

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

DRAFT PROGRAMME OF WORK FOR THE PUBLIC GOVERNANCE COMMITTEE FOR 2011-12

This document presents a revised Programme of Work and Budget for the 2011-2012 biennium following discussions at the Committee's 41st session and subsequent written comments.

The proposed template for submission to the OECD Budget Committee is presented in an Annex, with outputs listed in descending order of priority based on the results of the Committee's prioritisation exercise.

As we shortly have to submit this draft programme for discussion by the Budget Committee, we ask countries to send any final comments by Thursday 10th June, latest. A non-response will be interpreted as approval of the document as it is.

Delegates to the Public Governance Committee are invited to :

- APPROVE the Programme of Work and Budget for 2011-12

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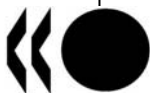


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INTRODUCTION

1. This version of the Programme of Work and Budget for 2011-2012 reflects the discussion held at the April 2010 session of the Public Governance Committee. The current version addresses the comments made and makes some shifts in resources to meet the demand expressed by the Committee, in the light of the priorities expressed by countries. As was the case in the first version, it also allows the Committee to deliver on the broad priorities expressed by the **Secretary General**.

2. This revised version it provides increased Part I funding for *Government at a Glance*, which is by far the number one priority of the Committee. The OECD will provide increased Part I funding, of the equivalent of a policy analyst post which will help to cover part of the shortfall in funding. Positive signs were received with confirmation of some new voluntary contributions at, or after the Committee. However, countries' attention is drawn to the remaining shortfall if the intended projects in terms of performance indicators are to be fully implemented.

3. A number of reallocations and streamlining of the programme of work had to be made to meet the shortfall in funding as well as to allow for the reallocation of some funding to *Government at a Glance*. The main changes to reallocate resources to meet delegates' priorities involve:

- Suppressing a number of outputs with a low priority. This includes the symposium/conferences as delegations expressed a strong preference for the policy guides as final products.
- Consolidating reports to obtain efficiency gains, as suggested by delegates when feasible in order to draw on synergies between various outputs. This concerns in particular the reports on fiscal consolidation and the quality of public expenditure, the reports on remunerations and new trends in human resource management, the report on flexibility and resource reallocation, as well as the report on integrity, which will include progress in implementing the recommendations on public procurement and on lobbying.
- Shifting some work to voluntary contributions. This concerns the workshop on ensuring public sector integrity and accountability, in joint collaboration with OECD Internal Control and Audit.

4. The annex includes a full template which will be part of the submission to the Budget Committee. This template also includes an estimate of the voluntary contributions corresponding to the various activities. Please note that the budget is based on the assumption that there will be 3 new members from January 2011 (Estonia; Israel and Slovenia) and also takes account of the fact that Chile became a member of the Organisation in May 2010. The outputs are presented in priority order, further to the prioritization exercise carried out by the PGC over April and May.

OVERVIEW

The global environment and emerging challenges

5. In the immediate aftermath of the Global Financial Crisis, governments are facing significant pressure to maintain fiscal sustainability while pursuing strategies for economic recovery. As the world economy begins to recover, political and financial leaders have begun to emphasize the importance of fiscal consolidation in promoting sustainable global growth. Record debt levels have already affected the borrowing costs of several countries — including some G20 countries. Gross general government debt for advanced economies is projected to rise from 75 to 115 percent of GDP between 2008 and 2014, with most of that increase up front. By 2014, debt ratios will be close to or exceed 90 percent in all G7 countries except Canada.

6. Beyond the crisis, in the medium and long term, governments are facing broader issues in terms of social sustainability, and the need to preserve transparency and accountability, to maintain the core values of the public sector. Although the fiscal outlook is better in a few OECD countries and for the emerging economies, all countries are concerned with the issue of confidence in public sector sustainability. Governments will need to formulate exit strategies adapted to countries' specific circumstances for the transition towards a sustainable path for growth and economic and social development. For those countries in which the crisis will have had the most dramatic impact, fiscal credibility and sound economic reform policies will be the main priority. Governments will find themselves in the difficult position of having to convince reluctant citizens that changes and adjustments are needed while avoiding social distress and political unrest. In any case, the crisis has brought the issue of trust in government to the forefront.

In the search for a “stronger, cleaner and fairer ” world economy, governments will also be facing the challenges of ensuring green growth and facilitating innovation as an important component of competitiveness and long-term efficiency. The public sector has a key role to play. The traditional efficiency paradigm is giving way to a richer definition of societal progress, where efficiency, equity and environmental sustainability are closely interrelated. In this context, the public sector will have to be “on the move”, able to change policy directions quickly and effectively as circumstances demand, engage citizens and businesses, and maintain trust. Governments will also have to develop strategic capacity to address broad global challenges, such as climate change and collective security.

To meet these challenges, governments – both at the national and regional level – will have to exploit and strengthen public institutions, public policy capacities and the skills and competencies of civil servants. However, this must go beyond “business as usual”, and will require new and innovative approaches, bridging gaps with the private sector, and building new alliances for service delivery. Indeed, countries may need to reconsider the responsibilities and the role of the public sector in relation to the citizens, the market and civil society.

Towards innovative public governance responses

7. With the continuous focus on fostering economic sustainability and growth, governments will be exploring new ways to **strengthen innovation and openness in government**, exploring both societal and economic goals. Making governments more innovative and open is a prerequisite for maintaining public trust in government and ensuring that it has sufficient capabilities and capacities to act and react swiftly in changing political and economic environments. The public sector as a whole is

under considerable pressure to do more – even better -- with less. New ways have to be found to address fundamental preconditions for government innovation and openness.

8. This is the reason for identifying **three thematic areas of work** that support the overall call for innovation and openness. Each of these three thematic areas provides opportunities for multidisciplinary approaches, drawing on the various workstreams of the PGC, and the synergies among various policy areas, including integrity, budgeting, e-government and human resources management, as well as the strategic focus from the centers of government. They also provide for opportunities for collaboration and interface with the Regulatory Policy Committee and the Territorial Development Policy Committee. The three themes are aligned with the topics of the PGC Ministerial in 2010.

