

Unclassified

GOV/PGC(2004)2/PART2



Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

23-Mar-2004

English - Or. English

**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE**

GOV/PGC(2004)2/PART2
Unclassified

**MEETING THE CHALLENGES OF PUBLIC GOVERNANCE:
Draft Programme of Work and Budget 2005/6**

PART 2: WORK WITH NON-MEMBERS

**29th Session of the Public Governance Committee
15-16 April 2004
International Energy Agency**

This document is presented to the Committee for discussion and approval.

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JT00160703

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**PUBLIC GOVERNANCE COMMITTEE
MEETING THE CHALLENGES OF PUBLIC GOVERNANCE
PROGRAMME OF WORK AND BUDGET 2005/6**

**ANNEX
WORK WITH NON-MEMBERS**

Global Forum on Governance (GFG)

- Managing for Performance/Budgeting,
- Fighting Corruption through Public Sector Integrity,
- Regulatory Reform and
- E-government.

Country Programmes

Russia

- Regulatory Reform
- Promoting Integrity in the Public Administration

China

- Improving regulatory Capacities and Modernising Institutional Structures
- Promoting Integrity, Budget and Accountability Mechanisms
- Multi-level Governance and Territorial Development

Regional Programmes

South East Europe (SEE)

- Monitoring the implementation of Conflict-of-Interest laws

Latin America

- Enforcing the Preventative Mechanisms of the Inter-American Convention Against Corruption
- E-government

Middle East and Northern Africa (MENA)

- Good Public Governance for Development

Africa (New Partnership for African Development, NEPAD)

- Public Management work with African Union/NEPAD

Introduction

1. This selection of the activities in the draft Programme of work for outreach has been made based on the question of where PGC has the most value-added to contribute and where its work can make a genuine difference. It is based on demonstrated demand and mainly continues activities where PGC competencies have been shown during the implementation of the 2003/2004 programme of work for non-members.

2. Given the limited existing resources in terms of staff and activity money the programme of work with non-members reflects intentions to carry out future activities. This implies that the proposed activities can only be carried out fully subject to the availability of voluntary funding. The figures under staff resources are cost estimates on an annual basis. The available CCNM core resources for 2003/2004 were 24 annual staff months. Further information on changes with the programme of work process for 2005/2006 are contained in the document GOV/PGC(2004)3.

There is at present a formal programmatic separation between the Global Forums on the one hand, and activities in country and regional programmes in corresponding fields of expertise on the other. The above list gives an overview on the structure of the programme of work for non-members.

The expected outcomes of the outreach work focus on dissemination of good practice in public governance and increasing the capacity of policy-makers in policy design in the Global Forums. In the regional and country programmes as well as in the exploratory work expected outcomes can include in addition the latter outcomes the increasing of capacity for effective policy implementation and monitoring progress.

Global Forum on Governance (GFG)

3. For more than three years, the OECD Global Forums have constituted one of the two main pillars of the CCNM work programme, the other being the country and regional programmes. The Forums cover a range of thematic areas and provide a basis for building networks with global (though not universal) participation of OECD members and non-members. Eight Forums have been created in the OECD - sustainable development, the knowledge economy, trade, taxation, international investment, agriculture, competition and governance. The Public Governance Committee covers 4 components of the Global Forum on Governance: Managing for Performance/Budgeting, Fighting Corruption through Public Sector Integrity, Regulatory Reform and E-government. Expected outcome: dissemination of best practice in good public governance and increasing capacity of policy makers in policy design.

GFG I - Managing for Performance/Budgeting

Policy environment

4. In 2001, at the direction of the Working Party of Senior Budget Officials (SBO), a project was initiated aimed at the international replication of the OECD/SBO's approach to professional networking, comparative analysis and peer pressure, through the establishment of regional networks of Senior Budget Officials and related networks. Through 2005-2006, OECD will continue to support the establishment of regional networks with an analytical and peer-review capacity.

- In Latin American, OECD has partnered with the UN Commission for Latin America and the Caribbean (ECLAC) to develop the network. The work will build on the success of the 2003 and 2004 meetings of Senior Budget Officials. The period of 2005 and 2006 will see the OECD, together with ECLAC and the Inter-American Development Bank, deepen the work by creating

working groups on special issues such as financial management and parliamentary budgeting as well as producing targeted analysis on issues of concern to Latin American countries, especially in the areas of implementing fiscal rules, improving accountability and control and managing debt.

