Public Governance News

July 2014

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Highlights

OECD Ministers underscore the importance of rebuilding trust

During the 2014 Ministerial Council Meeting, Ministers underscored the importance of rebuilding public trust through greater openness, transparency and accountability of governments. Since the beginning of the economic crisis, trust in public institutions has received heightened political attention. Significant erosion in trust observed in a number of OECD countries has implications for the effectiveness of policy making and for the successful implementation of reforms. Trust is now a matter of central concern for senior policy makers as highlighted, for example, in our recent survey of Centres of Government. As a result, an OECD-wide Trust Strategy has been proposed, to be coordinated and led by the Public Governance Committee Secretariat. This will entail providing methodological, empirical and practical guidance to help assess and measure trust, and identify policy levers that will help rebuild trust in the future.

Ministers adopt the Recommendation on the Governance of Critical Risks

The 2014 Council meeting at Ministerial level adopted the **Recommendation on the Governance of Critical Risks**. The Recommendation proposes a holistic range of actions for governments to take at all levels, in collaboration with the private sector and with each other, to better assess, prevent, respond to and recover from the effects of extreme events, as well as to take measures to build resilience. The OECD High Level Risk Forum secretariat will disseminate and promote the Recommendation in various national and international, such as the United Nations International Strategy for Disaster Reduction (UNISDR) process to develop a successor to the Hyogo Framework for Action in view of the Sendai Conference to be hosted in Japan in March 2015.

Innovating the Public Sector: from Ideas to Impact

The OECD will host an **international conference on innovation in the public sector (Paris, 12-13 November 2014)**, bringing together public sector practitioners, researchers, civil society and businesses to discuss how innovation can help solve today's complex public sector challenges. Participants will try out policy labs and prototyping during workshops, hear from top academics and senior public leaders, and launch a fully interactive version of the Observatory's of Public Sector Innovation's online platform.

Registration for the conference is now open.

Launch of the Platform of the Observatory on Public Sector Innovation

The **Observatory of Public Sector Innovation's online platform** is now open to the public and the content can be read in over 25 languages. Countries are encouraged to submit new innovations to the platform. The upcoming November conference mentioned above will offer an opportunity to share further results on innovations that work.

Women's Leadership in Public Life: Fostering Diversity for Inclusive Growth

The **2014 Global Forum on Public Governance (2-4 April 2014)** highlighted that gender equality is critical for advancing good governance, inclusive growth and public trust. Over 300 leaders from governments, parliaments, justice institutions, civil society and businesses from over 60 countries explored concrete actions to close gender gaps in public life; strengthen women's voice and increase the inclusiveness of policy making and programme delivery.

The Forum also marked the launch of a ground-breaking report on **Women, Government and Policy-Making in OECD countries**, which provides comparative data and policy benchmarks on women's access to public leadership and inclusive gender-responsive policy-making across OECD countries. It underlines that gender mainstreaming and strategic government capacities are crucial to promote gender equality, achieve sound governance and drive economic growth.

How's life in your region? : the OECD Regional Well-being tool

The answer to the question "how's life?" may depend a great deal on where you live. Since well-being can vary across regions within a given country, national averages may not offer a full picture of citizens' perceptions of well-being. The **OECD Regional Well-being web tool** launched on 24 June, allows you to measure well-being in your region and compare it with 361 other OECD regions based on eight topics that matter for the quality of our lives.

Government at a Glance: Latin America and the Caribbean 2014

The **2014 Latin America and Caribbean edition of Government at a Glance** provides an assessment of current trends and challenges for public administrations in the region, with a special focus on innovative public financial management. This is the first report of its kind to provide internationally comparable data on government activities and their results for the LAC region, covering key aspects of public management and governance. The report was prepared by the OECD and the Inter-American Development Bank (IDB) with the goal of providing quality data for decision-makers in Latin- America as well as benchmarks with respect to OECD countries. The report was launched in Mexico City on 20th June at the 2nd International Conference on Governance, Crime and Justice Statistics. The publication was also delivered by OECD Secretary-General Angel Gurría to the presidents of Chile, Colombia, Mexico and Peru in the framework of the 9th Pacific Alliance Summit on 19-23 June 2014.

OECD International Database of Budget Practices and Procedures

Launched on 12 May, the **updated Database contains the results of the 2012 OECD survey of budget practices and procedures** in OECD countries, and provides budget practitioners, academics and civil society with a unique and comprehensive source to compare and contrast national budgeting and financial management practices from across OECD member countries. Over the coming months, the online resource will be updated to include the results of other regional surveys conducted in partnership with the OECD, namely for the LAC and CESEE regions.

