

Unclassified

GOV/PGC/A(2006)3/REV1



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

25-Oct-2006

English - Or. English

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

GOV/PGC/A(2006)3/REV1
Unclassified

PROVISIONAL ANNOTATED AGENDA

**34th Session of the Public Governance Committee
30-31 October 2006
Room C, Château de la Muette, Paris**

This revised provisional annotated agenda is presented to the Committee for adoption at its 34th session.

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JT03216617

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34th Session of the Public Governance Committee
30-31 October 2006

PROVISIONAL ANNOTATED AGENDA

Monday 30th October 2006
34th Session of the Public Governance Committee

Morning session: 10:00 – 13:00

10:00-10:20	1.	Adoption of the agenda	GOV/PGC/A(2006)3
	2.	Opening remarks by the Chair	
	3.	Overview of key developments since the last meeting	GOV/PGC/RD(2006)4

**Special Session of the PGC on
“Ageing populations: Challenges, risks and opportunities for public management”**

10:20-11:05		Overview of the ageing problem	
11:05-11:35		<i>Coffee break</i>	
11:35-12:30		Current responses to the ageing challenge	GOV/PGC(2006)8 GOV/PGC(2006)8/ANN GOV/PGC(2006)13

Afternoon session: 14:30-18:00

14:30-16:00		Current responses to the ageing challenge, <i>continued</i>	
16:00-16:30		<i>Coffee break</i>	
16:30-17:10		Long-term budgeting – can it help government address the ageing problem?	GOV/PGC/SBO(2006)9/FINAL
17:10-17:15		Conclusions by the Chair	

17:15-18:00	4.	Update by the Secretariat on the Programme of Work and Budget situation	GOV/PGC(2006)2/ADD
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18:00 *Cocktail hosted by the Canadian Delegation*

Tuesday 31 October 2006
 34th Session of the Public Governance Committee, *continued*

Morning session: 9:15 – 12:45

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| 9:15-10:00 | 5. Risk management work in 2007/8 | GOV/PGC(2006)11 |
| 10:00-10:30 | 6. Global relations | |
| 10:30-11:00 | <i>Coffee break</i> | |
| 11:00-12:30 | 7. Indicators – presentation of 1 st working paper
“Towards Better Measurement of Government” | GOV/PGC(2006)9
GOV/PGC(2006)10
GOV/PGC(2006)10/ANN1,
ANN2, ANN3 |
| 12:30-12:45 | 8. Presentation of new OECD Committee Information Service | |

Afternoon session: 14:30-18:00

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|-------------|---|---------------------|
| 14:30-16:00 | 9. Administrative simplification and E-government | GOV/PGC/REG(2006)10 |
| 16:00-16:30 | <i>Coffee break</i> | |
| 16:30-17:55 | 10. Performance and results | GOV/PGC/RD(2006)5 |
| 17:55-18:00 | 11. Other business | |

NOTES

Item. 1. Adoption of the agenda

Committee action: Adopt the agenda for the 34th session of the Committee.

Item 3. Overview of key developments since the last PGC meeting

The Director of GOV will provide a brief update of recent key events and developments since the April 2006 Committee meeting.

Special session of the Public Governance Committee on “Ageing populations: A challenge for public management”

As a result of large increases in the ratio of older non-working people to economically active workers, many OECD governments are facing major challenges. They have to reallocate human resources to respond to increased demands for additional staff in the social sectors, and they have to increase productivity due to the fiscal pressures created by an ageing population. Most particularly, they have to address specific challenges within the public service, where workforces are ageing even more rapidly than the rest of society and the wider labour market. An ageing public service workforce increases the fiscal burden because of pension payments while also decreasing the immediate capacity to respond to new ageing challenges.

The public sector in general will have to deliver some productivity improvements, largely because of the age-driven increases in expenditures and the limited fiscal room for manoeuvre which is resulting from the changing ratios of older citizens to active workers. However, they have to make these productivity improvements at the very time when the capacity within the public sector is eroding – for the same reasons connected with ageing.

Overview of the ageing problem – setting the scene

- Introduction by the Directorate for Employment, Labour and Social Affairs on demographics and the implications of ageing for the public sector, especially in terms of reallocation across sectors.

