

Unclassified

GOV/PGC/RD(2006)2

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

04-Apr-2006

English - Or. English

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

GOV/PGC/RD(2006)2
Unclassified

ACTIVITY REPORT 2005-2006

Public Governance Committee Working Parties and Networks

**33rd Session of the Public Governance Committee
6-7 April 2006, Château de la Muette, Paris**

This document is presented to the Committee for information.

For further information, please contact Ms. Andrea Uhrhammer, Executive Secretary of the Committee, Tel + 33 1 45 24 78 32 or Email: andrea.uhrhammer@oecd.org

JT03206959

Document complet disponible sur OLIS dans son format d'origine
Complete document available on OLIS in its original format

English - Or. English

REGULATORY MANAGEMENT AND REFORM

Policy principles and mandates (2005)

The 2005 OECD Guiding Principles on Regulatory Quality and Performance were endorsed by the Special Group on Regulatory Policy in March 2005 and by the OECD Council in April 2005.

In 2005, the SGRP approved the APEC-OECD Integrated Checklist for Regulatory Reform. A first round of self-assessment by APEC economies is underway in 2006.

The Mandate of the SGRP was renewed by Council for five years; the body is now the Group on Regulatory Policy.

Reviews

Country reviews:

Russia (2005), the first non-Member country to receive an OECD regulatory reform review. The SGRP conducted the concluding peer review in March 2005. The Russian delegation was headed by the Deputy Minister of Economy and Trade.

Switzerland (2005). Chapters covering regulatory governance and a framework for high-quality regulation for air transport, rail, postal and telecommunications services were peer-reviewed by the Working Party in September 2005. The concluding peer review of the synthesis report was conducted by the SGRP in December 2005. The State Secretary for Economic Affairs headed the delegation.

Sweden (2006), chapters covering regulatory governance and multi-level issues will be peer-reviewed by the Working Party on 18-19 September 2006. The final peer review, including a new chapter on regulation and environmental policy, will be carried out by the GRP on 7-8 December 2006..

Monitoring exercises:

Korea (2006), chapter on regulatory governance, to be peer-reviewed by the Working Party on 17-18 September 2006. The synthesis report, including a new chapter on regulation and tertiary education, will be peer-reviewed by the GRP on 7-8 December 2006.

Extending the conceptual framework for regulatory reform

SGRP, December 2005: a thematic discussion of regulation of network utilities, including consumer perspectives.

GRP December 2006: a thematic discussion of RIA from the competition, trade and regulatory policy perspectives; a synthesis paper on the public-private interface based on framework papers on regulation and tertiary education, health care facilities, and environmental policy.

Indicators of Regulatory Quality

The dataset of 1998 and 2000 is being updated, and a report will be presented to the Working Party in September 2006.

Analytical reports (Q3, 2006)

Reducing administrative burdens;
 The Red Tape Scoreboard;
 Alternatives to regulation,;

The Red Tape Scoreboard, which corresponds to initiatives in many Member countries, applies the Standard Cost Model to two discrete economic activities in an effort to measure administrative burdens. A manual was prepared, and over a dozen countries are participating in a steering group; 8 countries are carrying out the measurements. In the course of the exercise, countries often realize that their administrative reporting requirements are not clear or consistent. The results will help governments to benchmark, set more ambitious targets, and measure future progress against a baseline.

These reports respond to the evidence that regulatory and administrative burdens have fallen but remain costly and restrictive, even in well-performing countries. They document the shift from ad-hoc efforts and innovative tools to strategic programmes backed politically, with a rolling and forward-looking agenda, and assess consultation from stakeholders and the implications for RIA process.

Outreach:

SEE workshop with trade and investment, Budapest, November 2005.

The Division and the Working Party support Working Group IV of the MENA Initiative (public service delivery, public-private partnerships and regulatory reform). Two meetings of the Working Group (June 2005 and May 2006) and two special meetings of the Working Party (September 2005 and April 2006). The special meetings on regulatory policy of the Working Group have been paired back-to-back with meetings of the OECD Working Party on Regulatory management and Reform, thereby demonstrating the engagement of OECD Member countries with MENA and stimulating an exchange of experiences to strengthen bi-lateral and regional efforts.