- In Central and Eastern Europe (CEE), OECD will work principally with the Netherlands and Germany to follow up the planned first CEE SBO meeting in November 2004.
- In Asia, there will be follow-up on the offer of the Thai government to create an OECD Asia regional budget centre to support the Asian region SBO.
- In Africa, in conjunction with the NEPAD initiative on governance and with support from the South African treasury, a pan-African SBO will be launched. This will follow a planned informal budget seminar hosted by the South African Treasury in July 2004.

5. According to funds and interest, the project is scaleable and there is the possibility of further work on a regional or sub-regional basis.

Output results

- Peer Reviews – 1-2 country studies per region
- Analytical Reports – studies based on regional budget official network plans
- Good Practice Reports

Staff resources

2005: 24 staff-months

2006: 24 staff-months

GFG II - Fighting Corruption through Public Sector Integrity

Theme for Global Forum - 2005: Advocating an Assessment Framework for Promoting Integrity and Preventing Corruption in the Public Service

Policy environment

6. Defining approaches and developing appropriate frameworks for assessing the impacts of measures for promoting integrity and preventing corruption in the public service are an emerging priority in OECD countries. The need for credible feedback mechanisms for policy-makers and managers is even more urgent in countries facing pervasive corruption in their public administration.

7. The Global Forum supports the development of reliable assessment techniques in non-member countries by exchanging experience of frontrunner organisations and leading experts from both OECD countries and non-members. In particular, the Global Forum will review approaches, techniques and procedures used in examining the effectiveness of pro-integrity and corruption prevention measures in the public service. Expected outputs include an evidence-based inventory of recognised good practices and conditions identified for their success.

8. OECD's analytical work, principally the comparative overview of existing practices surveyed in 2004 and the analytical framework for assessment of policy assessment in OECD member countries, will serve as a basis for the Global Forum. The OECD report on good country practices on assessing the impacts of measures for promoting integrity and preventing corruption in the public service, and the Assessment Framework will be published in early 2005.

Output results

- Database: evidence-based inventory of recognised good practices and conditions identified for their success
- Peer reviews: 2 countries
- Policy Brief

Staff resources: 12 staff-months per year

Theme of the GFGII - 2006: Review of the implementation of the OECD Guidelines for Managing Conflict of Interest

Policy environment

9. Maintaining trust in government and public decision-making is crucial for investor confidence and economic growth, particularly when the public sector works in an increasingly close relationship with businesses. The OECD Guidelines for Managing Conflict of Interest in the Public Service -- approved in the form of Council Recommendation in June 2003 -- provide the first international standards for reviewing existing arrangements for identifying, preventing and managing conflict of interest in the public service. In addition to member countries, several non-members have already used the OECD Guidelines in policy design and implementation in Central Eastern Europe and in Latin America. The 2003 OECD Recommendation requested the Public Management Committee to report back to the Council in 2006 on progress made by member countries in implementing the Recommendation.

10. The overall aim of the Global Forum is to involve non-member countries in the process and review their experiences in applying the OECD Guidelines. In specific, the Global Forum will exchange experiences of OECD countries and non-members on:

- Risk areas at the interface of the public and private sectors in order to identify mechanisms for preventing conflict of interest effectively in new forms of co-operation – such as in sponsorships and public-private partnerships – as well as in traditional risk areas, such as public procurement and contract management.
- Challenges and developments in key emerging areas, such as post-public employment, lobbying and institutional conflict of interest.
- The application of practical tools, such as the OECD Toolkit for Managing Conflict of Interest in the Public Service.

Output results

- Database: inventory of practices on the application of the OECD Guidelines
- Peer reviews: 2 countries
- Policy Brief

Staff resources: 12 staff-months per year

GFG III - Regulatory Reform

Theme 1 (2005/6) - Improving market frameworks in the provision of publicly guaranteed services

Policy environment

11. Publicly guaranteed services have been delivered in the past either directly by governments or by arm's-length agencies or by the private sector. They are critical for physical and social development as they concern issues such as energy, water or communications. Regulatory policies that strengthen a market framework can help channel investment and promote the growth of firms in sectors that deliver public services. The implementation of administrative reform to improve regulatory frameworks will help foster foreign direct investment, providing the necessary capital to fulfil social and economic needs.

