

## LAC MIC Governance and Public Management Partnership

<b>Bank Contact:</b>	Ana Bellver / 202- 458-9721; Jeffrey Rinne / 202- 458-9300
<b>Responsible Sector and Bank Unit:</b>	LCSPS - PREM
<b>Recipient Agency:</b>	Institute for Economic and Social Planning ( <i>Instituto Latinoamericano y del Caribe de Planificación Económica y Social</i> (ILPES) of CEPAL (UN Economic Commission for Latin America and the Caribbean)
<b>Web Address:</b>	www.eclac.cl/ilpes
<b>Financial Arrangements for FY09 (Amount in US \$ Million)</b>	
<b>Total Budget:</b>	3.95
<b>DGF Funding Request:</b>	0.30
<b>DGF Percentage:</b>	8%
<b>Objectives and Expected Outcomes</b>	
<p>The objectives of the proposal are to: i) enrich the policy dialogue among governments, the donor community and non-governmental actors to identify public sector reform priorities, concrete reform steps, and metrics to track changes over time; ii) establish long-term partnerships between key government agencies in the region and their counterparts in OECD countries; and iii) facilitate peer-to-peer technical assistance between LAC and OECD practitioners. (NB: Mexico is an OECD member but for purposes of this proposal in the group of LAC MICs.).</p>	
<b>Main Components</b>	
<p>The Partnership has three components.</p> <p><b>Component 1 - Comparative Public Sector Indicators:</b> Indicators will be agreed and collected to benchmark the structure and performance of government bureaucracies in the region. These indicators will offer improved points of entry for dialogue between local, national, and regional actors concerning appropriate steps to improve public sector performance. They also may be used to promote accountability and track changes over time. This component will be led by an Advisory Group established to: i) agree common definitions for these cross-national comparative indicators; ii) support the data collection effort; and iii) provide quality control.</p> <p><b>Component 2 - Networks of Practitioners:</b> This component will strengthen existing networks in the LAC region in select public sector management (PSM) areas, and will promote collaboration with similar OECD networks to share experiences of reform implementation and identify good practices.</p> <p><b>Component 3 - OECD-LAC Peer-to-peer Technical Assistance:</b> Government agencies will be provided with just-in-time peer-to-peer technical assistance from counterpart agencies in OECD countries. The Partnership will assist LAC countries to formulate TA requests, identify relevant counterparts at the OECD, and facilitate the delivery of the TA activity. The Partnership will cover <i>only</i> associated travel expenses, not staff or consultant time. A logical extension of the Partnership will be to facilitate some peer-to-peer TA between the more developed middle-income countries in LAC and the less-developed countries in the region.</p>	
<b>Performance Indicators</b>	
<p><b>1) Comparative PSM indicators have been developed and are being used</b>  (i) Number of page visits on "Comparative Public Sector Management Indicators" website, (ii) Number of references to "comparative indicators" data in government and NGO policy papers, and (iii) Comparative indicators used in World Bank project designs, including to track reform progress.</p> <p><b>2) Networks of Practitioners are operating in at least three core PSM areas</b></p>	

(i) OECD-LAC Practitioner Networks established in three PSM areas, (ii) three Practitioner Networks communicate on a regular basis, have developed action plans, and are implementing those plans.

**3) Peer-to-peer technical assistance under the Partnership is offered in at least three core PSM areas.**

(i) LAC MIC Partnership interactive website is fully operational, with a roster of OECD models and practitioners available to client countries, (ii) a minimum of 500 person days of technical assistance activities provided, and (iii) the Partnership is evaluated as an effective peer-to-peer learning instrument by participants and independent evaluators.

### Progress and Achievements

N/A

### Partners

Ultimately, the Partnership will become the responsibility of the member countries. This proposal will engage our clients in the region to establish a Partnership with OECD countries. The Partnership will also bring together key organizations that currently support PSM and capacity-building activities in the region (DFID, the Spanish Cooperation Agency (AECI), the OECD Secretariat and CEPAL). Other potential partners are: US Treasury, IMF, the European Commission, and the development agencies of Norway, Sweden, Netherlands, and France. It is expected that discussion of the Partnership will promote a dialogue among development partners and clients on PSM priorities in the region, trends, and how to meet future demand. The Partnership will also strengthen relationships with existing PSM networks in the region (*inter alia*, INTOSAI, OLASEF, *Cumbre Judicial Iberoamericana*, CLAD, *Red Iberoamericana en Descentralización*) and promote collaboration with similar OECD networks. Existing regional networks facilitate knowledge-sharing among their members but do not have instruments to support peer-to-peer technical assistance. The proposed Partnership will complement their network activities and provide an opportunity to take peer engagement to a higher level.

### Governance and Management

A Steering Committee will be established to govern the Partnership. The Committee will include country representatives from recipient and donor countries, as well as members from the OECD Secretariat, the UN Economic Commission for Latin America and the Caribbean, and the World Bank. The Committee will meet twice a year and will decide annually on a work program for the Secretariat. The Institute for Economic and Social Planning (ILPES) of CEPAL will serve as Secretariat to manage the Partnership. CEPAL is a UN organization based in Chile with a record of achievement in public sector management in the region and experience in South-to-South cooperation. An Indicator Advisory Group also will be established, with members drawn from organizations with an established history of working in the field of public sector governance and Latin America, including both regional and national actors, nongovernmental and government officials.

### Exit Strategy

Ultimately, the Partnership will become the responsibility of the member countries. The role of the Bank is to initiate the creation of the Partnership and to engage countries in a process that they will eventually run on their own. Initially, the Bank will play a key role in preparing the Business Plan and facilitating agreement among key development partners, OECD countries, and potential LAC clients about the institutional and governance arrangements for the Partnership. Similarly, the Bank will take the lead in establishing the necessary legal agreements for the Partnership among the partners, as well as creating an associated Trust Fund to receive cash contributions to finance operational expenses for delivery of TA, developing the indicators, and promoting related network-strengthening activities. DGF funding will be critical to cover the costs associated with establishing the Partnership, gathering support from different partners and meeting the operating costs during the initial phase. However, the Bank's direct role will diminish over the three-year period of the grant. Over time, following the creation of sustainable partnerships, it is anticipated that the Partnership would become self-financing based on contributions from member countries.