

**POGAR**



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# **Good Public Governance for Development in the Middle East and North Africa (MENA)**

## **Agenda**

**Istanbul, 10-11 February 2004**

**Hotel Dedeman  
Yildiz Posta Caddesi No. 50  
Estentepe  
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**In co-operation with the Istanbul Centre for Private Sector Development**

**Objective:**

The meeting aims to expand and deepen engagement of countries and international organisations in the launching of an initiative on Good Public Governance for Development in the Middle East and North Africa (MENA). The initiative is envisaged to form part of an overall OECD MENA programme in support of economic growth, employment and development in the region. Expected outputs of the Istanbul meeting are to

- identify the specific substantive areas for dialogue
- exchange of experiences between MENA countries and OECD countries
- develop a road map for further action
- discuss potential working methods of the MENA initiative.

**Background:**

The Istanbul meeting is a follow-up to a workshop organized by UNDP in collaboration with OECD in Beirut, 23/24 October, 2003. The purpose of that workshop was to initialise the exploration and development of an agenda for greater engagement of MENA countries in a potential OECD/UNDP initiative on Promoting Public Governance for Development.

The central result of the Beirut meeting was the participants' interest in carrying forward this process. To this end it was recommended that for the next 6 months working/focus groups would further develop an agenda of key work areas and work plans in three categories:

1. Reform of Public administration, modernization of the state (internal accountability)
2. Citizen government relations, Parliaments, Civil Society (external accountability)
3. Private sector development, international and local investment

A further preparatory meeting of in Istanbul in early February 2004, was considered necessary in order to broaden participation and help start developing a proposal for a project plan covering a two to three year time frame (for more detailed reporting on the Beirut meeting see "background" on page 5).

**Participants to the public governance meeting:**

Participants at the Istanbul meeting will be officials as well as independent experts from the MENA region, OECD countries, non-member countries and key international and regional institutions (World Bank, European Commission, Arab League, etc.).

**Meeting structure:**

The meeting will be organised around a two-day plenary with 5 sessions:

- Session 1: Good Governance as driver for investment, growth and job creation
- Session 2: Accountability and Transparency as key principles for public sector reform
- Session 3: Monitoring to improve policy performance and to prevent corruption
- Session 4: Partnership for private sector development
- Session 5: Road-map for future action

In order to further maximise the value added of the event, there will be an occasion for contacts among the organizers, chairs and speakers at the welcome reception on February 9th.

**Social Events:**

Monday: Welcome reception 7.30 p.m. in the Hotel Dedeman

Tuesday: A joint reception for the members of the good governance meeting and a parallel OECD meeting on investment in the region, 7.30 p.m. in the Swissôtel, Bosphorus. A bus will be organised from the Hotel Dedeman leaving at 6.45 p.m.

Wednesday: Farewell, 7 p.m. in the Hotel Dedeman

## **Monday, 9 February, 2004**

**19:30 Welcome reception, Hotel Dedeman, Istanbul**

## **Tuesday, 10 February, 2004**

**Morning Session: 9:30 – 13:00**

**9:30 – 12:00 Session 1: Good Public Governance as driver for investment, growth and job creation:**

**Co-Chairs:**

- Mr. Richard Hecklinger, Deputy Secretary-General, OECD
- Mr. Rachid Hoteit, President, Auditing Court, Lebanon
- Dr. Ömer Dinçer, Undersecretary of State, Prime Ministry, Turkey

**Introductory Remarks:**

- Dr. Ömer Dinçer, Undersecretary of State, Prime Ministry, Turkey
- Mr. Richard Hecklinger, Deputy Secretary-General, OECD
- Mr. Rachid Hoteit, President, Auditing Court, Lebanon
- Mr. Adel Abdellatif, Regional Co-ordinator of the UNDP-Programme on Governance in the Arab region (POGAR), UNDP

**10:45 – 11:15 Coffee break**

**11:15 – 12:00 Discussion**

**13:00 – 17:30 Session 2: Accountability and Transparency as key principles for public sector reform:**

**Co-Chairs:**

- Mr. Anis Birrou, Secretary General, Ministry of Public Sector Modernisation, Morocco
- Mr. Mario Garcés Sanagustin, Prime Ministry's Cabinet, Professor of Administrative Law at the University Carlos III (Madrid), Spain

Trends and recent innovations in Public Sector Reform in OECD and MENA countries with particular emphasis on:

- Professional Civil Service
- Management of Conflicts of Interest
- Administrative Simplification and Regulatory reform
- Budgeting for Performance
- Procurement
- E-government
- Decentralisation and Deconcentration

The Session will be structured around three rounds of brief presentations/case studies and following discussions.

