DRAFT PROGRAMME OF WORK AND BUDGET 2003/4

26th session of the Public Management Committee
30-31 October 2002, Paris

This draft proposal incorporates changes suggested by members of the Public Management Committee following its circulation to Delegates for their comments on 26 June 2002. A summary table showing the priorities indicated by Member countries is attached in an annex.

Please note that the Secretariat will provide a debriefing on the Programme of Work discussions at the E-Government Project Seminar and Working Group Meeting (September 23-25), the Human Resources Working Party (October 7-8) and the Working Party on Regulatory Management and Reform (October 28-29).
I. OVERVIEW

1. The Public Management Committee (PUMA) aims at the improvement of public governance in Member countries. Its programme of work is also the basis for co-operation with non-members. Secretariat support is provided by the new Public Governance and Territorial Development Directorate.

2. The Committee Mandate developed in 1999 encourages PUMA to focus on a governance perspective. In particular, it requires PUMA to support Members in modernising the institutional and legal framework in market economies, increasing efficiency and effectiveness of the public sector, and strengthening trust in government. At the meeting of the OECD Council at Ministerial level in May 2002, Member countries agreed to emphasise more comprehensive regulatory reform and more efficient public sectors as elements of an environment where economic efficiency, higher levels of employment and improved living standards are more likely to be realised.

3. In order to maximise the impact of PUMA’s work on the pursuit of quality government in Member countries, the Programme of Work and Budget for 2003/4 is organised around five activities:
   - Implementing Regulatory Reform
   - Governing for Performance
   - Making the most of E-Government and Improving Service Delivery to Citizens and Business
   - Modernising Government: Strategies and Instruments
   - Improving Accountability and Preventing Corruption in Public Administration

4. These activities represent a further sharpening of the focus on the essential elements of today’s public governance agenda, not only at the central level, but also at other levels of government. They are the result of the mid-term review of the Committee’s mandate as well as of discussions and consultations among Member countries in the preparation of the PWB. The activities build on the results of ongoing projects in PUMA, many of which will be completed in 2002 and early 2003.

5. For each activity, a series of intermediate outputs has been identified with discrete deliverables over the course of 2003/4. The Committee has referred to six criteria that activities must meet if they are to be considered in the PWB: a) forward-looking and policy relevant; b) high-level impact; c) practical application; d) unique source/comparative advantage; e) shared interest and f) cost-effectiveness and timeliness.

6. The organisation of the PWB around five activities will encourage cross-divisional work, enabling PUMA to respond better to the transversal character of most policy challenges faced by countries. This structure allows for a more flexible use of resources within the Secretariat and will strengthen PUMA to be a responsive partner in the horizontal work in the Organisation and with other Directorates.

7. In line with the growing interest of Member countries to make OECD’s experience in the area of public governance available to non-members, PUMA will engage in a range of outreach activities under the umbrella of the Global Forum. In regional terms, work will be concentrated on Asia and Russia and, to a lesser extent, on South America – given the already existing close relations with Brazil and Chile at the Committee level. It will also contribute to OECD's co-operation with the New Partnership for Africa's Development (NEPAD) initiative. The key outreach themes will be Regulatory Reform, Budgeting, and
Preventing Corruption in Public Government. A separate PWB proposal for outreach work will be presented through the Centre for Co-operation with non-members.

8. The specific focus of PUMA on Central and Eastern Europe and the countries of the Western Balkans will be maintained through SIGMA. SIGMA specialises in the specific issues of transition countries and focuses on supporting these countries to reform their cross-governmental management systems. The European Commission is in the process of renewing, for 2003/4, the SIGMA convention for the countries that are candidates for membership in the EU. The current convention for the Balkans runs through 2003, and discussions on renewal will start early in 2003. The CCNM will also continue to harness SIGMA’s expertise in transition issues to work with Russia and possibly others of the Newly Independent States.