Recent Events

OECD Integrity Week

The **second OECD Integrity Week (17-21 March 2014)** focused on improving integrity in lobbying, in the MENA region, in water governance, as well as in sports and major events. Highlights from this year include the release of a revised CleanGovBiz Toolkit for Integrity, a high-level meeting to strengthen co-operation between international actors in anti-corruption, preliminary steps towards the development of OECD principles for water governance, and a report on the implementation of the Recommendation on Principles for Transparency and Integrity in Lobbying.

Building state-of-the-art integrity systems

The **Public Sector Integrity Network** met on **16-17 June 2014** to discuss the challenges integrity systems face and in particular how countries are addressing declining levels of trust in government, how to measure the impact of integrity policies, and how disciplinary systems for public officials can be reinforced. A special dialogue also took place with Supreme Audit Institutions on a proposed framework for enhancing good public governance.

The Network involved a joint seminar with procurement leaders on **Whistleblower Protection (17 June)** to identify key conditions for providing clear procedures and effective protection. Experts looked at lessons learned from existing regulations, current challenges to provide effective protection and how to change the negative perceptions and public attitude towards Whistleblowers.

The **Meeting of Leading Practitioners on Public Procurement** held on **18 June** in Paris addressed the draft OECD Recommendation on Public Procurement, development of procurement performance indicators, and the Compendium of Good Practices for Integrity in Public Procurement developed on behalf of the G20.

Senior Budget Officials (SBO) endorse the Draft OECD Principles of Budgetary Governance

Hosted by the German Ministry of Finance in Berlin **(12-13 June)**, the **35th annual meeting of the OECD Senior Budget Officials (SBO)** was opened by German Federal Minister of Finance **Wolfgang Schäuble**, who underlined the importance of the SBO network in supporting the OECD agenda of sound budgeting and policy development. The SBO endorsed **the draft OECD Principles of Budgetary Governance**, which are a landmark in bringing together the experiences and analysis of the SBO over many years into a single, normative framework. The meeting also emphasised the need for further, more focused work on how performance budgeting, expenditure reviews and evaluation can support the resource allocation process; and how fiscal risks are managed, monitored and mitigated in OECD countries.

Budgeting in Germany

Senior Budget Officials also discussed the **OECD Budget Review of Germany at their meeting** on **12-13 June** in Berlin. The review highlights Germany's distinctive form of top-down budgeting, how budgeting is coordinated across levels of government, and the mechanisms used to promote medium-term discipline and continuity in resource planning.

Central, Eastern and Southeastern Europe Senior Budget Officials meet in The Hague

The **10th Annual Meeting of the Senior Budget Officials (SBO) of Central, Eastern and Southeastern European (CESEE) Countries (The Hague, Netherlands, 26-27 June)**, included a review of progress made in the region in the decade since this annual meeting was inaugurated, and the results of a Budget Practices and Procedures Survey showing exactly how practices in the region compare with practices in OECD countries generally. Key reform themes for the coming years were also identified: managing budget execution and control; the optimal use of spending review mechanisms; the range of issues around the use of structural balance indicators and rules; and a focus on quality of service delivery.

Latin American and Caribbean Senior Budget Officials meet in Guayaquil

Organised jointly by the IADB (Inter-American Development Bank) and the OECD, the **2014 meeting of Latin American and Caribbean Senior Budget Officials** took place in Guayaquil, Equador, **(21-23 May)**. On average, compared to OECD countries, LAC countries tend to have less well-specified budget formulation practices, although a number of countries in the region – notably Brazil, Chile, Colombia, Ecuador and Mexico – have budget systems in line with OECD best practices. Main issues covered during the meeting included improving co-ordination between the national plan and the annual budget; ear-marked transfers for sub-national governments; good practices for ensuring that the political transition does not affect the efficiency, quality and continuity of public spending; and the evolution of performance budgeting in LAC countries.

Parliamentary Budget Officials and Independent Fiscal Institutions meet at the Knesset

Held at the Knesset, the **6th Annual Meeting of OECD Parliamentary Budget Officials and Independent Fiscal Institutions (Jerusalem, 31 March – 1 April 2014)** meeting opened with profiles of new bodies in Chile, Greece, Romania, and Spain, and an update on Mexico. This year saw a shift in the way new institutions are presented, with delegates holding up their institutions against the **OECD Principles for Independent Fiscal Institutions**. Other discussions focused on parliament and IFI's working methods, and substantive budgeting issues such as structural budget balances and fiscal risks. The 2015 meeting will take place at the Austrian Parliament in Vienna.

