Nearly fifty delegates from thirteen Arab and seven OECD countries as well as representatives from the European Union, the World Bank and the International Monetary Fund participated in the meeting. This first meeting of the MENA SBO addressed the issue of performance budgeting, which was successively approached from the angles of sequencing and pacing of reforms, information systems and indicators, and linking of performance information with medium term expenditure frameworks. The meeting provided Arab countries with the opportunity to learn more about the design of performance indicators and the use of performance measures. In comparison to OECD countries, Arab countries are still in the first implementation phase of performance management and budgeting, but are at the same time aware that indicator design is a problematic issue with significant risks, as previous experiences in OECD countries have shown.

36. The MENA SBO network will provide a platform for addressing ongoing and arising policy challenges which budget practitioners wish to examine in depth, putting emphasis on the exchange of
implementation techniques and lessons. At the launching meeting, delegates expressed for instance their interest in discussing the budgetary consequences of the ongoing financial crisis and it seems very likely that the next MENA SBO meeting will address this question.

*Moving Forward with the Governance Reform Agenda, 5 March 2009, Cairo, Egypt*

37. The meeting addressed the question of winning support for policy implementation and adequately communicating reform to different audiences. One of the key challenges for any policy maker is building support for change and ensuring the success of reforms. The meeting brought together representatives from governments, the media, and civil society from Arab and OECD countries. It provided participants from a wide range of backgrounds with the opportunity to share experiences on the successful implementation of governance reforms. The relationship between communication and reform received special attention, as winning support for policy implementation requires good communication with a range of different audiences and stakeholders. In the morning session, participants discussed in a panel how adequate communication strategies can help overcome potential resistance to change and help build trust in government as public governance reforms may have short-term costs, while many of the benefits only become visible in the long term. The afternoon session provided government officials from Arab and OECD governments with the opportunity to exchange on strategies for moving forward with national governance reform agendas in times of economic uncertainty. Participants recognised that critical economic and financial situations can become a reform driver and an incentive for adapting government action, but that policy priorities and the sequencing of reforms may shift when economic uncertainty prevails.

*Capacity Building Seminar on the Review of Existing Legislation, 11-12 March 2009*

38. The capacity building seminar on the review of existing legislation provided Arab and OECD countries with an opportunity to exchange ideas and showcase regulatory reform efforts. Legislation determines the business and investment climate. A systematic and whole-of-government approach to streamline rules fosters entrepreneurship by making clear what is regulated, why and how. A progressive review approach starts with an inventory and revision of existing rules, followed by a phase of streamlining and reforming existing legislation, based on quality standards. 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. Publications

39. Upon the request of the Moroccan government, the OECD reviewed the country’s public procurement system. The resulting report, the *OECD Joint Learning Study on Morocco: Enhancing Integrity in Public Procurement* examines the legislative, institutional and procedural elements of the management and control of public procurement in Morocco. The study is the first regional application of the OECD Principles for Enhancing Integrity in Public Procurement, approved as OECD Recommendation in 2008.

40. The guide *Overcoming Barriers to Administrative Simplification* draws on the experience of member countries of the OECD and the Middle East and North Africa Region, based on the regional policy dialogue within the OECD-MENA Governance Programme. The guide reviews common barriers to designing and implementing a strategy for administrative simplification and offers approaches to overcome them.
Accession

41. The PGC Accession review process is moving rapidly forward. Since the last PGC, the Secretariat completed three technical missions – to Chile, Estonia and Slovenia – and has prepared an Accession Assessment Report for each of these candidate countries. These reports are intended to provide details on the eight public management themes under review, and to place the candidate country’s public governance practices on the spectrum of those practiced by OECD members. In addition the Accession Briefing Note for Israel is complete, and a technical mission for further data gathering is scheduled for early June. The Secretariat expects that Russia will provide a presentation to the Committee in October. (Due to a delay in receipt of the Russian Initial Memorandum the PGC will not be in the position legally to begin their review of Russia in May as originally planned.) At its upcoming Committee meeting the PGC will hear from Israel regarding its public management practices and challenges, and undertake its final review of Chile, Estonia and Slovenia. This is in preparation for the completion of the PGC’s Formal Opinion to Council for these three countries, to be approved in October 2009.