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GOOD GOVERNANCE OUTREACH INITIATIVE

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GOOD GOVERNANCE OUTREACH INITIATIVE

1. The Council at Ministerial level requested in May 1999 that the OECD “elaborate a proposal for a ‘good governance’ initiative to better share the results of the Organisation’s existing work in this field with interested non-member countries, where appropriate in co-operation with other international organisations. Ministers also requested a progress report on this initiative.” Ministers welcomed OECD efforts to encourage more effective, efficient and transparent governance structures in both OECD Member and non-member countries, through its work in a number of areas -- including public sector management, anti-bribery, regulatory reform, corporate governance, ethical principles in public life, local and regional administrations, and indicators of global progress on governance. This note presents, for Member countries’ consideration, the Secretariat’s preliminary thinking on how to move ahead on this mandate.

I. Changing governance landscape and the role of the OECD

2. In recent years, improving the quality of public and private governance institutions has become a high priority in both OECD and non-OECD countries. In non-OECD countries, this reflects a number of factors, including recent financial crises, the challenges experienced by transition economies in their transformation to market economies, and the difficulties that many countries experience in building their own capacities for development, which have highlighted the costs of weak systems of governance. More generally, globalisation, rapid technological progress and spread of democracy are greatly changing the relationships among states, markets and civil society in all countries, and challenging governance capacities. While there is no 'one-size-fits-all' system of governance, governments the world over are faced with some common policy challenges. And transparency and accountability are now widely perceived to be basic systemic requirements for the stable functioning of both national economies and the global economy.

3. Public sector management, anti-bribery, regulatory reform, corporate governance, ethical principles in public life, local and regional administrations, and indicators of global progress on governance are key elements of the OECD’s work on governance issues, as are many other issues like taxation, metropolitan governance and participatory development. The OECD already undertakes co-operative activities with non-members in these areas, reflecting the mutual interests of OECD and non-OECD countries. In particular:

- In the corporate governance area, the OECD has joined forces with the World Bank to create a Global Corporate Governance Forum, through which the OECD is setting up a number of “regional round-tables” to promote the implementation and use of the OECD Principles of Corporate Governance in non-member countries.
- Anti-bribery and corruption activities with non-members have now been launched in all major regions of the world, including most recently Asia and the Pacific Rim countries. The OECD Anti-Corruption Network for Transition Economies (as well as a similar one to be established for Asia) serves as a vital source of information on national, regional and international anti-corruption initiatives.

- Efforts are underway with a wide range of non-OECD countries, and international organisations, to promote good governance in the taxation area (that is, that taxpayers pay the right amount of tax, at the right time and in the right place), through building tax administrations which are free of corruption, which administer rules in a predictable and fair way, and which provide an efficient service to clients.
- Substantial outreach activities in the areas of public governance and ethics is undertaken through the SIGMA programme, which works with both OECD and non-OECD transition economies in central and eastern Europe, including in South Eastern Europe (excluding the former Republic of Yugoslavia and Croatia). Apart from that, outreach in public governance and ethics is much less developed, and has been mainly limited to participation of Brazil and Chile in some PUMA activities, some co-operation with China, and one workshop in the Emerging Market Economy Forum. Outreach in the regulatory reform area has occurred in Brazil and will be launched in East Asia in 2000.
- Work on developing indicators of global progress on governance, to include in the joint DAC/UN/WB/IMF Development Indicator set, involves participation of some relevant non-OECD experts. More systematic and locally-owned efforts to improve governance systems in developing countries are also being fostered by the DAC's Informal Network on Participatory Development and Good Governance.
- Outreach is undertaken with transition economies, and will now be extended to other regions, on the distribution of functions and resources among the different levels of government, notably concerning the issues of local economic and employment development, and metropolitan governance, the latter being based on the draft OECD Principles of Metropolitan Governance.

4. Much of the OECD's work and outreach activities in the areas mentioned in the 1999 Ministerial Communiqué are undertaken with specialised policy constituencies from line ministries and agencies. At the same time, a broader approach to governance issues has in many instances also been employed, such as, when ECO addresses the economy-wide implications of certain policies, through PUMA's Centres of Government Working Party, and through the horizontal project on regulatory reform where PUMA works in partnership with a number of directorates. A co-ordinated good governance outreach initiative could enhance the value of this outreach, and also strengthen outreach in areas where the present level of activity is limited.

II. Proposed next steps in implementing the good governance outreach initiative

5. The Secretariat is currently undertaking preliminary work by preparing a document that maps out the OECD's work on governance issues in a coherent framework. This framework will show how the topics cited in the Ministerial communiqué fit into the overall picture, and help identify gaps in the OECD's work on governance issues. This could become an important tool for the OECD's work on governance issues, and be progressively enriched by the good governance outreach activities.

6. Contact is being made with a sample of non-members from many regions of the world (including South Eastern Europe) to sound out interest in the good governance outreach initiative. Contact is also being made with other relevant international organisations, notably the World Bank, UNDP and regional organisations, to minimise duplication and maximise synergies, by identifying areas where working together would be mutually beneficial.

7. Building on ongoing governance outreach activities, one idea for launching the good governance outreach initiative would be the holding of a series of regional seminars during the course of 2000, with possibly two being held prior to the Ministerial Council Meeting. These seminars could include the

participation of 'eminent persons', who could also be associated with the follow-up process. PUMA and DAFWE will also be involved in the Second Global Forum on Governance and Challenges for the 21st Century, to be held in Brasilia in May 2000. This event promises to make an important contribution to the overall process.

8. These activities would help forge a convergence of interests on how the good governance outreach initiative could be taken forward, including through the possibility of establishing regional good governance fora. These could involve, for example, "centres of government" officials (such as from heads of governments' ministries) in non-OECD countries. Experience has shown in many instances that reform efforts are more successful when they have a broad coherent approach, and a political push from the centre. Better sharing the results of the Organisation's existing work on governance issues with interested non-member countries could also be fostered by other means, such as a stronger communications effort, electronic discussion groups, and forging partnerships with other international organisations.

9. The Secretariat would propose to report to the 2000 spring meetings of the ECSS and other relevant committees on these activities, before preparing a progress report to the 2000 Ministerial Council Meeting.