Current responses to the ageing challenge in public management

- Introduction by Elsa Pilichowski on results of OECD report on “The challenges of managing government employees in the context of an ageing population in OECD member countries” [GOV/PGC(2006)8], as well as a report on public sector pensions [GOV/PGC(2006)13].

Questions for discussion:

1. How can countries better assess the scale of the challenge that they face? What are the challenges and opportunities involved in addressing the ageing problem?
2. Can more be done to sensitize senior managers and politicians to the ageing facts and their fiscal and labour market implications?
3. Can more be done to encourage imaginative thinking on increasing productivity in the delivery of public services and decreasing overall costs – and very particularly on taking advantage of the

unique opportunity to restructure provided by the increased number of public servants leaving on retirement?

4. What lessons can be drawn from the ageing challenge for managing future risks and challenges?
5. What risk management strategies could be adopted to effectively address the ageing reality?

The OECD report identifies a range of policies that countries are implementing to respond to the ageing challenge. These policies include management responses as well as efforts to ensure the increase in public sector productivity that an ageing population will require.

Countries are developing different responses to the ageing challenge, including:

- Delaying retirement and improving the capacity of older workers using natural attrition to reallocate human and financial resources across sectors
- Adjusting pay arrangements
- Alternatives to public sector service delivery
- Capacity maintenance and wider labour market issues
- Enhancing public sector productivity
- Country presentations on the different responses to the ageing challenge.

Questions for discussion

How are countries addressing the need:

1. to contain costs and increase productivity in the public service?
 2. to maintain capacity within their HRM strategies?
 3. to reallocate resources according to new priorities, given the changing demographics?
 4. to avoid distorting the wider labour market because of their need to recruit significantly to replace retirees?
- Presentation by Prof. J-M Saussois of the École supérieure de commerce de Paris, reflecting on management responses to the ageing challenge within the public service and, more generally, on how governments address (or not) imminent risks and dangers.

Long-term budgeting – can it help government address the ageing problem?

- Presentation by Barry Anderson on Assessing Fiscal Risks Through Long-Term Budget Projections

Questions for discussion:

1. How much can long-term budgeting help expose the budgetary effects of ageing? What opportunities can long-term budgeting help take advantage of?

2. What impact can increases in economic growth or increases in public sector productivity have on the long-term budget?
3. How can long-term budgeting become a core government process at the centre of better planning for ageing? Has it happened yet? If not, why and how to improve the situation?

Conclusions by the Chair

34th session of the Public Governance Committee, *continued*

Item 4. Update by the Secretariat on the Programme of Work and Budget situation

The Director of GOV will brief the Committee on the current situation concerning the OECD Programme of Work and Budget and implications for the PGC work programme in 2007/8. How co-operation with other organisations such as the European Union can aid in the efficient delivery of the work programme will also be addressed.

Committee Action: The views of the Committee will be sought.

Item 5. Risk management

Under this item the Committee will be invited to discuss how to address this subject in 2007/8, drawing on work already carried out on risk, including discussions at the recent meeting of Senior Officials from Centres of Government in Vienna.

Committee action: Discuss and provide guidance on the 2007/8 activity on risk management.

Item 6. Global relations (Outreach)

Under this item, the Secretariat will briefly update the Committee on:

- the OECD's engagement and enlargement strategy; including potential implications on PGC in its relation with observers.
- MENA activities, including the May Ministerial meeting in Sharm-el-Sheikh and prospects for the further development of this initiative.

Committee action: Discuss the Committee's position on engagement with non-members and consider drafting PGC guidelines on a procedure for engaging with observer countries.

Item 7. Indicators – presentation of the first working paper

The Secretariat has produced the first results of the project on Management in Government: Comparative Country Data:

- A draft of the first working paper, "Towards better measurement of government" [GOV/PGC(2006)10];

- Technical Paper 1: How and Why Should Government Activity be Measured in *Government at a Glance*? [GOV/PGC(2006)10/ANN1];
- Technical Paper 2: Issues in Output Measurement for *Government at a Glance* [GOV/PGC(2006)10/ANN2];
- Technical Paper 3: Issues in Output Measurement for *Government at a Glance* [GOV/PGC(2006)10/ANN3].