## **Objective and Approach of Session 2**

Brief presentations (8 minutes maximum) to set out priority issues of policy concern in order to contribute to a joint needs assessment on those thematic areas where policy dialogue would be beneficial. In the framework of the potential MENA initiative questions for discussion are:

Session-specific:

- Which is the overall strategy for reform design and implementation?
- What are the core current and future themes/elements for public sector reform in the MENA region?

Cross-cutting:

- Is reform action targeting legal changes, institutional changes or improvement of capacity to implement legal (and institutional) changes?
- To what extent have present reforms led to measurable and sustainable results?
- How can the sequencing and co-ordination of different initiatives, policies and programmes be enhanced?
- How to prioritise policy areas? Which of these elements are priority items in the framework of a potential OECD/UNDP Good governance initiative in the coming 2/3 years?

**12:00 – 13:00 Session 2: Round 1: Accountability and Transparency as key principles for public sector reform:**

**Brief presentations and case studies from:** Mr. Mestassi (Morocco), Mr. Czaputowicz (Poland), Mr. Iskandar (Lebanon), Mr. Sousa Rego (Portugal), Mr. Dincer (Turkey): **followed by discussion.**

**13:00 – 14:00 Lunch**

**Afternoon Session: 14:00 – 17:45**

**14:00 – 15:45 Session 2: Round 2: Accountability and Transparency as key principles for public sector reform:**

**Brief presentations and case studies from:** Mr. Birrou (Morocco), Mr. Petit (France), Mr. El-Sayyed (Egypt), Mr. Bauer (Austria), Mrs. Barrazoni (Italy), Mr. Trnka (Czech Republic): **followed by discussion.**

**15:45 – 16:15 Coffee break**

**16:15 – 17:30 Session 2: Round 3: Accountability and Transparency as key principles for public sector reform:**

**Brief presentations and case studies from:** Mr. Sarkis (Lebanon), Mr. Bertok (OECD), Mr. Benhamou (France), Mr. Hannoush (Syria): **followed by discussion.**

**17:30 – 17:45 Rapporteurs:**

- Mr. Adel Abdellatif, Regional Co-ordinator of the UNDP-Programme on Governance in the Arab region (POGAR), UNDP
- Mrs. Odile Sallard, Director, Public Governance and Territorial Development, OECD.

A **joint reception** for the members of the good governance meeting and a parallel OECD meeting on investment in the region will take place at 7.30 p.m. in the **Swissôtel**, Bosphorus. A bus will be available leaving from the Hotel Dedeman at 6.45 p.m.

Mr. Richard Hecklinger, Deputy Secretary-General, OECD, will give welcoming remarks at this reception.

## **Wednesday, 11 February, 2004**

### **Morning Session: 9:00 – 13:00**

#### **Co-Chairs:**

- Dr. Jacek Czaputowicz, Deputy Head of Civil Service, Office of Civil Service, Poland
- Mr. Fouad Shaker, Secretary-General, Union of Arab Banks, Lebanon

### **9:00 – 11:00 Session 3: Monitoring to improve policy performance and prevent corruption**

Evaluation and monitoring of policies can be a powerful instrument for introducing change. The session will look at monitoring techniques and institutions.

- Control of Public Agencies and Financial Management: Overview on differing models in OECD and MENA countries.
- Judicial and non-judicial Supervision: The role of the court system, prosecutors, ombudsman, special committees and parliamentary commissions: Recent Initiatives in OECD and MENA countries

**Brief presentations and case studies from:** Mr. Hoteit (Lebanon), Mr. Al-Khazaaila (Jordan), Mr. Dounia (Morocco), Mr. Petit (France), Mr. Bertok (OECD) : **followed by discussion.**

Presentations on selected good governance projects:

- UNDP-POGAR/UNDESA survey on “Transparency and Accountability in the Arab Region”
- UNDP-POGAR/UNDP comparative Arab data base on law and regulation pertaining to accountability and financial control, presented by Mr. Wassim Harb, President, Arab Centre for the Development of the Rule of Law, Lebanon.

#### **Objective and Approach of Session 3**

Brief presentations (8 minutes maximum) to set out priority issues of policy concern in order to contribute to a joint needs assessment on those thematic areas where policy dialogue would be beneficial. In the framework of the potential MENA initiative questions for discussion are:

Session-specific:

- What are the core current and future themes/elements for public sector reform in the area of monitoring in the MENA region?
- Is ex-post monitoring an effective driver for reform? What are the conditions for successful reviews and changes in policy design? What is the relationship with ex-ante monitoring?