A follow-up programme on regulatory reform in Russia responding to specific priorities in the review and proposed by the Russian authorities includes budgeting, the higher levels of the civil service, regulatory institutions for network utilities, and capacity for regulatory impact analysis.

China: chapter on regulatory policy in the Governance in China report (2005), and a project proposal approved by Member countries for a regulatory reform review of China (2006-08).

A first round of self-assessments by APEC economies (United States, Hong Kong China, Chinese Taipei) is underway in 2006.

NETWORK OF SENIOR OFFICIALS FROM CENTRES OF GOVERNMENT

Annual meetings

Governance in the Knowledge Society: Implications for Centres of Government

Lisbon, 20-21 October 2005

Hosted by Mr. Jorge Lacão, Secretary of State, Presidency of the Council of Ministers, Portugal.

Outputs:

- Meeting attended by senior officials responsible for Prime Minister's Offices/ Chancelleries/ President's Offices in 18 OECD countries plus the EC
- A set of 4 discussion papers posted on OLIS prior to meeting to inform debate

Leadership in Managing Risk

Vienna, 28-29 September 2006

Hosted by Mr. Manfred Matzka, Director General, Federal Chancellery, Austria

- Preparations currently underway, including: collection of country factsheets and drafting a set of 4 discussion papers

Interim meetings

Paris, 4 March 2005

Preparatory meeting for 2005 annual meeting, convened by CoG troika and held at OECD

- Meeting aimed to define agenda and key topics for discussion papers.

Expert meetings

Governance and Management of Risk

Helsinki, 17 March 2006

Hosted by Mr. Risto Volanen, State Secretary, Prime Minister's Office, Finland.

- Meeting attended by 24 invited experts (academia, government agencies, private sector, centres of government)
- Provided input for: a) the agenda and discussion papers for 2006 CoG annual meeting on risk management; b) the GOV PWB 2007-8 cross-cutting theme on risk management

Reports

- A comparative analysis of Government Offices in OECD countries (2004) – posted on OLIS [PGC/MPM/RD(2004)1]
- A decade of decision-making: Annual Meetings of Senior Officials from Centres of Government from OECD Countries (1995-2004) – online publication of the full set of discussion papers prepared for 10 annual CoG meetings available on OECD website
- The structure and functions of the Ministry of the President (or equivalent organisation) in RIMPE member countries (September 2005) [Iberoamerican Network of Ministers of the Presidency and Equivalentents – RIMPE].

Outreach

Meeting of Iberoamerican Network of Ministers of the Presidency and Equivalentents (RIMPE)

Mexico City, 26-28 September 2005

Hosted by Dr. Eduardo Sojo, Head of the Public Policy Unit, President's Office, Mexico

- Presentation of a report on The structure and functions of the Ministry of the President (or equivalent organisation) in RIMPE member countries in the presence of 22 Iberoamerican countries

Future CoG activities

- 2007 – Switzerland “Managing the interface: politicians, civil servants and citizens”
- 2008 annual meeting – host and topic still to be decided

OECD EXPERT GROUP ON CONFLICT OF INTEREST

2005-2006 Meetings

Conflict of Interest

26-27 January 2006 Expert meeting on Managing Conflict of Interest in the Public Service

Procurement

20-21 June 2005 *Ad hoc* expert meeting on Preventing Corruption and Promoting Integrity in
Public Procurement
21-22 September 2006 Symposium on Promoting Integrity in through Transparency and
Accountability in Public Procurement

Outreach

May 2005 Global Forum on Governance in Seoul
June 2005 Global Forum on Fighting Corruption and Promoting Integrity, Brasilia
September 2005 APEC Anti-corruption and Transparency Forum, Seoul
July 2005 MENA WG1 Workshop, Rabat
November 2005 SPAI Seminar on implementing conflict of interest laws, Belgrade