Output results

2005:

- Policy paper on implementing regulatory reform in selected countries ;

2006:

- Handbook on good practices for regulatory tools and institutions
- Monitoring of implementation of action plans

Theme 2(2005/6) - Cross-border issues on the frontiers of the OECD

Policy environment

12. Cross-border issues may arise where different regulatory regimes and economic systems meet. Examples include Central and South East Europe, Mexico-Central America (Puebla-Panama), Turkey-Central Asia, and Korea and Japan facing China. Issues include regional solutions to problems of power, water, transport, emergency services: partnerships and co-operation; reducing barriers to trade and investment. This exercise could be carried out in co-operation with the Territorial Development Policy Committee.

Output results

2005:

- Data and indicators on selected cross-border regions and regulatory framework for infrastructure provision

2006:

- Analytical reports on the provision of key public services
- Policy recommendations to improve cross-border co-operation.

Staff resources: 8 staff-months per year

GFG IV - E-government*Policy environment*

13. Non member countries are currently confronted by e-government challenges that are similar to those that OECD countries have faced or are currently facing. In particular, the development of a common e-government vision for all of government, developing common standards and approaches, ensuring interoperability between different computer systems, and creating incentives for government organisations to work together to implement this vision are challenges that all countries share, regardless of the level of their e-government initiative.

14. These common challenges provide fertile ground for a dialogue on the implementation of e-government. While issues such as the digital divide and the structure and culture of the public administration need to be taken into account, both member and non-member countries can learn from each other on e-government good practice, including the regulatory and budgetary framework, choosing the right technical tools and co-ordination structures, and building skills and leadership.

Theme 2005: Guiding Principles for E-Government Leaders

15. Provide assistance in the creation of networks and/or expert groups on e-government, based on the successful model created by member countries, and draw lessons from these meetings for diffusion to a broader policy audience.

16. Following considerable interest from non-member countries on the topic of e-government, the Global Forum on E-Government to be held in 2005 would be designed to launch a high-level debate on e-government in non-member countries, and to discuss guiding principles for e-government leaders. It is proposed that this meeting would be of a similar form to the OECD E-Government Symposia (e.g. one high-level official responsible for e-government would be invited, and a second could observe the meeting), and the meeting would emphasise discussion and experience-sharing on major challenges rather than presentations. The objective of this meeting would be to identify the key issues and barriers in the context of non-member countries and to promote networking among e-government leaders in participating countries.

Output results

- Elaboration and publication of a list of guiding principles for e-government leaders in non-member countries. This could take the form of a policy brief that identifies key elements for successful e-government taking into account the context of a particular country or group of countries.

Staff resources: 6 staff-months

Theme 2006: Best practice policies for implementing e-government in non-member countries

17. Building on the Global Forum in 2005, and following considerable demand for the OECD to provide guidance for non-OECD countries wishing to undertake peer reviews of e-government, in 2006 the OECD could help build a framework for implementing e-government in non-member countries, including examples of best practice.

Output results

- Elaboration and publication of an analytical framework for conducting E-Government Peer Reviews in non-OECD countries.

Staff resources: 6 staff-months per year

Country Programmes

China

Improving Regulatory Capacities and Modernising Institutional Structures

Policy environment

18. This activity will build on the results of the 2003-2004 China Governance Project and will be undertaken in co-operation with the State Commission Office for Public Sector Reform, the Ministry of Finance and the National Development and Reform Commission.

19. Regulatory management and reform is growing in importance and prominence, as China moves towards a more market-based economy based on the rule of law. Properly designed and implemented, regulatory reform can increase private investment, business start-ups, and incentives for efficiency among private and state-owned enterprises. The Chinese government's capacity to assure that the stock and flow of regulations are of high quality is at the core of this transition. However, current practices are known to hamper business start-ups, expansion and innovation. Licensing and permit procedures are often burdensome and unpredictable.