Cross-cutting:

- Is reform action targeting legal changes, institutional changes or improvement of capacity to implement legal (and institutional) changes?
- To what extent have present reforms led to measurable and sustainable results?
- How the sequencing and co-ordination of different initiatives, policies and programmes can be enhanced?
- How to prioritise policy areas? Which of these elements are priority items in the framework of a potential OECD/UNDP Good governance initiative in the coming 2/3 years?

**11:00 – 11:15 Coffee break**

**11:15 – 12:45 Session 4: Partnership for private sector development**

New approaches for government to co-operate more closely with the private sector and civil society are recognised important conditions for a successful design and implementation of reform programmes targeting better growth performance and social development. Examples from OECD and MENA countries with a particular emphasis on

- Policies and Instruments to promote private sector participation and partnerships in promoting good governance.
- Tools and Policies for information, consultation and public participation in policy-making
- Local governance to promote private sector competitiveness

**Brief presentations and case studies from:** Mr. Charles Adwan (Lebanon), Mr. Shaker (Union of Arab Banks), Mr. Sakijha (Jordan), Mr. Soual (Morocco), Mr. Zeinal (Bahrain), Mr. Chaibainou (Morocco), Mr. Luna (US), Mr. Forst (OECD), Mr. Keith Henderson (UNDP): **followed by discussion.**

**Objective and Approach of Session 4**

Brief presentations (8 minutes maximum) to set out priority issues of policy concern in order to contribute to a joint needs assessment on those thematic areas where policy dialogue would be beneficial. In the framework of the potential MENA initiative questions for discussion are:

Session-specific:

- What are the core current and future themes/elements in the area of partnership for better policy formulation and implementation?
- How good local governance can contribute to private sector development? What are the main tools that can be successful in the context of MENA countries?

Cross-cutting:

- Is reform action targeting legal changes, institutional changes or improvement of capacity to implement legal (and institutional) changes?
- To what extent have present reforms led to measurable and sustainable results?
- How the sequencing and co-ordination of different initiatives, policies and programmes can be enhanced?
- How to prioritise policy areas? Which of these elements are priority items in the framework of a potential OECD/UNDP Good governance initiative in the coming 2/3 years?

**12:45 – 13:00 Rapporteurs Session 3 and 4:**

- Mr. Jean-Loup Petit, Manager, Delegation for the modernisation of public management and public institutions, France
- Mr. Mohamed El-Shafei Hassan El-Sayyed, Agency for Administrative Control, Egypt

**13:00 – 14:15 Lunch**

**Afternoon Session: 14:15 – 16:00**

**Session 5: Road-map for future action**

**Co-Chairs:**

- His Excellency Mr. Salah el Din el Beshir, Minister of Justice and Minister of State for Prime Ministry Affairs, Jordan.
- José Maria Sousa Rêgo, Secretary-General, Presidency of the Council of Ministers, Portugal.

**Panel:**

- H.E. Mr. George Corm, Former Minister of Finance, Lebanon
- H.E. Ambassador Francesco Olivieri, Permanent Representative of Italy to the OECD, Chairman of the Committee on Co-operation with Non-Members
- Mr. Anis Birrou, Secretary General, Ministry of Public Sector Modernisation, Morocco
- Mr. David Luna, Director of Anti-Crime Programmes Division, US State Department
- Mr. Hosni Ismail Mohamad Ali, Administrative Control Agency, Egypt
- Mrs. Axelle Nicaise, DG External Relations, Middle East and North Africa, European Commission, Brussels
- Mr. Edouard Al-Dahdah, World Bank Institute

**The Panel discussion will focus in particular on:**

- Which are the priority items for joint policy dialogue among OECD and MENA countries? How to prioritise them?
- How best to conduct the policy dialogue and exchange of experiences in the framework of the potential MENA initiative?
- What is the proposed road map for the OECD/UNDP initiative?

**16:00 – 16:30 Rapporteurs:**

- Adel Abdellatif, Regional Co-ordinator of the UNDP-Programme on Governance in the Arab region (POGAR), UNDP
- Rolf Alter, Deputy Director, Public Governance and Territorial Development, OECD

**16:30 Meeting closure**

**19.00 Farewell in the Hotel Dedeman**

## **Background to the activity on Good Public Governance for Development:**

Recent studies have revealed that good public governance is one of the key drivers for economic growth, development, and prosperity. It is recognized that improving a country's overall governance climate, including by strengthening the rule of law and accountability systems, is critical for stimulating local entrepreneurship, job creation, trade and inflows of international investment and capital.

### **What is the importance of public governance for economic development in the region?**

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

### **Exploring an OECD/UNDP-supported activity on good public governance in the MENA region**

UNDP in collaboration with OECD had organised a meeting in Beirut, 23/24 October, 2003, to start exploring and developing an agenda for greater engagement of MENA countries in a potential OECD/UNDP Initiative on Promoting Governance for Development.