Outputs

2005

- Fighting Corruption and Promoting Integrity in Public Procurement (jointly with DAF and DCD)
- OECD Papers:
 - Transparency and Accountability as Tools for Promoting Integrity and Preventing Corruption in Procurement: Possibilities and Limitations
 - Good Governance for Public procurement: Linking Islands of Integrity
 - Transparency in Public E-Procurement: The Italian Perspective
- Public Sector Integrity: A Framework for Assessment
- Managing Conflict of Interest: A Toolkit
- Policy Brief on Managing Conflict of Interest

2006

- Conflict of interest: Progress Report (3Q 2006)

2007

- Public Procurement: Operational Guide (joint with DAF and DCD 1Q 2007)

Priorities for 2007-2008

- Integrity in public service: developing credible data:
 - Agreed methodology for developing comparable database on level of integrity and corruption resistance and a framework for collecting data on these two key aspects in public organizations.
- Risk areas: Post-public employment and lobbying
 - Handbook on effective measures to avoid conflict of interest after leaving public office.
 - Principles on lobbying to support governance arrangements for transparency and accountability in lobbying
- Enhancing transparency by new technologies in public procurement (e-procurement), requires VCs

OECD NETWORK OF SENIOR E-GOVERNMENT OFFICIALS

2005-06 activities

In 2005-06, the substantive work on e-government has been developed by the OECD Network of Senior E-Government Officials, under the overall guidance of the PGC. The Network is an *ad hoc* group made up of representatives from member countries with responsibilities for their national e-government initiatives. The group:

1. identifies upcoming challenges and opportunities in the area of e-government through informal discussion;
2. brings together country experiences and lessons on e-government strategy and implementation through case studies and presentations;
3. improves the quality and impact of the OECD e-government programme of work by providing a forum for the discussion of national OECD e-government reviews and other analytical products.

Topics and outputs

- This group met in **March 2005** to discuss on-going work on the *business case for e-government* and *country reviews of Norway, Mexico and Denmark*. Many of the members of the Network also contributed to a discussion of the lessons learned in the draft publication, *e-Government for Better Government* as part of the PGC symposium which was held back-to-back with the Network meeting.
- The next meeting of the Network is planned for Fall 2006 to examine the contribution of electronic datasharing to government transformation and to discuss country reviews of Turkey, Hungary, and the Netherlands.
- The Network has also sent representatives to meet at an expert level, including :
 - 1) *an expert seminar on e-Government for Better Government* which took place with academics and country representatives in **January 2005** in co-operation with the European Institute of Public Administration (EIPA); and
 - 2) an expert seminar on the cost and benefit analysis of e-government in February 2006 which looked at benefit realisation methodologies and collecting business case indicators. Given sufficient resources from voluntary contributions, a follow-up meeting will be proposed in Fall 2006 on the business case for shared services (e.g. PKI and authentication infrastructure).

2007-08 Priorities

For 2007-08, the Network has expressed priorities in the areas of measuring and improving take-up of e-government services and understanding the transformation of public administrations, in particular in terms of the relationships across levels of government.

Country reviews will also continue to be a key mechanism for in-depth learning of country experiences. Continued discussions of the reviews by this Network will further add to their legitimacy and

quality. The Group will also look at what lessons can be learned for the community of OECD countries as a whole through the identification of key themes in each review.

In order to deliver useful outputs in these areas, the PGC will need to look at how to best institutionalize this Network in order to stabilize the work programme and to best take advantage of its strategic and future- and innovation-oriented perspective. The benefit will not only be an improved understanding of the role and potential of e-government, but also how it interacts with and contributes to the modernization agenda.

**HUMAN RESOURCES MANAGEMENT WORKING PARTY
(to be renamed Public Employment and Management Working Party)**

In 2005, the HRMWP was at a crossroads, closed a number of projects and opened new ones: It delivered the following products:

Performance related pay for government employees, a full OECD publication reviewing performance related pay policies for central government employees in 30 OECD countries.

In addition the working party opened four new major areas of work that will be fully delivered by the end of 2006 or the beginning of 2007:

- A new methodology to gather statistically significant comparative data on public employment. This methodology builds on the financial classification of the Systems of National Accounts.
- A new human resource management survey which will look at both national government level and will start looking at local government level (but from a central government perspective). The survey has been pre-filled for all countries with responses from previous questionnaires.
- Two projects on “The challenges of managing government employees in the context of an ageing population” and “Public sector pensions schemes in OECD member countries: Challenges and perspectives” that will result in full publication in 2006.