20. The changing role of the state also raises specific challenges to the organisation of state institutions. Although China has made great progress over the past 20 years in reforming State institutions, many challenges remain. Responsibilities of different government bodies often overlap and are not clearly defined.

21. The purpose of this activity is to assist China with i) improving its regulatory capacities (policies, institutions, tools), ii) reforming the structure of the executive government in line with the requirements of its changing role, and iii) providing support for the introduction of e-government.

22. The first activity will in particular address the issues of simplification and reduction of administrative burdens, but also regulatory quality more generally, through means such as regulatory consultation, communication and transparency mechanisms and regulatory impact assessments. The second activity will address the structural development of the executive in China in terms of the areas of responsibilities of government ministries, agencies, regulatory organisations, and related bodies. This activity will also address the regulation of public service provision at all levels of government, including questions of public procurement, competition and the separation of policy, delivery and regulatory functions. The third activity would constitute a strategic analysis of e-government in the country, and the main successes and challenges of e-government implementation in the specific country context. Expected outcome: increase the capacity of policy makers in policy design.

Output results

- Analytical reports and policy recommendations supporting regulatory capacities and efficient institutional arrangements of the state, including the further introduction of e-government.

Staff resources: 8 staff-months per year

Promoting Integrity, Budget and Accountability Mechanisms

Policy environment

23. A political transition that would open the current system to political competition is not likely to take place in the short or medium term. Nevertheless, Chinese leaders acknowledge the need to transplant to the extent possible the accountability mechanisms and culture that can be found in Western democracies.

24. In the past decade, China has been rapidly putting in place a modernised budgeting system comparable with those found in OECD member countries. Doing so, it laid the bases for modern accountability practices.

25. The purpose of this activity is to continue supporting China's efforts in building a modern budgeting system and to encourage the strengthening of accountability mechanisms. A first dimension of this activity will focus on the ongoing departmental budget reform. Issues addressed will include: how to improve regulations governing manpower and funding quotas, how to further improve regulations governing the project expenditure budget, how to facilitate budget rollover, and how to establish an efficient evaluation system for project budgeting.

26. A second dimension of this activity will consider accountability in a narrow sense and will deal with the following issues: To what extent can we speak of real internal and external control systems in China? Do these fulfil different control objectives of regularity, legality, economy, efficiency, systemic soundness, risk management, etc.? How do different sources of control interact? How is the information produced by control systems used by the executive and the legislative?

27. A third dimension of this activity will approach accountability in a broader sense: What are the various mechanisms of checks and balances on policy making among state entities and with non-governmental actors, and the devices to control the implementation of policies, within the core government, between the core government and agencies (public service units, State owned enterprises, financial organizations) and across levels of government.

28. In this perspective, this activity will continue the co-operation undertaken since 2002 with the Chinese government on the prevention of corruption and the promotion of integrity, an issue which is a growing political priority. A major challenge is how to co-ordinate the separate efforts of different agencies involved in the fight against corruption. This activity will seek to establish a "China Integrity Forum" that would bring together all major stakeholders and provide a space for co-ordination and exchange of experiences. This Forum would allow for discussion of policy priorities determined by the Chinese government.

29. This activity will build on the results of the 2003-2004 China Governance Project and on the work undertaken with member countries on accountability and control. In particular, it will use the questionnaire drafted for member countries in the framework of this latter activity and will put China's experience in perspective *vis-à-vis* that of member countries (*cf.* the country case studies conducted in 2003). Work will be undertaken in co-operation with the State Commission Office for Public Sector Reform, the Ministry of Finance, the Ministry of Supervision, the Supreme People's Procuratorate and the National People's Congress.

Output results

- Analytical report and policy recommendations on accountability mechanisms, including the promotion of integrity in China.

Staff resources: 8 staff-months per year

Multi-level Governance and Territorial Development

Policy environment

30. The Prime Minister Wen Jiabao gave instructions in July 2003 to make the Northeast region (Liaoning, Jilin and Heilongjiang provinces) an important focus of regional development, in the broader context of preparation for the 11th Plan and 2020 targets. These regions are the old industrial bases of Northeast China, and are severely distressed today. More generally, the third Plenum of the Communist Party Central Committee placed a new emphasis on redressing rising rural-urban and inter-regional inequality.