Budgeting and Health

The **OECD SBO-Health Joint Network on Fiscal Sustainability of Health Systems** held its third annual meeting in Paris **(24-25 April)**. Participants from finance and health/social security ministries started off the discussions by establishing the criteria for the "sustainability of health systems". Participants reviewed the results from the survey on budgeting practices for health. A focused discussion took place on why the healthcare sector is perceived as more difficult to control in budget terms than others; the politics of health reforms; the pros and cons of introducing user charges and co-payments in health; as well as the particular challenges of controlling health expenditure in decentralised contexts. The meeting also discussed the benefits and challenges of using open data in health policy.

Sounding the alarm on the threats of 'Illicit Trade'

Over 100 participants attended the **2nd meeting of the OECD Task Force on Charting Illicit Trade (5-7 March 2014)**, to take stock of progress in the effort to map converging sectors of illicit trade, and to examine methods to measure its economic and social impacts. Participants presented on various methods to measure illicit trade including: illegal drugs, trafficking in persons and environmentally sensitive goods, as well as to explore new and growing criminal sectors of the economy. The participants also discussed how to improve the evidence base for analysis of trafficking in these converging sectors, for example through an information sharing platform.

Drawing the implications of the crisis for public employment and management

The Network on Public Employment and Management met on **4 April** to look at the policy implications of the crisis and its impact on public sector management and employment policies. As countries emerge from the economic turmoil sparked by the 2008 global financial crisis, many are turning their attention to balancing remaining budgetary constraints with the need to reinvest in workforce capacity. The Network discussed leadership and skill needs to maintain a strategic and high performing workforce, and explored how to support innovation in human resource management.

Evaluating stakeholder engagement in Regulatory Policy

Part of a series of annual workshops, the **6th Expert meeting on Measuring Regulatory Performance (17-18 June)** in The Hague, Netherlands, brought experts, practitioners and stakeholders together to share innovative practices that can evaluate the impact of stakeholder engagement in the regulatory policy cycle. These discussions took place within the broader context of monitoring progress on the implementation of the **2012 Recommendation of the Council on Regulatory Policy and Governance**: the first international instrument to address regulatory policy, management and governance as a whole-of-government activity that can and should be addressed by sectoral ministries, regulatory and competition agencies.

Other Regional News

Open Government Partnership: Asia Pacific Regional Conference

The OECD attended the **Open Government Partnership's (OGP) Asia Pacific Regional Conference (Bali, 6-7 May)** - the first such event in the region since the OGP's inception, and shortly following the launch of the *OECD Southeast Asia Programme*. The conference was an occasion to disseminate the OECD's work on public governance in the area of open government; to present the findings of the public governance assessment of Myanmar; and to announce the Open Government review of Indonesia and the creation of the OECD Open Government Network of Southeast Asia. The OECD organised and chaired the breakout session on "Measuring Civic Engagement for Better Open Government Policies & Services".

First Asian Public Governance Forum on Public Innovation

The OECD and the OECD Korea Policy Centre organised **the 1st Asian Public Governance Forum on Public Innovation in Jakarta (11-12 June)**. The conference brought the work of the Observatory of Public Sector Innovation to a broader audience and invited participants to share their own experiences and expectations on how to promote public sector innovation in their own countries to improve services to citizens and trust in government.

Regulating for Sustained Growth

Held during the OECD Southeast Asia Forum in Bali, the **OECD Regulatory Reform Expert Policy Dialogue (25 March 2014)** looked at the importance of regulatory reform in Southeast Asia to support regional connectivity and related structural reforms, as well as improvements in public governance and institutional reforms. The dialogue was an opportunity for Southeast Asian and OECD countries to share their experiences on regulatory reforms and to inform the design of the work programme of the OECD Southeast Asia Regulatory Policy and Governance Network. Regulatory Policy and Governance is one of six regional policy networks supporting the delivery of the OECD Southeast Asia Regional Programme, together with tax policy, investment policy, public-private partnerships, education and skills and SME policies.
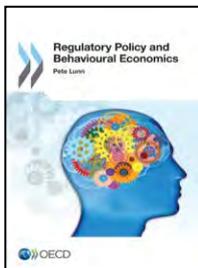
Public Governance News

Recently Published

Boosting Resilience Through Innovative Risk Governance

This report examines what countries have achieved in terms of strengthening resilience through better risk management and identifies persisting challenges, urging governments to raise public awareness and reduce over-reliance on the state for post-disaster risk financing.