- **Theme 1: Public Service delivery in times of fiscal consolidation**

The crisis calls on government to perform at the highest level in pursuing economic recovery in a long-term perspective. Governments are looking at how to identify priorities and better define the boundaries of public and private responsibility to inform broad strategies for consolidation. They also have to address the implications of consolidation across levels of government and in terms of intergenerational choices, addressing long-term challenges and trade-offs. Governments will be facing increased social demands for services, and indeed for better quality services, at the same time as they need to proceed with adjustments in government spending. This will call for innovative strategies and multidisciplinary approaches to maintain the social contract, exploring the potential of engaging the non-governmental sector for service delivery, and of active involvement and partnership with the private sector.

- **Theme 2: The public sector on the move**

The public sector will have to be more agile: fostering cultural change, building an adaptative and forward-looking workforce, and relying on cutting-edge technologies. The economic crisis has called for creating a smarter government, which entails rethinking the machinery of government to move away from “stovepipes” or “silos” towards integrated and performance-driven approaches. Public sector organisations and actors need to be optimally prepared to face new challenges. This includes innovative approaches to budgeting practices, human resource management and capacity building; collaboration and co-operation across levels of government; partnerships for rebalancing the relationship between the public and private sectors; and supporting adaptation of the public sector through e-government.

- **Theme 3: Strategic and open government.**

Governments will have to develop strategic capacity to anticipate future changes, reinforcing horizontal co-ordination and collaboration. They will have to foster a culture of openness, to re-establish and consolidate trust, facilitate better exchanges of information with citizens, and ensure that citizens' needs are fully taken into account for policy development. The crisis has showed an urgent need to reassess how core public sector values -- such as integrity, transparency, accountability, responsiveness and inclusiveness, as well as equity, fairness and the rule of law -- can be rethought and strengthened to prevent future deficiencies in the interface between public and private sectors in order to safeguard the public interest. Governments will also have to focus on the use of web-based tools, including web 2.0 technologies, to promote citizen-centred ways of obtaining public input in rule-making and decision-making processes.

9. The PGC will build on its quantitative and qualitative core products for policy analysis:

- **Government performance indicators (*Government at a Glance*)**

Strategic and evidence-based policy making requires strong quantitative underpinnings, with relevant and up-to-date cross country comparisons. This work will benefit from the thematic work and is complementary to the detailed analysis undertaken as part of country reviews. It will serve to inform and support countries' efforts to improve performance.

- **Country reviews**

Through access to the practices of member countries and major G-20 economies, peer reviews increase the relevance of OECD work for the individual countries under study and provide lessons for others. Country reviews are therefore a core source of policy guidance and advice based on broad international experiences, evidence and good practices, solid facts, and targeted, relevant comparative studies.

Public governance reviews provide insight into the systemic strengths and challenges of a country's public sector and service delivery arrangements. Such reviews have been carried out so far on Ireland, Finland and Greece, and a review of Estonia is forthcoming. Thematic country reviews on budgeting, human resource management practices, e-government, integrity, public procurement, and management of Information Society programmes support a country's efforts to improve performance in those areas.

Expected outcomes

10. This comprehensive programme of work will facilitate peer learning and the exchange of good practice on public governance in the OECD, and beyond, developing partnerships with global partners and other countries. The work will help governments: achieve a better understanding of the challenges to deliver more efficient public services under fiscal pressures; become more resilient to constantly changing political and economic challenges by being more agile, accessible and responsive; identify practical solutions for change; and develop a stewardship role to promote innovation and achievement of societal outcomes. It will also help to consolidate trust and enhance resistance to fraud and corruption. The programme of work will also offer broad empirical comparisons, facilitating evidence-based policy making in the field of public governance. By providing countries with better, more reliable and policy-relevant information and analysis of good government and efficient and effective public administration, the work will help them assess their performance, interpret data, and identify further reform options.

Strategic horizontal issues and global aspects

11. The PGC will foster multidisciplinary **horizontal approaches**, closely engaging with the **Regulatory Policy Committee** and the **Territorial Development Policy Committee** on several core themes:

- With the **Regulatory Policy Committee**, on using Web 2.0 technologies to improve stakeholder participation in the rule-making process ("e-rule making"). Other areas of collaboration could include administrative simplification and ensuring the credibility of the institutional framework for quality regulation.
- With the **Territorial Development Policy Committee** on multi-level governance, in particular for efficient, fair and sustainable delivery of public goods and services.

12. The PGC will also seek specific collaboration with relevant committees, for example in the general economics areas, as well as policy areas such as **health** or **education** that present key governance challenges. The PGC will also further engage on major cross-disciplinary products, such as the follow up to the OECD horizontal projects:

- The **Innovation Strategy** (managing risk issues related to innovation, demand-led innovation through procurement and public sector innovation indicators)
- The **Green Growth Strategy** (cross-sector coherence, evidence-based decision-making, green procurement).

13. The PGC will engage in multidisciplinary work with sectoral committees, including for example, the Education Policy Committee; the Employment, Labour and Social Affairs Committee; the Health Committee; the Committee for Information, Computers and Communication Policies; the Committee on Scientific and Technology Policy; and the Committee on Statistics for developing these programmes. It will also work with the Internal Audit.

14. Finally, the PGC will broaden and deepen its **work with non-members, building capacity for public governance in a global perspective, with a revised strategy for global relations**. For OECD's global partners, the policy environment is conditioned by the same general considerations as member countries as well as more specific concerns. Policy setting in the **Enhanced Engagement countries**¹ is strongly influenced by equity considerations and the need for strengthening capacity for better public governance. In the Balkans (where the OECD is active through the SIGMA Programme), in the context of severe economic difficulties, achieving stabilisation remains critical. The political regimes of a number of countries in the eastern border of the European Union and the MENA region are challenged by the crisis, but democratisation and economic liberalisation are resisted by incumbents in many of these countries.