31. This activity will support existing reform efforts to redefine the division of responsibilities between the institutions of the central government and provincial governments, and the institutions of different levels of government within provinces. A key aspect of this is the reform of fiscal relations across levels of government. Indeed, questions about what policies should be adopted cannot be answered without addressing, at the same time, questions about who should design and implement these policies and how.

32. It will also address regulatory issues related to multi-level governance: the reform of state-owned enterprises under the responsibility of local governments and regulatory coherence across levels of government.

33. Resources permitting, this activity will also address the issue of the management of city government. This activity will build on the work undertaken by GOV with member countries on the role of central government in a context of devolution and decentralisation and on fiscal relations across levels of government (Horizontal Network on Fiscal Relations across Levels of Government). Chinese partners will include the State Commission Office for Public Sector Reform and the Ministry of Finance.

Output results

- Analytical reports and policy recommendations on multi-level governance and territorial development.

Staff resources: 8 staff-months per year

Russia

Regulatory Reform

34. This activity will build on the assessment and recommendations of the Regulatory Reform Review of Russia, the first non-member country to be reviewed under the OECD Regulatory Reform Programme. It will be undertaken in co-operation with the Ministry of Economic Development and Trade, which was also the key partner in the review process.

Policy environment

35. The Russian government recognises that without the implementation of additional structural and institutional reforms, the possibility of economic stagnation increases considerably. To avoid this risk, the government has identified a number of regulatory issues as key priorities. These include improving the regulatory capacities of the public administration; reform of key infrastructure sectors such as railways and electricity; and developing more coherent relations between various layers of government. The purpose of this activity is to assist the Russian authorities in addressing these challenges by building on findings of the Regulatory Reform Review of Russia.

36. The Russian government is undertaking a number of major initiatives to improve the regulatory capacities of the public administration. The Secretariat believes that these efforts could be significantly strengthened by introducing methodologies to measure the costs and benefits of regulatory policies. Regulatory impact analysis (RIA) is the main vehicle for applying such policy in OECD countries. While RIA will be examined in the Regulatory Reform Review, additional work is also warranted. A key issue would be to assess options with and provide advice to the Russian authorities for establishing a RIA system.

37. The importance of infrastructure industries in Russia cannot be overstated and the reform of these industries will have far-reaching both economic effects. At the same time, and as in many OECD countries, reforming these industries has been a difficult political exercise. The Regulatory Reform Review of Russia contains detailed analysis of and recommendations for reform of the railway and electricity sectors. The Secretariat would like to propose a number of consultative meetings with the Russian authorities to disseminate these findings to a wide audience of Russian policy-makers and to provide focused technical co-operation on issues of particular interest and relevance.

38. Addressing the issue of multi-level governance will be a key challenge to regulatory reform in Russia. The central government has moved ahead rapidly in legislating reforms since 2001. Implementation of these reforms, however, often takes place at the regional level. While some regions actively implemented reforms, progress across the Russian Federation has been uneven. The Russian authorities have raised on several occasions federal/regional relations as an important topic of regulatory reform in Russia. Therefore, the Secretariat would undertake a stand alone study on federalism and the quality of regional regulation. Expected outcome: increase the capacity of policy-makers in policy design.

Output results

- Policy Recommendations - consultative meetings in support of further developing regulatory capacities, reforming key infrastructure industries and strengthening multi-level governance to ensure the follow-up of the 2004 Russia review.
- Best Practice Reports and Action Plan - disseminating and discussing the findings and recommendations of the Regulatory Reform Review of Russia, designing an action plan to assist the Russian authorities in the implementation of the recommendations and setting up a monitoring system to assess progress on reforms

Staff resources: 12 staff-months per year

Promoting Integrity in the Public Administration

Policy environment

39. The OECD Self-Assessment Report of the Legal and Institutional Framework to Fight Corruption in the Russian Federation outlines the recent efforts Russia has taken to promote integrity in the public administration and the commitment of Russian leaders to push reforms further in this important area of good governance.