9. During the programme period, a stronger integration of the Committee with its subsidiary bodies will be pursued to increase potential synergies. Regular reporting on activities and more frequent participation of the Chairpersons of the different groups in the Committee are expected to contribute to a better flow of information on the programme of work and its subsequent use of resources. In the same vein, opportunities for back-to-back meetings of the Committee and subsidiary bodies will be exploited.

10. The resource implications for the Secretariat are specified at activity level. They are concentrated on the use of available staff resources and do not yet include the allocation of the very tight operational resources of about 150 000€. There are indications where secondees and voluntary contributions would be expected to be available.

11. The main contribution by PUMA to Horizontal Programmes will be the coordination of and participation in the Horizontal Programme on Regulatory Reform. Participation in other horizontal activities will be specified in the light of the new priorities of the Secretary-General.

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1. SIGMA is a joint initiative of the OECD and the European Community, principally financed by the European Community.
II. PROGRAMME DETAILS

1. Implementing Regulatory Reform

Policy Objective

12. To develop instruments and identify best practices for improving the quality of regulation in a market economy by changing incentives, capacities, and cultures in the public sector.

Desired Impact

13. Encourage governments to apply the regulatory quality concept - combining both good regulation where needed to protect health, safety, and the environment, and to enhance the functioning of markets and deregulation where markets work better.

Key Outputs

− Review of the 1995 Recommendation of the Council on Improving the Quality of Government Regulation;
− Report on the Governance of Independent Regulators; and

Intermediate Outputs

− Proposals for a complete overhaul of the 1995 Recommendation for consideration by the Working Party on Regulatory Management and Reform and the PUMA Committee.
− Creation and promotion of the OECD Observatory of Regulatory Impact Analysis.2
− A report on governance of independent regulators in network industries to be presented at the Regulatory Policy Forum (March 2003); a series of analytical papers on emerging issues to improve transparency, accountability, and flexibility of the regulators; and policy guidance for Member countries on the set-up and structure of independent regulators, as part of the Horizontal Programme on Regulatory Reform.
− Analysis of and policy guidance for regulators in other sectors, especially financial markets, as part of the Horizontal Programme on Regulatory Reform.
− Analytical papers on ex-post evaluation of regulatory policies to be presented at the Working Party on Regulatory Management and Reform and the PUMA Committee in 2003; technical workshop in 2004; and publication of a final report in 2004.

2. Activity will be undertaken with the support of secondees and voluntary contributions supplementing Part I financing.
− Broadening the existing PUMA database on government capacities and developing indicators of good regulatory practices in co-ordination with the OECD International Regulation Database managed by the ECO Department.

− Technical workshop and report on co-ordination of regulatory policies among levels of governments (2004).³

**Staff Resources (A-level)**

2003: 33 months
2004: 33 months

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³. Activity will be undertaken with the support of secondee and voluntary contributions supplementing Part I financing.
2. Governing for Performance

Policy Objective

14. To assist Member governments in improving their short and long-term performance and strengthen the whole-of-government approach to national policies and objectives in the budgeting, management and accounting processes.

 Desired Impact

15. As a result of this OECD activity, Member countries will demonstrate success in incorporating performance goals and measures into their whole-of-government planning, budgeting, management, and accounting systems, in a manner that strengthens control of aggregates, promotes technical efficiency, facilitates re-allocation, and enhances democratic accountability.

Key Outputs

− A conceptual framework for governing for performance, a set of analytical tools and empirical comparative studies. Results will be summarised in a chapter of the Review of Ten Years of Modernisation (see Activity 4).

Intermediate Outputs

− A review of the budgeting system of at least one country will be undertaken in 2003 and 2004, presented to the Senior Budget Officials Working Party and published in the OECD Journal on Budgeting.4


− A technical workshop and report presented to the Senior Budget Officials Working Party in 2004 with its publication before the end of 2004 on the Political Economy of Reallocating Public Resources to meet changing national priorities.