Delivering on OECD core priorities

15. As a result, the Public Governance Committee will be able to deliver on a number of core **priorities expressed by the Secretary General**, namely:

- | | |
|--|---------------------------------------|
| • Crisis response | • Anti-corruption |
| • Innovation | • Enhanced Engagement |
| • Green Growth | • OECD's 50 th anniversary |
| • Public Governance (performance indicators) | |

16. The programme has been designed in such a way as to ensure sufficient **flexibility** to adapt to emerging priorities in the course of the biennium. This programme of work will also have to consider the strategic medium-term implications of the Ministerial meeting on Public Governance planned in 2010 [C(2010)36/REV1 + CORR1, GOV/PGC(2010)2, and C(2010)77].

17. As part of the celebrations of 50th anniversary of the OECD, the PGC will put forward its work on integrity, reflecting new strategic directions in the Organisation. An international workshop will focus on integrity and accountability, drawing on joint collaboration with Internal Control and Audit. The outcome and report from the Ministerial meeting will also contribute to the 50th Anniversary.

18. Furthermore, the Committee has identified more **effective communication** a key priority, and is developing a communications strategy to increase its impact on policy and share good practices.

19. The programme is designed to facilitate a global policy dialogue on public governance issues, where the Committee serves as a point of reference. It pays attention to the specific needs of non members, offering insights for building capacity for public governance in a global perspective.

¹ Enhanced engagement countries to the OECD are: Brazil, China, India, Indonesia, and South Africa.

THEMATIC WORK

Theme 1: Public Service delivery in times of fiscal consolidation

Policy environment

20. The new fiscal context, with significant deficits and mounting public debt, presents governments with significant challenges. Fiscal constraints and budgetary cut-backs have put the public sector as a whole under significant pressure “to do more with less”. Fiscal consolidation has, in other words, created a strong incentive to rethink public service delivery concepts and approaches at lower cost while maintaining the principle of equity. Governments need to explore how they can achieve ambitious efficiency and effectiveness goals while facing increasing demands for better and more targeted public services.

21. The economic crisis has also highlighted how strong and well-functioning public services can create the conditions for economic prosperity and protect the welfare of today’s societies. Basic public services such as health care, social care, and education play a key role in enhancing both societal (e.g. reduced inequalities) and individual outcomes (e.g. good health and educational attainment), therefore contributing to greater employability. On the other hand, these areas are likely to be the most affected by economic pressures and reduced resources, and there is an increase need to innovate and develop new approaches to meet the scale of change required.

22. To respond to these challenges, it is necessary to understand and explore key issues such as:

- recognizing that eliminating a sizable deficit is a “social project”, not a normal budget exercise; and helping to define fiscal policies and practices, including new, counter-cyclical fiscal rules that can help promote economic growth, and long-term budget projections;
- the need for defining clear political priority-setting mechanisms at an early stage, before allocating financial envelopes to line ministries (macro-level) instead of arbitrary across-the-board cuts. There is also value—in economic, social, and fiscal terms—of using detailed, well-documented programmatic evaluations that should establish a maximum layer for the effectiveness and efficiency of using public funds within a given envelope (micro level). This will help to define well-informed and targeted fiscal consolidation strategies;
- citizen involvement in the decision-making process for service delivery in times of fiscal constraint (e.g. priority setting and resource allocation) and coherent and effective service delivery across levels of government using the right instruments with strong stakeholder buy-in on a common vision and aligned approaches;
- adjusting legal and regulatory frameworks for a post-crisis economic reality, including services delivered outside government;
- strengthening innovation in the delivery of services in public organisations as a response to fiscal and budgetary cut-backs, and rethinking incentives and models for public-private partnerships.

Links to 2009-2010

23. This work will build on previous work on budgeting, such as *Fiscal Space* and *Dynamic Scoring*, and human resource management (notably on the chapter on workforce downsizing and reallocation in the 2010 report *Building a stronger and fairer public service*), as well as previous work on service delivery, such as the synthesis report on *Innovation in service delivery* and the report on *Working together with citizens for better outcomes*, both to be finalized in 2010, as well as the 2009 report on *Focus on citizens – public engagement for better policy and services*.

Expected outcomes

24. This work will help governments achieve a better understanding of the impact of fiscal consolidation on public service delivery, and deliver better services at a lower cost.

Final outputs

- A policy guide on "Delivering better services through more efficient, innovative strategies to cope with new fiscal constraints"

Intermediary outputs

- Reports on budgeting and related indicators:

Mechanisms for fiscal consolidation, paying attention to the quality of public expenditure

Fiscal rules have been among the most widely-adopted budget innovations during the past two decades and there is every indication they will continue to function as the bedrock for fiscal consolidation strategies in member countries. The financial crisis, however, will impel governments to adjust their fiscal rules on the basis of lessons derived from experiences with first-generation rules. This work will identify key features of second-generation rules. The report will also discuss the inter-relationship of fiscal rules and wider strategies for fiscal consolidation. Finally, the report will analyse practices in Member countries for evaluating public expenditure programmes in order to secure the best value-for-money. It will highlight the impact of fiscal consolidation efforts for different types of programmes and expenditures. It will draw together leading practices in this field employed by Member countries

The impact of fiscal consolidation on public service delivery

This work will call for cross-disciplinary work on innovative aspects for service delivery of basic public services, and include collaboration with the Education and Health Committees. This demands a better understanding of the impacts of fiscal consolidation on service delivery at both structural (e.g. changing role for government and non-government actors) and organizational (e.g. capacity constraints on individual entities) levels. This report will provide policy-makers with an understanding of the major challenges and constraints public services are facing in the context of economic pressure and fiscal consolidation (with a particular focus on the health and education sectors), and how existing and innovative approaches and instruments can help increase the performance and responsiveness of public services in a time of declining resources. It will also fully acknowledge the role of intermediaries in delivery of services and access to policy making (e.g. Specialist charities and other groups).