40. The project primarily supports the implementation of recent measures, such as the institutionalisation of the Code of Conduct and the work of the Commission on Conflict of Interest, which was created by President Putin in late 2003. The OECD Guidelines for Managing Conflict of Interest in the Public Service, which provide the first international reference to develop a comprehensive conflict of interest policy in the public service, have been tested in several transition countries in Central Eastern Europe. In addition, an OECD Toolkit will support the application of policy in public organisations.

Output results

- 2005: Policy analyses of recent measures to promote integrity in the Russian Public service
- 2006: Recommendations based on reviews

Staff resources: 4 staff-months per year

Regional Programmes

South East Europe -

Monitoring of implementation of action plans for regulatory reform

Policy environment

The lack of an efficient administrative environment and lags in regulatory reform are hampering the progress of these economies in becoming functioning market economies. Regulatory policies that strengthen a market framework help channel investment and promote the growth of firms. This is also particularly crucial for core infrastructure services, including energy and telecommunications, which need a proper regulatory framework. The implementation of administrative reform and the improvement of conditions of enforcement and access to regulation are key to improving the region's outlook in the perspective of international investors.

The 2004 meeting of ministers of the economy for South East Europe to be held in Vienna is aiming at adopting a political commitment for implementing regulatory reform in South East Europe. Action plans will have been prepared in 2004 that stipulate a number of targets and effective reforms to be taken. This is crucial for enhancing the overall productivity of these economies and attracting foreign direct investment. Expected outcomes: increase the capacity of policy-makers in policy design, implementation and monitoring progress.

Output results

- A monitoring report on the implementation of action plans and progress with regulatory reform in South East Europe (2005)
- A handbook on good practices for implementing regulatory reform (soft law, benchmarking study). (2006)

Staff resources: 9 staff-months.(12 in 2005, 6 in 2006)

Monitoring the Implementation of Conflict of Interest Laws

Policy environment

41. The OECD project on Managing Conflict of Interest in the Public Service – From Policy to Practice has contributed to significant changes in government's conflict-of-interest policy and legislation in Stability Pact Anti-Corruption Initiative (SPAI) countries. While it was not an issue of concern some years ago, conflict of interest is now a key issue in SPAI countries, and is widely debated at the political level, by the media and by society at large. The definitional approach of the OECD helped policy-makers turn over-politicised and heated discussions into professional debates in which the OECD Guidelines -- the first international reference to develop a comprehensive conflict-of-interest policy in the public service -- and Toolkit offered concrete references to possible solutions.

42. Conflict-of-interest regulations are now adopted in Bosnia and Herzegovina (November 2002), Croatia (October 2003) and – as part of the anticorruption law – in Romania (April 2003). The adoption of the Bill on Conflict of Interest in Croatia was influenced by the OECD/SPAI workshop in Zagreb in May 2003. The OECD was closely involved in the drafting process of the Serbian Conflict-of-Interest Bill that

was put before Parliament for the second time and also commented on the Albanian draft law on Rules of Ethics in the Public Service. Montenegro, the Former Yugoslav Republic of Macedonia and Moldova expect the adoption of conflict-of-interest regulations in 2004. Moldova intends to incorporate the experience of other SPAI countries and the OECD Recommendation in its draft Conflict-of-Interest Law and the national anti-corruption strategy that are currently being developed.

43. The overall objective is to regularly monitor implementation, developed in the framework of Stability Pact Anti Corruption Initiative. At the High-Level Forum in Prague on November 2003, representatives of the eight SPAI countries supported the establishment of a forum for SPAI countries, where participants of the project could review progress achieved. Participating countries will report on main achievements in the field of legislation, policies, processes and key institutions, and will be invited to review and discuss the quality and effectiveness of these developments among themselves and with invited counterparts from OECD countries. The feedback provided by this exercise will help policy-makers in participating countries: Expected outcome: increase the capacity of policy makers in policy design and improve the availability of appropriate policy tools for implementation.

- Compare their practices to the neighbouring countries and OECD member countries in Central Europe.
- Identify options for refining policies and practices in progress.