− Technical workshops and analytical papers on performance-oriented planning, budgeting, accounting, reporting, control and measurement. Publication will be as part of the Review of Ten Years of Public Sector Modernisation to be published in 2003, and as individual papers in OECD Journal on Budgeting in 2003 and 2004.

− A paper and associated activities providing analysis and a comparative overview of OECD Members’ experience in linking organisational and personal performance, and in the use of performance-related pay systems.

4. Supplementary financing is required for the extension of this activity.
− An information base on the governance of public expenditure for promoting performance across levels of government, as a contribution to the OECD horizontal project on fiscal federalism.

− A strengthened OECD database of international budgeting and management practices. Reports of the new data to be published in 2004.

**Staff Resources (A-level)**

2003: 36 months
2004: 36 months
3. Making the most of E-Government and Improving Service Delivery to Citizens and Business

Policy Objective

16. To help Member governments increase operating efficiency and improve services for businesses and citizens by maximising the returns on e-government.

Desired Impact

17. The recommendations and guidelines of Phase One of the E-Government Project provide Member countries with effective approaches to face the challenges of implementing e-government and to maximise its benefits. The second phase will take the recommendations and guidelines a step further, by providing specific practical guidance and examples of good practice to improve service delivery to citizens and business.

Key Outputs

− Flagship report to be published in September 2004, followed by an international symposium in the winter of 2004 (or spring 2005) to disseminate the results and share experiences.

Intermediate Outputs

− Analysis and case studies of effective e-services, good policies and practices, specifically in the following areas (to be produced over the period March 2003-March 2004):

  • the use of e-government to provide better services to businesses and citizens (through joined-up e-services, mass customisation, use of e-consultation to better assess user needs, the adoption of measures to facilitate trust in e-services, the provision of information to enhance openness and accountability);

  • the limits and opportunities of on-line information and consultation to enhance openness and accountability (including their integration with traditional mechanisms);

  • the implementation of organisational change (changes to structures, processes and working methods, incentives to enhance networking, measures to improve decision-making through access to information);

  • the acquisition of skills and capacities by public sector managers to deal with increasing complexity, technological change and public-private partnerships;

  • the evaluation of e-government initiatives and the incorporation of this information into budgetary and decision-making processes in order to evaluate progress, allocate resources and improve accountability;
- Report on the impact of e-government tools on regulatory frameworks (e-formalities, regulatory consultation, regulatory communication), subject to financing; expected timing will be September/October 2003:
  - Implementation handbooks (with a focus on recommendations and concrete guidelines):
    - “Building capacity for reform” (June 2003)
    - “Implementing e-government” (October 2003)
    - “Measurement and evaluation” (January 2004)
- Policy briefs (September 2003 to September 2004);
- Country reviews 5 to complement the overall project (country review 1: January – April 2003; country review 2: June – October 2003). Specific emphasis will be put on the trade-offs between privacy and joined-up services and the impact on public sector reforms in the countries under review.

Staff resources (A-level)

2003: 33 months
2004: 33 months

5. Subject to the availability of Voluntary Contributions.

Policy Objective

18. To assist Member countries in developing strategies to adapt the structures, processes and capacities of Government to the emerging economic, technological and social challenges and risks in their societies, in order to preserve and strengthen good governance, improve public policy and delivery, and enhance national competitiveness.

Desired Impact

19. Use of OECD’s work in assessing, choosing and implementing modernisation and risk management strategies, which will go beyond the “best practice” approach and recommend systematic as opposed to instrumental interventions.

Key Outputs

- The key output is a two-volume Review of Ten Years of Public Sector Modernisation in OECD Countries, which will identify challenges and recommend strategies for governments adapting themselves to modern conditions. Volume 1 (2003) will focus on systemic change in the public service from a managerial and structural perspective, and Volume 2 (2004), on new strategic roles and relationships of government, including risk management. The Review will provide new and useful insights into the "total system" impacts of different intervention strategies, diagnostic tools to calibrate modernisation strategies to local opportunities and risks, and guidance to help governments avoid modernisation interventions that will either not change behaviour at all, or change it in undesirable ways.