Budgeting and public expenditure indicators

These indicators are crucial to support the work on budgeting and the analysis of fiscal consolidation strategies. They will also contribute to *Government at a Glance*.

- Meetings of the Working Party of Senior Budget Officials and *Journal on Budgeting*

Theme 2: The public sector on the move

Policy environment

25. Following the crisis, a number of lessons seem to emerge regarding the role of government and the public sector. Governments will have to become more responsive to sudden economic and societal changes. Strategic agility requires the ability to align resources with new priorities, supported by appropriate and performance-oriented budgeting. Agility also needs to be supported by resource fluidity, with an adaptive workforce, with the right skills, training, leadership and mobility. The new environment will offer governments new opportunities to use e-government and ICT to re-engineer core management practices and foster a culture of change in the public sector, while achieving sizeable productivity gains.

26. In order to respond to the challenges of adapting the public sector to a new reality, it is necessary to understand and explore key issues such as:

- revising budgetary frameworks and practices, including mechanisms to better use performance information to assess the results of programmes;
- rethinking and reinforcing efficiency and effectiveness gains through e-government;
- rationalising operating costs (in particular public employment) and developing new approaches to human resource management and development in the light of new demands for competencies and skills;
- transforming and strengthening capacity at national and sub-national levels to meet the demand for agility and dynamic change; and

27. Becoming agile and change-ready in public service delivery requires a highly adaptive workforce, new partnerships with private and not-for-profit sectors – all supported by a strategic drive from the use of new operational and technological approaches.

Links to 2009-2010

28. This work will build on previous work on budgeting such as *Budgeting for Results*, on human resource management, such as the reports *Ageing and the Public Service* (2007), *State of the Public Service* (2008) and *Building a Fairer and Stronger Public Service* (2010), as well as on results from the human resource management and remuneration surveys, the review of human resource management practices in Brazil, and e-government country reviews. It will also build on previous work on e-government, in particular on transformational government and benefits realisation management.

Expected outcomes

29. The results of this work should help government become more resilient to constantly changing political and economic challenges by being more agile, accessible and responsive. It will help governments identify practical solutions for change.

Final outputs

- A policy guide on “Fostering agility in the public sector”.

Intermediary outputs

- Reports, indicators and meetings on HRM:

A report on new trends in HRM, including remuneration in the public service.

This report will analyse the results of the OECD strategic HRM survey, as well as recent initiatives on HRM in OECD countries. The report will also offer an overview of remuneration challenges in the public services of OECD countries. After clarifying remuneration definitions, it will look at remunerations from the perspective of the costs to the employer, the attractiveness of government employment, and the use of remuneration to attract, retain and reward the most appropriate employees.

Meetings of experts as required in support of the work

Indicators of human resources, strategic human resource management and remuneration in the public sector.

These indicators are crucial to support the analytical work on new trends in HRM, as well as on remuneration. They will also contribute to *Government at a Glance*.

- A report on flexibility and resource reallocation across policy priorities, including choice across public and private sector providers.

In today's fiscal environment, it is especially important for governments to have the flexibility to reallocate resources from lower- to higher-priority areas. This work will survey and analyze budgetary mechanisms available to promote such flexibility within government, including multi-year horizons and greater devolution of decision-making authority within overall expenditure ceilings.

In order to explore options for flexibility, the report will also address the issue of choice among public and private sector providers. The choice between using a public-private partnership (PPP) and traditional infrastructure procurement may be skewed by factors other than value for money. Some factors skew choice towards traditional procurement, while others skew it towards PPPs. This work will discuss when to use traditional infrastructure procurement and when to consider using Public Private Partnerships. The report will analyse differences in the range and complexity of the *ex ante* and *ex post* value-for-money tests, the various uses of public sector comparators and possible influence of accounting rules. The report will discuss also the staffing and HR implications of the choice between public and private sector providers.

- Reports, indicators and meetings on e-government:

A report on Agile and mobile government through the use of e- government

This report will look at e-government as a tool to support agility and mobility and using e-government solutions in order to meet the demands of (sudden) changes in the political and economical environment. What are the cost and benefits? Is it possible to leap-frog development stages? What is the economic impact of becoming an agile and ubiquitous government? This will be coordinated with work on regulatory efficiency and administrative simplification as part of the Regulatory Policy Committee's PWB.

Meetings of experts as required in support of the work

The Secretariat will develop a set of e-government indicators based on a new methodology, with a focus on three areas: (i) back-office; (ii) performance – outputs, processes, and outcomes; and (iii) economic characteristics. This work will entail close co-operation with international stakeholders and member countries and will feed into upcoming editions of *Government at a Glance*.

Theme 3: Strategic and open government

Policy environment

30. Policy makers are facing a new economic reality that has significant impact on the future development of the public sector. New strategic approaches to regain economic growth are being put in place nationally and internationally – and governments are aligning to this new reality. The call for more openness in government is both a major challenge and a new opportunity. Governments must become more strategic and forward-looking, able to make choices and identify priorities – and reallocate resources accordingly. Creating a new environment for transparent, accountable and agile governments is a prerequisite for strengthening public trust. Establishing open government in the sense of providing unfiltered access to information and data for citizens and businesses creates new opportunities: for providing insight into government actions, for engaging with citizens, and for promoting economic growth. With political attention given to re-establishing solid and sustainable economic growth nationally and globally, openness becomes an important asset.

31. Responding to this context, it is necessary to understand and explore key issues such as:

- building strategic and forward-looking leadership from the centres of government;
- promoting high standards of integrity and mitigating risks of fraud and corruption, in particular in the interaction of the public and private sectors in the wake of economic recovery;
- innovative approaches for enhancing transparency and integrity as part of openness of government; and
- searching for new strategic, conceptual and technical platforms for openness and accountability through e-government.