Output results

- Database: the database provides information on the legal, institutional and procedural frameworks in place for identifying, resolving and managing conflict of interest (2006)
- Peer reviews: implementation of conflict of interest regulations in eight countries (2005 and 2006)

Staff resources: 12 staff-months per year

Latin America

Enforcing the Preventative Mechanisms of the Inter-American Convention against Corruption

Policy environment

44. In 2001 the Organisation of American States (OAS) contacted the OECD to support the implementation of the Inter-American Convention Against Corruption. The Latin American Forum on Ensuring Accountability and Transparency in the Public Sector was the first joint event with the OAS hosted by Brazil in December 2001. The Forum focused on preventive anti-corruption measures and achieved a breakthrough in the implementation of the Inter-American Convention against Corruption by enabling the OAS states to turn the general legal text of the OAS Convention into concrete actions. The agreed policy recommendations provide policy guidelines for preventive measures defined by the OAS Convention, and identify best practices in three key areas, namely:

- Preventing and resolving conflicts of interest,
- Ensuring transparent budget management, and
- Informing and involving citizens to empower them to scrutinize government activities.

45. The Forum on Managing Conflict of Interest - From Policy to Practice introduces the OECD-developed Toolkit for Managing Conflict of Interest in Latin America. The Forum is hosted by the

Government of Brazil in spring 2004 and organised in co-operation with the Organisation of American States and sponsored by the Inter-American Development Bank.

46. Future co-operation will further support the implementation of the Inter-American Convention Against Corruption in relation to the preventative measures defined by the OAS convention. The regional dialogue with countries in Latin America will particularly support the development of appropriate frameworks for assessing the impacts of measures in place for promoting integrity and preventing corruption in the public service. Special emphasis will be put on reviewing approaches, techniques and procedures used in examining the effectiveness of pro-integrity and corruption prevention measures in the public service in order to develop an evidence-based inventory of recognised good practices and conditions identified for their success.

47. OECD's analytical work, principally the comparative overview of existing practices surveyed in 2004 and the analytical framework for assessment of policy assessment in OECD member countries will serve the bases for co-operation with Latin America. The OECD report on good country practices on assessing the impacts of measures for promoting integrity and preventing corruption in the public service, and the Assessment Framework will be published in early 2005. Expected outcome: increase the capacity of policy makers in policy design and improve the availability of appropriate policy tools for implementation.

Output results

- 2006 Database: inventory of identified good practices and conditions for their success.
- Peer reviews: 2 countries (one in 2005 and one in 2006).

Staff resources: 12 staff-months per year

E-government

Policy environment

48. This work is based on an analytical review framework for non-member countries (See Global Forum on Governance). There has been a specific demand by a number of Latin American countries to carry out a country review on e-government. This work would constitute a strategic analysis of e-government in the country being reviewed, and the main successes and challenges of e-government implementation in the specific country context. Using the developed OECD methodology, the review would include 1) Administration and analysis of the OECD questionnaire on e-government, sent to approximately 100-200 central agencies; 2) Interviews of central government officials by the OECD Secretariat and 3 "Peer Reviewer" countries; 3) The production of a report on successes and challenges of e-government implementation in the country context. The report would be written by the OECD in collaboration with the 3 Peer Reviewer countries and the country being reviewed, and would then be reviewed by all OECD countries before publication. Expected outcome: increase the capacity of policy makers in policy design and disseminate know-how and lessons in the area of e-government.

Output results

- E-Government 2006 country review of one or two countries (Chile and/or Brazil)

Staff resources: 8 staff-months per year

Middle East and Northern Africa (MENA)*Good Public Governance for Development*

Policy environment

49. Many countries in the Middle East and Northern African (MENA) region are facing severe economic and social distress over the medium term. At the same time, these countries dispose of untapped development potential and have not been able to fully integrate into the global market economy. Improved governance could provide strong benefits and dividends by encouraging economic growth, trade, investment, government service delivery, and job creation in the region. This assessment is supported by the recently published World Bank MENA report on good governance as well as the last two UN Arab Human Development Reports. OECD countries and MENA countries have expressed strong interest in engaging in policy dialogue in the region during preparatory meetings held in 2003 in Beirut and in Istanbul in 2004.