- A report, including guidelines, on the use of policy instruments to reduce risk exposure, to contain economic and social costs of adverse events, and to ensure a fair distribution of the financial burden amongst stakeholders.

Intermediate Outputs

- The Review, associated publications and related activities will examine the strengths and weaknesses of the following “levers” of systemic change in different institutional and social settings, and how they impact on government’s strategic management and risk management capacities:
  - Budget and accountability processes -- including introduction of organic budget law, use of performance goals and information, reallocation, future orientation, and budgetary devices for risk coverage (Volume 1, 2003).
  - Organisational structure, especially the use of differentiated management and governance arrangements (Volume 1, 2003).
  - Citizen consultation and public scrutiny (Volume 1, 2003).

• Changes in the role and processes of the central agencies of government -- including risk management (Volume 2, 2004).

• Use of competition and partnerships (Volume 2, 2004).

• Changing relations between levels of government (Volume 2, 2004).

− The report and its guidelines (to be issued by the end of 2004) will analyse governments’ capacity to prepare for and manage specific risks (particularly natural disasters, nuclear risks, health-related risks and terrorism), including various policy instruments, such as:

  • **Instruments to ensure information** to governments (e.g. early warning systems) and to stakeholders at national and international level;

  • **Instruments of intervention**, though precautionary measures, regulations, voluntary measures, at national and international levels, which should be proactive as well as reactive;

  • **Tax and budget actions**, making sure that necessary investment is made and that reserves are built up;

  • **Public safety nets**, to maintain a minimum income for vulnerable populations in case of exceptionally adverse circumstances;

  • **Disaster aid**, to help citizens cope with the losses from non-insured natural catastrophes.

The report will be based on:

- Country studies (to be carried out from mid-2002 to mid-2004).

- A symposium assessing the country studies and identifying the guidelines (second half of 2004).

**Staff resources (A-level)**

2003: 38 months
2004: 38 months
5. **Improving Accountability and Preventing Corruption in Public Administration**

*Policy Objective*

20. To support governments in preventing corruption within the public administration by providing them with tools to devise strategies for strengthening responsibility and accountability amongst public officials and by setting benchmarks and standards for governance and management interventions to reduce corruption. Reflecting higher expectations of public responsibility and accountability, and responding to the emerging risks when public officials are placed in new roles and relationships with each other, with citizens and with other institutions in society, the activity is an essential complement to anti-corruption work elsewhere in OECD, particularly the OECD anti-bribery convention. It is also particularly important in the context of OECD’s outreach activities.

*Desired Impact*

21. Governments in Member countries will be better equipped to take a strategic overview of governance and management factors that put core public interest values at risk; to implement robust policies for preventing corruption and misuse of public resources, and for reinforcing public spirited responsibility and accountability.

*Key Output*

- The key outputs will be a symposium, guidelines and an overview report on “Preventing Corruption in Government”.

*Intermediate Outputs*

- A database (2003), guidelines, and an emerging issues report on the Governance of Public/Private Partnerships (2004), which will help Member countries face potential integrity problems and ensure the respect of public interest once public services have been outsourced.

- Following the *Trust in Government* report of 2000 on existing rules and regulations to prevent corruption in the civil services of OECD countries, a comparative report on Conflicts of Interest -- aimed at helping governments ensure that the integrity of official decision-making is not influenced by a public official’s private interest -- will be issued in early 2003. This report will contain the *OECD Guidelines for Managing Conflicts of Interest*. In the wake of these two reports, the report “Preventing Corruption in Government” (2004), based on country studies (2003 and 2004), will examine the effectiveness of preventive measures and envisage corrective actions to make preventive measures actually work.