In addition, the Working Party has determined that it will publish the results of its biannual work in a publication on “The State of the public service” (working title). This publication will gather the analysis of the new data gathered as well as summaries of the conclusions of thematic studies.

Finally, the Working Party has undertaken some new work funded by voluntary contributions:

- a study on delegated pay bargaining
- a review of Government human resource management in Belgium.

In the future, the HRMWP has decided that it would focus its work on three broad areas:

- *Regular monitoring* of developments in total public employment and in human resource management approaches that will feed into the update of the publication on “The State of the Public Service” and the GOV project on indicators. (see below)
- Studies in balancing flexibility with cohesion that will lead to the reports on "improving staff performance management: and "managing policy change". (see below)
- *Peer reviews* (similar to Budget reviews undertaken for the OECD Network of Senior Budget Officials) could provide added value for senior practitioners through structured discussions with staff with comparable responsibilities in other similar settings.

In the future work programs for 2007/2008, it is envisaged that the new areas of work will continue and focus more particularly on the following:

- Reports on improving staff performance management:

1. Choices of contractual arrangements for very senior civil servants
 2. Ensuring merit in politically-appointed staff (joint activity with promoting integrity and preventing corruption)
 3. Co-ordinating HRM policies across levels of government
- Report on managing policy change (would contribute to the cross-cutting issue on open and inclusive policy-making):
 1. Managing management reforms: sequencing and pacing change from the centre.
 2. Changing pay negotiation structures and practices
 3. Managing service delivery changes in the context of an ageing population
 - Update of the publication on “The State of the Public Service” (will contribute to the cross-cutting activity on Comparative country data):
 1. New and updated data and information on human resources management and employment
 2. Analysis of emerging issues
 - Peer reviews on human resource management

WORKING PARTY OF SENIOR BUDGET OFFICIALS (SBO)

Chairman: Mr. Ian Watt

Permanent Secretary, Department of Finance, Australia

Mission *“To promote sustainable fiscal policy in Member countries and globally.”*

- Meetings**
- **Annual Meeting of SBO**, 30-31 May 2005 & 5-6 June 2006 (Sydney)
 - **Annual Meeting of SBO Network on Financial Management**, 28 February - 1 March 2005 & 6-7 March 2006
 - **Annual Meeting of SBO Network on Performance and Results**, 21-22 April 2005 & 2-3 May 2006
 - **Annual Meeting of Regional SBO Network for Eastern Europe**, 16-17 February 2006 (Ljubljana)
 - **Annual Meeting of Regional SBO Network for Latin America**, 24-27 January 2005 (Santiago) and 24-27 January 2006 (Santiago)
 - **Annual Meeting of Regional SBO Network for Asia**, 15-16 December 2005 (Bangkok)
 - **Symposium on the Use of Market-Type Mechanisms in the Provision of Public Services**, 3-4 March 2005
 - **Seminar on Accountability and Control**, 22-23 June 2005 (Madrid)
 - **Seminar on Top-Down Budgeting**, 14-15 November 2005
 - **Seminar on Agencies and Public-Private Partnerships**, 5-7 July 2006 (Madrid)

- Activities**
- **Comparative analysis:** Sustainable Budget Policy – Concepts and Approaches; Performance Information in the Budget Process; Accrual Accounting and Budgeting Practices; Outsourcing, Public-Private Partnerships and Vouchers; Organic Budget Laws; Fiscal Relations Across Levels of Government
 - **Country reviews:** Switzerland, Norway, Hungary, People’s Republic of China, Croatia, Georgia, Thailand, Singapore
 - **Database:** Regular updating and enhancements to the OECD Budgeting Database

(All reports are published in the quarterly *OECD Journal on Budgeting*)

- Future Directions**
- To focus on long-term budget issues and develop mechanisms to prevent, minimise and manage the inherent fiscal risks.