50. Countries have identified six priority themes of the policy reform agenda during a preparatory meeting in Istanbul in early 2004: i) Civil service, integrity, delivery and transparent decision-making processes, ii) Administrative simplification, regulatory reform, iii) E-government, budget transparency, iv) Public/private partnerships, v) Legal reform, audit, control and enforcement, vi) civil society and media.

Policy dialogue, design of reform policy strategies and the monitoring of implementation of those strategies will be the key tools of this activity. The work would be organised around a thematic working groups. The secretariat would provide support to these groups by providing analytical work on good practices in OECD and MENA countries as well as benchmarking of performance and reform implementation. The activity is implemented in close co-operation with UNDP. Expected outcome: increase the capacity of policy makers in policy design, implementation and monitoring progress.

Output results

- Design of a strategic framework for public governance reform in the countries of the MENA region
- Implementation of strategic reform agendas in selected countries
- Capacity building to support follow-up on strategic reform agendas
- Annual monitoring report

Staff resources: 12 staff-months per thematic working group

Public Management Work with African Union/NEPAD

Policy environment

51. Within the overall OECD support to NEPAD, GOV has developed a collaboration with the Secretariat of the African Committee of Ministers of Civil Service, whose overall program on Capacity Development for Governance of Public Administration in Africa has been endorsed as a NEPAD programme. It is expected to become a programme of the African Union (AU) in 2004. The collaboration addresses primarily the need to establish a strong Secretariat for the programme. In 2004, GOV's collaboration with the Secretariat of the conference of ministers consists of professional networking, research and peer review to support them as they put their basic working processes in place. In 2004, GOV

will further develop its overall collaboration programme with NEPAD's public governance implementing institutions.

52. The core idea of the OECD collaboration with NEPAD/AU on governance issues for 2005-2006 is to support and contribute to peer review and professional networking in public governance across Africa through the strengthening of the AU's capacity in this area. The idea is that the goal for the OECD is not to transfer practices from OECD countries, but to help NEPAD institutions think through the different public management issues and help them frame the debates. Expected outcome: increase the capacity of policy makers in policy design through a peer review and professional networking.

53. Key elements of the 2005-06 OECD/GOV programme will correspond to the key topics raised as priorities by NEPAD. They include efforts to foster in the NEPAD/AU structures, particular working methods and approaches in the following areas in which GOV has significant added value:

- Trends in public employment systems (support and contribution to the analysis of data collected by NEPAD, development of comparative studies on leadership, administrative vs. political interface, performance management)
- Budgeting and financial management (including the support to the creation of an 'African SBO'), especially under the aspects of transparency, accountability and control.
- Ethics, anti-corruption
- E-government and knowledge management
- Governance and capacity development strategies for inter-governmental public management co-operation

Output results

- Analytical report
- Peer reviews
- Policy briefs

Staff resources: 12 staff-months per year

ANNEX: PWB 2005/2006 STAFF-MONTHS REQUESTED FOR OUTREACH ACTIVITIES**Global Forum on Governance (GFG)**

1. Managing for Performance/Budgeting,	48 STM ¹
2. Fighting Corruption through Public Sector Integrity	24 STM
3. Regulatory Reform	16 STM
4. E-government	12 STM

Country Programmes**China**

5. Improving Regulatory Capacities and Modernising Institutional Structures	16 STM
6. Promoting Integrity, Budget and Accountability Mechanisms	16 STM
7. Multi-level Governance and Territorial Development	16 STM

Russia

8. Promoting Integrity in the Public Administration	8 STM
9. Regulatory Reform	24 STM

Regional Programmes**South East Europe (SEE)**

10. Monitoring of implementation of action plans for regulatory reform	18 STM
11. Monitoring the implementation of Conflict of Interest laws	24 STM

Latin America

12. Enforcing the Preventative Mechanisms of the Inter-American Convention Against Corruption	24 STM
13. E-government	16 STM

Middle East and Northern Africa (MENA)

14. Good Public Governance for Development ²	24 STM
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Africa (New Partnership for African Development, NEPAD)

15. Public Management work with African Union/NEPAD	24 STM
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Total	310 STM
Available Resources	48 STM
<i>Difference</i>	<i>262 STM</i>

¹ Staff-months include only management, experts and analysts.

² Costs are provided on the basis of setting up one thematic working group.