32. It is critical also for these issues to be shared by the public sector workforce, as a common commitment, with involvement early in related processes.

Links to 2009-2010

33. This activity will build on recent meetings of the Network of Senior Officials from Centres of Government (CoG) on making strategic decisions in time of financial crisis and for designing and implementing sound exit strategies. It will also build on work on open government, in particular the updates of guiding principles for openness and inclusiveness. It will also build on previous work on transformational government and the sharing of information and data. This activity will capitalise on the results of the Committee's work on building a sound integrity framework in public sector organisations. It will specifically benefit from recent work on vulnerable areas, particularly on procurement, including the review of progress made in implementing the 2008 OECD Recommendation on Enhancing Integrity in Public Procurement.

Expected outcomes

34. This work will help governments develop a stewardship role to promote innovation and achievement of societal outcomes through strategic agility and co-ordination for consistent, whole-of-government policy responses. This work will also help to consolidate trust and enhance resistance to fraud and corruption by mapping out risks to integrity, identifying innovative solutions and developing good practices.

Final outputs

- A policy guide on Strategic and open government.

Intermediary outputs

- Reports, indicators and meetings on integrity and open government:

A report on Integrity and Safeguarding the public interest, including progress on implementing the public procurement and lobbying recommendations.

This consolidated report will provide a typology of existing and emerging risks to integrity in devolved public service delivery and will also review measures for preventing fraud, waste and corruption. What approaches and measures have proven effective to mitigate risks and also support innovation in public service delivery?

Meetings of experts as required in support of the work.

A series of integrity and open government indicators and a framework for monitoring country progress.

These indicators and frameworks will also be referred to the Statistics Committee for consideration.

- Report on E-government as a strategic tool for openness and access to government information.

This work will coordinate with the Regulatory Policy Committee on promoting transparency through user-centred regulation.

- An international workshop on Ensuring Public Sector Integrity and Accountability, drawing on joint collaboration with Internal Control and Audit. (VC Funded)
- One meeting of the Network of Senior Officials from Centres of Government and report on “New approaches to policy priority settings”.

This work will look at strengthening strategic capability at the centre of government and in governments, dynamic reprioritization and policy-making, how to make the right policy choices and reallocate resources to priority areas.

- One meeting of the Network of Senior Officials from Centres of Government and report on “Anticipatory government”.

This will include how to become more strategic and forward-looking, improve horizontal and vertical co-ordination, bolster public access and insight into government, and collaborate more closely with citizens.

CORE METHODS

Government indicators

Policy environment

35. Governments are seeking to assess and measure public sector performance using a mix of quantitative as well as qualitative methods. International comparisons and benchmarking are a public good, where additional investments from every country add to the overall value of the stock of knowledge and information. The OECD, through its unique access to original information from governments, has a key role to play, particularly to inform the international debate on good governance from a global perspective, where OECD countries are playing a leading role to define good practices.

36. The *Government at a Glance* project provides countries with both benchmarking and empirical insight as well as in-depth analysis and comparison. This is essential if the OECD is to provide policy guidance on what has worked, what has not, and why.

37. This project will draw on country and thematic reviews and data collection carried out by the PGC's working parties, networks and expert groups, as well as the Regulatory Policy Committee and Territorial Development Policy Committee. The 2011 publication will notably include data drawn from two new surveys on human resources, one on strategic HRM, and one on remuneration in government. Work will also be conducted to improve data about employment numbers in collaboration with the International Labour Organisation. The publication will draw on OECD work conducted in other Directorates, including Education; Employment, Labour and Social Affairs; Statistics; Science, Technology and Industry; and the Centre for Tax Policy and Administration. In addition, it will benefit from collaboration with external parties, including multi-national bodies such as the European Commission and international non-governmental organizations such as the World Justice Project.

Links to 2009-2010

38. *Government at a Glance*, launched in 2009, is a biennial publication of the OECD that provides indicators of government activities, capacity and performance. The publication compares the size and reach of government across OECD countries from the perspective of revenues, expenditures and employment. It examines varying approaches to public service delivery, including outsourcing, public-private partnerships and closer collaboration with citizens.

Expected outcomes

39. The expected outcome of this work is to provide countries with better, more reliable and more policy-relevant information as well as better analysis of good government and efficient and effective public administration, to help them assess their performance, interpret data, and identify further reform options.

Final outputs

Note: Budget adjustments provided for an increase in Part I funding of the equivalent of a policy analyst post full-time equivalent over the biennium. While new voluntary contributions were

confirmed when this revised version was issued, this does not yet fully cover the total funding requirement for *Government at a Glance* and performance indicators.

- A 2011 version of *Government at a Glance* and a strategic plan for the 2013 version of *Government at a Glance*.

This report will build on OECD instruments and recommendations, and look at the extent to which governments have adopted good practices in the areas of integrity, budgeting, regulatory management and human resource management. Performance will be analysed from three perspectives: the results achieved by government programmes; whether public governance reforms are achieving their objectives to transform and strengthen capability, capacity, integrity and transparency; and whole-of-government outcomes including public trust, fiscal stability and equity in access to services. These three perspectives will collectively illustrate how governments are upholding public sector values such as integrity, equity, openness and accountability.

The strategic plan will include new data collection and the development of indicators of service quality, efficiency of internal governance functions (in addition to tax collection, which will be included in *Government at a Glance* 2011) and more detailed indicators for multi-level governance. This plan will also entail coordination with statistics offices, which represent a central avenue to the collection of information.

Country reviews

Policy environment

40. The interdependencies of economies and the increasing demand for co-ordinated action have put the public sector under pressure where local or national solutions could benefit from international best practice. In this context, addressing future public sector challenges may require that countries draw from a common understanding of what has worked and why, based on solid international comparative evidence. Such country-specific policy advice is provided through the OECD country reviews, which analyse member and non-member countries within different policy areas and promote common lessons for all OECD countries.

