

Focus

Public Management Gazette Number Ten

This newsletter is prepared by the Public Management Service (PUMA) with the guidance of the Public Management Committee of the OECD. It appears quarterly: March, June, September, December.

Budgeting practices in Sweden

In the late 1980s, Sweden enjoyed the largest budget surpluses of any Member country. Then, in the early 1990s it moved to having the largest budget deficits. This spectacular deterioration was followed by full recovery. Now, in the late 1990s, the budget has been brought back into balance.

The Swedish authorities believe that the budget process itself contributed significantly to the deterioration of public finances. They introduced significant reforms to the budget formulation process, to the role of Parliament in the budget process, and to the implementation of the budget. This transformation has been comprehensive and rapid.

However, the true test of the new arrangements will come as the crisis atmosphere fades.

In its first country survey of budgeting practices, PUMA looked at budgeting in Sweden. (The report is available on the Web at <http://www.oecd.org/puma/mgmtres/budget/pubs/bs98/sweden.htm>.) Such country reviews provide an analysis of the budget process in one country and offer an opportunity for other countries to consider and learn from the country's experiences.

The budget process affects economic results

Sound budget management is important for the general economic climate. Public sector budgets -- through policy decisions about what gets funded and through implementation decisions about how the policies are delivered -- have an impact on individual decisions and behaviours in the household, non-profit, private and public sectors. Poor policies and poor implementation can distort decisions and impose unnecessary costs on economic activity.

Dr. Hans Reckers, Director of the Budget, Germany
Chair of the meeting of Senior Budget Officials

The 19th annual meeting of Senior Budget Officials was held on 25-26 May 1998. All 29 OECD Member countries participated with representatives from capitals, generally at the level of budget director or deputy budget director. Brazil and Chile took part as observers, and the International Monetary Fund (IMF) and the European Commission were also represented. Discussions centred on the topics outlined below.

Refining budgetary systems

The structure of the budget process strongly influences budgetary results, and therefore the success of fiscal policy. Reflecting this, countries are refining their budgetary systems. Some broad directions are as follows:

- greater focus on direction-setting, rather than using the budget as a tool to micro-manage inputs;
- balancing this devolution by an increased use of performance or output-based information; and
- shifting to a more multi-year focus -- at least two years following the budget year.

Role of the legislature

The legislature is taking a more active role in the process. This improves the

quality of budget discussions, particularly in four areas:

- the introduction of fiscal policy statements whereby the legislature discusses aggregate levels of government revenue, expenditure, deficit and debt several months prior to the budget's introduction;
- an increased role for the committees in discussing the budget and a division of responsibility between budget and sectoral committees, whereby the sectoral committees have primary responsibility for final allocation of appropriations within an overall total set for them;
- improved reporting on outcomes and outputs to replace the more traditional input information provided to the legislature; and
- greater resources for discussing the budget (increasing the resources of committees, establishing legislative secretariats to provide advice, providing funding to political parties in order for them to establish expertise in discussing the budget).

Fiscal transparency


Events in world financial markets brought to light some of the costs associated with non-transparent

budgetary and governance systems. OECD Member countries generally have a relatively high level of transparency which provides greater credibility and assists policymaking and comparability between countries.

There is an ongoing migration among Member countries to accrual forms of reporting and budgeting. About half the Membership is looking to enhance its accrual information base beyond state-owned enterprises. The meeting suggested that PUMA develop a best practice code on fiscal conduct. This would complement the IMF's work on minimum standards in this area, to which PUMA is also contributing.