The meeting which was initially planned as a low key, informal event to scope interest among MENA countries, turned out as a first step towards government buy-in, at least from some countries. UNDP managed to attract a well balanced group of 40 participants from 11 Arab countries coming from

- Administrative Reform or Control Agencies (Egypt, Lebanon, Tunisia),
- National Commission against Corruption (Jordan),
- Judiciary/Attorney General (Kuwait, Yemen),
- Parliaments/National Councils (Bahrain, Saudi Arabia, United Arab Emirates)
- Civil Society/NGOs/Academia (Algeria, Jordan, Syria) and
- Several institutions of Lebanon lead by the Minister of State for Administrative Reform, and members of the judiciary, parliament and civil society, such as the Executive Director of the local TI chapter.

The meeting created strong media interest and was well covered by several TV channels in Lebanon as well as local newspapers.

### **Discussions at the Beirut meeting**

The meeting was organized around three thematic sessions (I Legal aspects of transparency and accountability, II Institutional aspects of transparency and accountability, III Private sector/investment and transparency and accountability), each of them chaired by an expert of the region. In the first session OECD staff provided an overview on OECD's work in the areas of integrity and corruption prevention, regulatory reform, public sector modernisation, investment promotion and other related matters.

Throughout the 1 1/2 days,

- there was a remarkably open exchange of views, among the officials, members of parliament, academics and Civil Society representatives. Participants from the region were impressed by the OECD working methods, (open dialogue, country comparisons, peer pressure, etc.) which were seen as highly appropriate to tackle the challenges of the region.
- External pressures were seen as positive and helpful as long as not linked to financial conditionality or to the imposition of a single model. The OECD multilateral approach appears to be welcome in the region.
- Actors from the region are becoming aware of the cost of corruption, as a major obstacle to development, local and international investment and job creation.
- Lack of implementation of legal provisions was seen as a particular bottleneck for progress.
- There was an agreement that the fight against corruption would need to be placed in the wider framework of creating reliable government institutions and predictable decision-making by promoting transparency and accountability, and efforts to broad-based government modernization. Participants highlighted that at present most of the policy efforts went into sanctioning corruption, but agreed that preventing corruption within a broad effort of public governance reform would yield much better results.
- Building partnerships with the business was considered essential in particular through consultation and participation of their representatives in the policy formulation and implementation, use of new technologies, Freedom of Information legislation, public procurement etc.
- The Lebanese Minister for administrative reform highlighted the importance of a broad based approach to improving good governance through modernization of the state, improving civil society and strengthening free media as well as partnership with the private sector. Within this context he spelled out the particular importance of addressing conflicts of interest, as well as E-government and the need for transparency in the public budgeting process. He invited OECD and UNDP explicitly to pursue their efforts and stressed the need for an initiative of policy dialogue including administrative reform.

The final conclusions by UNDP as the meeting's host brought forward a detailed list of recommendations, further specifying the above mentioned key messages and lessons.

### **Emerging Demand for an OECD/UNDP supported initiative**

The meeting revealed a broad interest in policy dialogue on the subject of integrity, accountability and public and private governance. At the same time OECD and UNDP are perceived as well placed to provide a platform for this dialogue in the specific situation of the region.

Regional organizations, like ARADO (Arab Administrative Development Organization), related to the Arab League, pointed out their interest in the initiative and proposed to help formulate detailed priority areas that could be integrated in the work plan. Similarly, the Union of Arab Banks (co-sponsor of the meeting) as well as the Arab Lawyers Union expressed their wish to continue their participation in the initiative.

Participants stressed the importance of the OECD/UNDP partnership as secretariat to the initiative, as the complementary relation between the two organizations was seen as strong value added and key to success. The World Bank, which participated as observer in this meeting, stated that it was ready to participate with OECD and UNDP further in this initiative.

Participants supported the recommendations proposed by UNDP on how to carry the process forward. For the next 6 months working/focus groups would thereby concentrate on further developing an agenda of key work areas and work plans in their fields of interest:

- 1 Reform of Public administration, modernization of the state (internal accountability)
- 2 Citizen/Government relations, Parliaments, Civil Society (external accountability)
- 3 Private sector development, Corporate Governance, international and local investment

An intermediate meeting of these 3 working/focus groups, in Istanbul in early February 2004, would consolidate work and help start developing a proposal for a project plan for a 2 years time frame. It would also include suggestions for the division of responsibilities between different national and international actors. The work of the groups would contribute to further government buy-in into the initiative and would also provide the opportunity for interested OECD member countries to become part of the preparatory phase.