- A report on key legal and institutional mechanisms for direct public scrutiny by citizens and civil society organisations (including laws on access to information and procedures for public participation) and indirectly through oversight institutions (e.g. Ombudsman offices), based on country studies (2003 and 2004).

- A report on the current use of management (including personnel and financial) policies and controls in closing the gap between rules and behaviour in government and in strengthening responsibility and accountability amongst government officials.
Report on core governance arrangements for the civil service and other state organisations that promote public responsibility and accountability and that guard against corruption and bribery.

**Staff resources (A-level)**

2003: 28 months
2004: 28 months
III. CONTRIBUTIONS TO HORIZONTAL PROGRAMMES

Regulatory Reform

22. PUMA will continue to lead the multidisciplinary Programme on Regulatory Reform that includes DAF, TRADE, STI and ECO. Close co-operation will be sought with the IEA in the energy sector reviews. The programme for 2003 includes the finalisation of the country reviews of Finland and Norway at the Regulatory Policy Forum in March 2003 and of Germany and France at the Forum in December 2003. For the horizontal themes of the Forum, which represent a new feature of the Programme, discussions on Independent Regulators (March 2003), the link between regulatory policies and productivity (December 2003) and transparency in domestic and international regulatory policies (2004) are proposed.
### 2003-2004 PROGRAMME OF WORK AND BUDGET

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<thead>
<tr>
<th>ACTIVITY</th>
<th>ESTIMATED STAFF RESOURCES ¹ 2003 STAFF-MONTHS</th>
<th>ESTIMATED STAFF RESOURCES ¹ 2004 STAFF-MONTHS</th>
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<tbody>
<tr>
<td>Implementing Regulatory Reform</td>
<td>72</td>
<td>72</td>
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<tr>
<td>Governing for Performance</td>
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<td>Making the most of e-Government and improving service delivery to citizens and business</td>
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<tr>
<td>Modernising Government : Strategies and Instruments</td>
<td>83</td>
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</tr>
<tr>
<td>Increasing Accountability and Fighting Corruption in Government</td>
<td>58</td>
<td>58</td>
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<td><strong>TOTAL</strong></td>
<td><strong>360</strong></td>
<td><strong>360</strong></td>
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¹ Several activities will require additional resources from secondees and voluntary contributions
# ANNEX 1

Summary table of priorities indicated by Member countries

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>RANKING</th>
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<tbody>
<tr>
<td>Modernising the institutional and legal framework in market economies</td>
<td></td>
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<tr>
<td>Devolution/delegation of public powers (agencies)</td>
<td>10</td>
</tr>
<tr>
<td>Regulatory Reform, country reviews, best practices</td>
<td>2</td>
</tr>
<tr>
<td>Sustainable Development</td>
<td>12</td>
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<tr>
<td>Risk Management</td>
<td>7</td>
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<tr>
<td>The choice of policy instruments</td>
<td>10</td>
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<tr>
<td>Building competitive government</td>
<td>9</td>
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<tr>
<td>Database on public governance</td>
<td>13</td>
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<tr>
<td>Increasing efficiency and effectiveness of the public sector</td>
<td></td>
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<tr>
<td>Quality civil service/strategic human resource management</td>
<td>5</td>
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<tr>
<td>Integration of budget, financial and performance management</td>
<td>3</td>
</tr>
<tr>
<td>E-government I/II</td>
<td>1</td>
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<tr>
<td>Modernising government</td>
<td>4</td>
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<tr>
<td>Strengthening trust in government</td>
<td></td>
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<tr>
<td>Consultations/relations with citizens NGOs</td>
<td>7</td>
</tr>
<tr>
<td>Parliaments*</td>
<td>14</td>
</tr>
<tr>
<td>Transparency, accountability and prevention of corruption</td>
<td>6</td>
</tr>
</tbody>
</table>

* Activity suppressed as a consequence of budget cuts in 2002