41. Country reviews are therefore a core source of policy guidance and advice based on broad international experience and good practice, solid facts, and targeted, relevant comparative studies. Comprehensive public governance reviews provide insight into the systemic strengths and weaknesses of a country's public sector and service delivery arrangements. Thematic country reviews such as those on budgetary and human resource management practices, e-government, integrity, public procurement, and management of Information Society programmes gives a country the possibility to improve its performance in those areas.

Links to 2009-2010

42. These reviews will build on: public governance reviews of Greece and Finland, and thematic reviews on e-government in Denmark, on Information Society in Spain, on Integrity Framework in Brazil and MENA countries, on budgeting in Mexico, Bulgaria and Latvia, and on human resource management in Brazil.

Expected outcomes

43. The expected outcome of country reviews is to provide member and non-member countries with comprehensive and sound policy advice on systemic or thematic governance issues that can help them improve their performance and identify further reform options.

Final outputs

44. The country reviews are prepared with full cost recovery. The following country reviews can be envisaged, subject to the necessary voluntary contributions:

- Public governance reviews

These reviews will have a common basic framework, that will be continuously developed, while taking into account each country's specific context and needs. They will be carried out in such a way that lessons can be drawn concerning the impact of public sector arrangements, institutions and practices that are of relevance to the PGC community as a whole, as well as to the country under review. The comprehensive public governance reviews can cover both member and non-member countries, and particularly enhanced engagement countries.

- Thematic country reviews on budgetary practices, human resource management practices, e-government, Information Society, and integrity.

The Committee will launch a series of reviews on the OECD Recommendation on Enhancing Integrity in **Public Procurement** to support a status report to the Council due in 2011. The Committee will also prepare a report to the Council due in 2013 on the implementation of the OECD Recommendation on Principles for Transparency and Integrity in **Lobbying** through a series of thematic reviews beginning in 2010. These reviews could cover both member and non-member countries, as part of the strategy for global relations.

Intermediary outputs

- Analytical framework for comprehensive reviews

Country reviews need to reflect the strategic orientations of the Public Governance Committee, and the breadth of its analytical work. The OECD needs to invest analytical capacity to ensure that country reviews remain relevant and are able to address the evolving priorities expressed at a political level. The framework also needs to be adapted to the specificities of the reviewed countries and harmonised to ensure comparability.

- Identification of strategic policy challenges (new and existing)

The country reviews need to address existing, but also new and emerging challenges. It is also necessary to draw lessons, in the form of a report, from a series of country reviews and to share policy lessons with all interested countries, in particular on overcoming strategic governance challenges. This will contribute to further developing a set of integrated recommendations for policy coherence in achieving innovative and open government.

BUILDING CAPACITY FOR PUBLIC GOVERNANCE IN A GLOBAL PERSPECTIVE

Policy environment

45. The OECD work with its global partners and non-members has evolved towards a carefully integrated programme designed to be driven by the political demands of global partners and other countries engaged in a policy dialogue with the OECD while being mainstreamed into Committee work. A key objective for the coming biennium is to work with key partners for the inclusion of a governance agenda in the G20. Based on a new *Global Relations Strategy*, PGC activities for the 2011-2012 work period would continue to incorporate Accession and Enhanced Engagement countries into *Government at a Glance*. It would also aim to bring their experiences into country reviews (e.g. HRM, e-government, integrity), public governance reviews and work on cross-cutting thematic topics such as fiscal consolidation and public service delivery, and strategic and open government. In addition, this is an opportunity for the PGC to contribute to broad OECD priorities, such as innovation and green growth, through activities in its regional programmes. Activities exclusive to global relations would require **additional VC funding**.

46. OECD has already been working with many enhanced engagement partners in the area of public governance, carrying out reviews (budgeting, human resource management and integrity) and engaging in policy dialogue. Engagement with these countries helps the OECD to refine its thinking and approach, as was shown in two recent seminars held in India, on regulatory reform and e-government.

47. The long-standing regional networks of Senior Budget Officials have included the active participation of all 10 accession and enhanced engagement countries. Maintaining these regional SBOs is paramount to ensuring that the budget process policy concerns of the accession and enhanced engagement countries continue to be addressed.

48. Promoting the public governance agenda presents many opportunities and challenges for OECD's global partners. For the Balkans, for instance, the main challenge is creating sufficient governmental capacities to accelerate entry to the European Union (a stabilisation objective). For many MENA countries, progress can only be made implementing broad-based governance reform. In the former Soviet Union, governance institutions are losing legitimacy. Judicial systems remain under-equipped in a number of countries from the Balkans, the former Soviet Union and Latin America, with implications in terms of integrity.

49. Regional programmes, such as the MENA initiative, create a “mini-OECD” in the region with ministerial meetings, policy dialogue, country reviews and a regional *Government at a Glance*, including on issues such as gender equality, governance for green growth, and citizen engagement. Similar regional programmes could be developed for Latin American countries (LAC), Asia-Pacific countries (APEC), and Africa.

50. Sigma is an EU/OECD initiative funded principally by the EU. It addresses candidate and potential candidate countries of the EU (Turkey plus the Balkans) and the EU Neighbourhood States (ex-USSR plus the Mediterranean). It provides technical assistance on public governance to the countries and policy advice to the European Commission.

Participation by non-member economies

51. Information about potential non-member participation in Committee activities where they are involved in accordance with Council-recognised procedures during 2011 and 2012 will be provided to the Committee in the course of the preparation of the PWB. During the course of the biennium, information about non-member participation that has not been provided prior to the start of the biennium will be made available in good time to Members, so that Committee members may have the opportunity to comment if they wish.”