A short document [GOV/PGC(2006)9] provides an overview of progress made so far in the project. After a presentation by the Secretariat, Professor Geert Bouckaert of the Catholic University of Leuven will discuss the issue of collecting data on the public sector and the OECD's approach. This will be followed by a discussion.

Questions for discussion:

- Does the Committee agree with the cautious project strategy?

Committee action: Discuss and consider approval of the draft working paper for publication. The Committee is also invited to note the request for a strategic steer concerning areas for future data collection (note form appended to the Progress Report)

Item 8. Presentation of the new OECD Committee Information Service

A member of the Secretariat's Information Technology and Network Services will present the OECD's new Committee Information Service, OIisNext.

The following agenda items concern important priority areas of the current programme for which a significant amount of work has been or is being completed in the working parties. This session provides an opportunity for the Committee to learn about the results of this work.

Item 9. Administrative simplification and e-government

This session will integrate two subjects that are closely linked and on which important work has recently been completed in PGC's subsidiary bodies:

- The Working Party on Regulatory Management has completed and approved a report on national strategies for reducing administrative burdens, updating the 2002 report on cutting red tape. The 2006 report, based on a survey of two-thirds of OECD countries, highlights several issues of wider implication for the public sector, including multi-level and inter-ministerial co-ordination, links to e-government, and regulation inside government. Burden reduction has implications for risk management, as it implies adjusting the respective responsibilities of the public and private sectors, and better communication strategies by government, especially when setting quantitative reduction targets. The report will be published by the end of 2006.
- On 26-27 October, the Network of Senior E-Government Officials met to discuss e-government reviews of Hungary, the Netherlands and Turkey, as well as papers on realising the benefits of e-government and e-government as a tool for transformation. The e-government reviews of the Netherlands and Belgium have found that administrative simplification is a major driver for e-

government initiatives in those two countries, both in terms of using e-government as a tool to achieve administrative simplification objectives and as a way to measure the impact of e-government initiatives on citizens and businesses. The forthcoming OECD report on information sharing as a tool for transformation point out that e-government holds potential not only to simplify the interface between users and governments, but also to eliminate administrative burdens through data reuse and shared services.

Several themes on administrative simplification will be discussed in this session, such as administrative simplification as a lever for broader reform, changing administrative culture towards one of embedded and comprehensive awareness of the various effects of regulation, communicating clearly and professionally with the business community and other target groups, and the effect of regulation inside government. The use of e-government as a tool for administrative simplification, and how these two areas can be linked to help further public sector modernisation, will also be discussed.

After brief reports by the Secretariat, delegates will hear country presentations on the different topics. The floor will then be open to discussion.

Questions for discussion:

- What experiences do countries have in using e-government as a tool for administrative simplification?
- How is administrative simplification and e-government used as a lever for broader public sector transformation of service delivery and administrative cultures?

Committee action: Note and discuss the results of the work on administrative simplification and e-government, and provide input to shaping the next phase of work.

Item 10. Performance and results

The use of performance information continues to evolve, and work carried out under the Senior Budget Officials Working Party has assessed where it currently stands by probing those countries who have been leaders in the use of performance information, looking at what they are doing, what they are not doing, what they have kept and what they have changed over the last several years.

The Secretariat will brief the Committee on the results of the work on Performance and Results, and in particular on the meeting on this topic held in May.

This will be followed by a “tour de table” to highlight, briefly, each country’s knowledge and experience in using performance management.

Questions for discussion

- Do you use performance information when making management or budgeting decisions?
- What aspects of using performance information do you find the most challenging? What improvements are necessary for performance information to be helpful to decision-makers?

Committee action: Note the results of the work on performance and results, and briefly report on each country’s experience with performance management.

Item 11. Other business

Other background documents

- Calendar of meetings 2006 [GOV/PGC(2006)5/REV1]
- Country factsheets [GOV/PGC(2006)12]
- OECD Peer Review of E-Government Policy in Turkey:
Assessments and Proposals for Action [GOV/PGC/EGOV(2006)7]
- OECD Peer Review of E-Government Policy in the Netherlands:
Assessments and Proposals for Action [GOV/PGC/EGOV(2006)8]
- OECD Peer Review of E-Government Policy in Hungary:
Assessments and Proposals for Action [GOV/PGC/EGOV(2006)9]