Regulatory Policy and Behavioural Economics

The use of behavioural economics by governments to regulate is a growing global trend. There is an increase in the application of the inductive scientific method to the study of economic activity that is helping OECD countries to shape regulatory policies based on the actual, and not assumed, behaviour of people.

Budgeting Practices and Procedures in OECD Countries

This book provides detailed information on budgeting practices in OECD countries, from formulation, to approval, execution and reporting.

Enhancing public trust through external audit

The OECD's Public Governance Review of the Office of the Comptroller General (CGR) of Chile is focused on advancing the CGR's performance management to enhance the impact of its audit work.

OECD Best Practice Principles for Regulatory Policy: Regulatory Enforcement and Inspections

This new guidance for policy makers constructs an overarching framework to support initiatives on improving regulatory enforcement through inspections, making them more effective, efficient, less burdensome for those who are inspected and at the same time less resource-demanding for governments.

Spain: From Administrative Reform to Continuous Improvement

This comprehensive review of public governance in Spain finds that it shares with other OECD countries the need for a whole-of-government approach to reform.
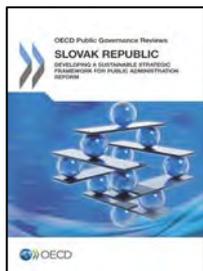
Reducing red tape in Greece

This report identifies 3.3 billion euros worth of burdensome regulations weighing on businesses and makes 86 recommendations for cutting down paperwork in 13 sectors, including energy, telecommunications and fisheries.

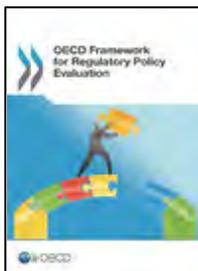### OECD Regulatory Compliance Cost Assessment Guidance

The report provides practical and user-friendly guidance on measuring and reducing compliance costs of regulation in OECD countries covering all of the key aspects of compliance cost assessment, including step-by-step advice on completing detailed assessments.

Slovak Republic: Developing a Sustainable Strategic Framework for Public Administration Reform

This report identifies the key elements needed for the development of a sustainable strategic framework for public administration reform, contributing to the Slovak authorities' activities to meet the EU ex ante conditions for financing public administration reform.

OECD Framework for Regulatory Policy Evaluation

This publication provides countries with a **Framework for Regulatory Policy Evaluation**, an overview of evaluation practices in OECD countries and concrete examples. It helps countries identify priority areas for improvement in regulatory policy and how to communicate progress made.

Public Governance News

Upcoming Events

Committee meetings:

- **50th session of the Public Governance Committee**, Paris, 14 November 2014
- **11th meeting of the Regulatory Policy Committee**, Paris, 3-4 November 2014, followed by the **3rd meeting of the Network of Economic Regulators**, Paris, 5 November 2014
- **31st Session of the Territorial Development Policy Committee** , Paris, 26-27 November 2014

Centres of Government:

- **33rd Meeting of the Senior Officials from Centres of Government: "Vision, Leadership, Innovation: Driving Public Policy Performance"**, Vienna, Austria, 8-10 October 2014

Public Sector Innovation:

- **International Conference on Innovating the Public Sector: from Ideas to Impact**, Paris, 12-13 November 2014

Integrity:

- **8th Regional Anti-Corruption Conference of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific**, Phnom Penh, Cambodia, 3-4 September 2014

Budgeting and public expenditures:

- **10th Annual Meeting of the OECD Senior Budget Officials (SBO) Network on Performance and Results** will take place at the OECD in Paris on 24-25 November 2014, and will focus on advancing some of the key themes and priorities identified in Berlin's SBO discussion.
- **2014 Annual Meeting of MENA Senior Budget Officials,** 10-11 December 2014, will be hosted by the Abu Dhabi Ministry of Finance. All MENA and OECD countries are invited to attend and contribute.

E-Government:

- **OECD E-Leaders 2014: Meeting of the OECD Network on E-Government, "Improving Governance for Better Digital Strategies"**, Copenhagen, Denmark, 22-23 September 2014
- **Meeting on E-Government Indicators**, Paris, 26 November 2014

Risk management:

- **Meeting of the OECD High Level Risk Forum**, Paris, 10-12 December 2014

Public Employment and Management:

- **Expert Group meeting of the Network on Public Employment and Management on Public Sector Leadership**, Paris, 3 December 2014

More information on:

- Observatory of Public Sector Innovation
- E-government
- Budgeting and public expenditures
- Fighting Corruption in the Public Sector
- Public Employment and Management
- Risk Management
- Regional Development
- Regulatory Policy
- SIGMA Initiative

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