Links to 2009-2010

52. The work with non-members will build on past efforts to promote a public governance perspective, through activities in Latin America, Africa and APEC. These activities also cover previous sectoral work in areas such as integrity and budgeting, including the SBO networks. The planned MENA outputs 2011/12 build on the strong political guidance provided through the ministerial meeting in 2009 that took place in Marrakech. The country work in Yemen and Palestine builds on participation of those countries in the regional initiative and a Joint Learning study done for Yemen in 2009.

Expected outcomes

53. This work will help promote more accountable, proactive and interactive government in the OECD and beyond, as well as a greater understanding of how to improve public sector capacity in order to handle rapid change and an increasingly complex, globalised problems. It will also provide guidance for ensuring policy coherence and effective co-ordination among public actors at all levels of government among a wide range of countries.

Final outputs

- Regional networks, indicators, and a Global Forum on Public Governance.
- Capacity building, indicators, and policy analysis and dialogue on public governance in MENA countries, including 2 ministerial meetings (one on the overall MENA programme in 2012, and one on Rule of Law and integrity both for MENA and African countries)

Intermediary outputs

Note: The rest of the work with Enhanced Engagement countries that relates to country reviews is presented jointly in the core methods, and would be fully VC funded. The report on PGC Assessment for the accession process for Russia will also appear in another specific budget template and will therefore not be presented in the final version of the PGC Committee PWB.

- Global Forum on Public Governance
This would focus on the follow-up and programme implications of the Public Governance Committee at Ministerial level in 2010, Italy, with regard to other Global Relations Partners.
- Indicators of Public Governance for Enhanced Engagement Countries
- Launching event for a regional Latin-America Governance Programme.
This would be done in the framework of the broader OECD regional programme for Latin America.
- One or two thematic workshops for building up global relations in the context of APEC.
These represent preparatory activities to build up relationships with APEC, following on earlier activities, for example in the area of regulatory policy reform in the APEC context,

and Africa, in the context of enhanced co-operation with PGC and the DAC, GOVNET networks, as well as the PDG -Partnership for Democratic Governance, and the Development Centre.

- Series of meetings of the 7 MENA working groups and focus groups.
- Handbooks, toolkits, thematic workshops and peer learning studies (MENA).

These will reflect capacity-building activities of the three regional MENA centers, and will be conducted also within the framework of the MENA national programmes, as for example for the Palestinian National Authority and government of Yemen.

- First edition of a set of governance indicators for MENA countries and a 2nd edition of a report on Progress in Public Management in MENA countries;
- Meetings of Regional Senior Budget Officials Networks (Asia; Eastern, Central and South-eastern Europe; Latin America; Middle East and North Africa in the framework of the MENA programme; Africa).

STRATEGIC OBJECTIVE:	4	Enhance Public and Private Sector Governance		
OUTPUT GROUP:	4.3	Effective and Efficient Government		
OUTPUT AREA:	4.3.1	Public Sector Effectiveness		
			2010	K EUR 2011
				2012
		Base Budget	-	2 892
		<i>% change per year</i>	-	-
				2 892
				+0.0%
Total Estimate of Voluntary Contributions Planned			-	7 166
				7 336

RESPONSIBLE MANAGER: Mr. Aart DE GEUS

RESPONSIBLE DIRECTOR: Mr. Rolf ALTER

COMMITTEE ACCOUNTABILITY:	MANDATE or SUNSET:
Public Governance Committee , Chaired by Ms. Katju HOLKERI (Finland) <i>Observers:</i> Brazil, Egypt, Slovenia, Ukraine	31/12/2014
Working Party of Senior Budget Officials, Chaired by Dr. Gerhard STEGER (Austria)	31/12/2014
Network of Senior Officials from Centres of Government	31/12/2014

Policy Environment:

In the aftermath of the Global financial crisis, governments are facing significant pressure to maintain fiscal sustainability while pursuing strategies for economic recovery. They are also facing broader issues in terms of social sustainability and the need to preserve transparency and accountability to maintain the core values of the public sector. The crisis has brought the issue of trust in government to the forefront. Governments will also be facing the challenges of ensuring green growth and facilitating innovation as an important component of competitiveness and long term efficiency. In this context, the public sector will have to be "on the move", able to change policy directions quickly and effectively as circumstances demand, engage citizens and businesses and maintain trust. Governments will also have to develop strategic capacity to address broad global challenges and global security.

Governments will have to strengthen public institutions and public policy capacity to meet these challenges. This will require new and innovative approaches, bridging gaps with the private sector and building new alliances for service delivery. They will also require appropriate comparative data on the efficiency of government and the performance of public services. OECD is an international leader in the field of analysing governance practices, including in terms of budgeting, human resource management, integrity, e-government and for service delivery. The OECD is an expert in analysing budget practices and emerging risks of corruption, and in promoting guidelines to safeguard integrity. The OECD offers a high level governance perspective, so that countries can consolidate and improve the performance of their public sector.

Expected Outcomes:

This comprehensive programme of work will facilitate peer learning and the exchange of good practice on public governance in the OECD, and beyond, developing partnerships with global partners and other countries. The work will help governments: achieve a better understanding of the challenges to deliver more efficient public services under fiscal pressures; become more resilient to constantly changing political and economic challenges by being more agile, accessible and responsive; identify practical solutions for change; and develop a stewardship role to promote innovation and achievement of societal outcomes. It will also help to consolidate trust and enhance resistance to fraud and corruption. The programme of work will also offer broad empirical comparisons, facilitating evidence-based policy making in the field of public governance. By providing countries with better, more reliable and policy-relevant information and analysis of good government and efficient and effective public administration, the work will help them assess their performance, interpret data, and identify further reform options.

2011-12 Expected Output Results in Priority Order	Accountable Committee/ Subsidiary Body/ Global Forum	Ongoing/ Time Bound (end-date)	2011 (K EUR)					2012 (K EUR)				
			Total Estimated Cost (TEC)	Part I Budget	CPF	VCs in Hand	New VCs	Total Estimated Cost (TEC)	Part I Budget	CPF	VCs in Hand	New VCs
1.A 2011 version of <i>Government at a Glance</i> and a strategic plan for the 2013 version of <i>Government at a Glance</i>	PGC	Time Bound Q4 2012	760	549			211	754	543			211
2.Policy Guide on delivering better services through more efficient and innovative strategies to cope with new fiscal constraints	PGC, SBO	Time Bound Q4 2012	852	752			100	846	746			100
<i>2.2.Policy guide on delivering better services through more efficient, innovative strategies to cope with new fiscal constraints</i>	PGC, SBO	Time Bound Q4 2012	119	119				117	117			
<i>2.3.Reports on budgeting and related indicators</i>	PGC, SBO	Ongoing	393	343			50	389	339			50
<i>2.4.Meetings of the Working Party of Senior Budgeting Officials and Journal on Budgeting</i>	SBO	Ongoing	340	290			50	339	289			50
3.Policy Guide on Strategic and Open Government	COG, PGC	Time Bound Q4 2012	612	407			205	515	390			125
<i>3.1.Policy Guide on Strategic and Open Government</i>	COG, PGC	Time Bound Q4 2012	96	96				96	96			
<i>3.2.Reports, indicators and meetings on integrity and open government</i>	PGC	Ongoing	231	156			75	235	160			75

2011-12 Expected Output Results in Priority Order	Accountable Committee/ Subsidiary Body/ Global Forum	Ongoing/ Time Bound (end-date)	2011 (K EUR)				2012 (K EUR)				
			Total Estimated Cost (TEC)	Part I Budget	CPF	VCs in Hand	New VCs	Total Estimated Cost (TEC)	Part I Budget	CPF	VCs in Hand
3.3. <i>Report on E-government as a strategic tool for openness and access to government information</i>	PGC	Time Bound Q4 2012	149	99		50	78	78			
3.4. <i>An international workshop on Ensuring Public Sector Integrity and Accountability, drawing on joint collaboration with Internal Control and Audit</i>	PGC	Time Bound Q2 2011	30			30					
3.5. <i>Two meetings of the Network of Senior Officials from Centres of Government and two reports</i>	COG	Time Bound Q4 2012	107	57		50	107	57			50
4. Policy Guide on Fostering Agility in the Public Sector	PGC, SBO	Time Bound Q4 2012	911	711		200	895	695			200
4.1. <i>Policy guide on fostering agility in the public sector</i>	PGC	Time Bound Q4 2012	86	86			86	86			
4.2. <i>Reports, indicators and meetings on HRM</i>	PGC	Ongoing	290	235		55	281	226			55
4.3. <i>A report on flexibility and resource reallocation across policy priorities, including choice across public and private sector providers</i>	PGC, SBO	Time Bound Q4 2012	232	232			225	225			
4.4. <i>Reports, indicators and meetings on e-government</i>	PGC	Ongoing	303	158		145	303	158			145

2011-12 Expected Output Results in Priority Order	Accountable Committee/ Subsidiary Body/ Global Forum	Ongoing/ Time Bound (end-date)	2011 (K EUR)				2012 (K EUR)					
			Total Estimated Cost (TEC)	Part I Budget	CPF	VCs in Hand	New VCs	Total Estimated Cost (TEC)	Part I Budget	CPF	VCs in Hand	New VCs
5.Three to four comprehensive Public Governance Reviews and eight to ten thematic country reviews	PGC, SBO	Ongoing	2 235	135			2 100	2 234	134			2 100
<i>5.1.Public Governance Reviews</i>	PGC	Ongoing	1 000				1 000	1 000				1 000
<i>5.2.Thematic country reviews on budgetary practices, human resource management practices, e-government, Information Society, and integrity</i>	PGC, SBO	Ongoing	1 100				1 100	1 100				1 100
<i>5.3.Analytical framework for comprehensive reviews and identification of strategic policy challenges</i>	PGC	Time Bound Q4 2012	135	135				134	134			
6.Building capacity for public governance in a global perspective : Regional Networks, Indicators and Global Forum on Governance	GFG, PGC, SBO	Ongoing	1 087	337			750	1 384	384			1 000
7.Capacity building, policy analysis and dialogue on public governance in MENA countries	PGC	Time Bound Q4 2012	3 600				3 600	3 600				3 600
<i>7.1.Capacity building, policy analysis and dialogue on public governance in MENA countries</i>												
<ul style="list-style-type: none"> • 2 ministerial meetings • 1 governance indicators report • 1 qualitative report on public governance reform • Thematic handbooks, toolkits, workshops and peer learning studies 	PGC	Time Bound Q4 2012	3 600				3 600	3 600				3 600

Gender Mainstreaming:

Reinforcing gender policies in the MENA region is critical for the political, social and economic empowerment of women and the promotion of good governance. The MENA-OECD Governance Programme takes stock of MENA countries' gender initiatives in public management. The programme explores the extent to which Arab women participate in government decision making, whether reforms have fostered a more gender-balanced environment in public management and whether programmes are considering women's specific needs as beneficiaries of public services and policies. It examines governmental strategies, action programmes and projects to implement i) gender sensitive personnel policies, ii) equal access to public services, iii) gender responsive budgeting, iv) gender screenings for laws and regulations, v) and the use and development of more gender-sensitive indicators and data. To this end, the programme launched in May 2009 a Gender Focus Group, which has addressed the issue in public management through a number of its activities, including the publication of a study on Addressing Gender in Public Management in the MENA region.

As part of the ongoing work on Human Resource Management, the work analyses trends in female employment in the public sector, as well as the share of women at various levels of responsibility in central and local governments. Selective information on equal employment opportunity policies is also being collected. The goal is to create a gender-friendly work environment, with gender-sensitive personnel policies, and ensure equal access to public services and promote gender awareness.