See also <http://www.oecd.org/mgmtres/budget/chair.htm>. ■


●Continuing the modernisation process

Germany has been working to create a leaner, more efficient and modern federal government. Federal ministries are being reviewed, reduced in size and reorganised. Privatisation is continuing, with a recommendation to carry out pilot projects for privatising service areas in ministries. Up-to-date information technology is playing an important role, particularly in connection with the division of functions between Bonn and Berlin. Control and management instruments are being introduced, including cost-to-performance accounting in the Ministry of Finance. Multi-year budgeting and other mechanisms are contributing to a more flexible federal budget. Modern personnel management practices are being introduced through the 1997 Civil Service Law Reform Act. Finally, deregulation measures are being taken in several areas. A Steering Committee, established in 1997, reports annually to the Federal Cabinet on the progress made in modernising the administration. 


●Checklist to improve the pay system

In **Norway**, pay for top civil servants is individual and contract-based. The contract specifies the civil servant's salary -- which is based on job responsibilities, individual market value and performance -- within a category-based framework. Performance is assessed and contracts renewed every 12 months. To improve the system's quality, the Ministry of Labour and Government Administration, in co-operation with line ministries, has introduced a checklist. This checklist includes criteria for setting salaries and bonuses, criteria for performance evaluation, guidelines for contract renewal and a process timetable to ensure the right timing between funds allocation, reporting routines and contract renewal.

●New energy law

In April 1997, **Poland** adopted an energy law that establishes the principles of a new energy policy, the terms governing the supply and use of fuels and energy, and a new Energy Regulatory Office (ERO). The purpose of the law is to ensure equal treatment of all economic entities dealing with energy, regardless of their type or ownership, and thus to introduce market forces into the Polish energy sector. The law obliges all energy companies acting as public utilities to obtain a license for a certain range of activities, and defines non-discriminatory terms for granting licenses. Under the new law, prices and tariffs will be set by energy companies and regulated by a competitive market, or by the energy regulator in the case of national monopolies. 

●Greater efficiency and accountability


In 1997, **Italy** defined a broad strategy for reforming the government, including both central and local government as well as the health care, school and university systems. Government efficiency and accountability and citizen participation and empowerment are the guiding principles of this strategy. Key elements are: decentralising government functions; restructuring central government; "deregulating" and streamlining administrative decision-making to reduce burdens on citizens and businesses; reducing rigidities in human resource management; separating policymaking from administration; giving managers more responsibility while monitoring their performance; reforming the state budget; privatising public sector activities and deregulating private activities; increasing the use of information technology. 



This symbol indicates that more detailed information on a news item exists on Focus On-Line (<http://www.oecd.org/pumafocus>). For more information, including contact names and addresses in countries, see the Supplement.

●Reviewing the structure of government

In **New Zealand**, the State Services Commission is examining the future structure of government from four different perspectives through several projects:

- a report is being prepared on the impact of information technology on government functions;
- a project to examine the machinery of government will describe the current structure, assess its fitness and examine the forces affecting the future shape and design of the state sector;
- another project is looking at the accountability and performance of the Crown entity sector (government agencies outside of the legal Crown);
- finally, a number of changes are being made to machinery of government arrangements, including the merger of the Ministry of Agriculture and the Ministry of Forestry, and the commercialisation of Valuation New Zealand. 

●Evaluating the work of the civil service

The **Canadian** Public Service is launching a Universal Classification Standard (UCS) that will be used to evaluate work and establish relativity among positions. This new, simplified standard will replace the many different classification standards used in the public service until now. The UCS was designed over the last two years by the Treasury Board Secretariat in collaboration with all stakeholders such as employee unions, departmental employees and managers, the Canadian Human Rights Commission and the Office of the Auditor General. The design is based on the work evaluation provisions of the Canadian Human Rights Act: an employee's accountability for certain responsibilities, the skills used to fulfil those responsibilities, the effort required and the working conditions associated with the job. The new system reflects modern priorities, including gender neutrality, an accent on quality services to clients, and a more mobile, multi-skilled workforce. Departments will apply the UCS to all positions before the end of December 1998. ☐

New on PUMA's Website:

The International Benchmarking Network's Database of Links gives you access to world wide websites about public sector benchmarking and other benchmarking networks.

<http://www.oecd.org/puma/mgmtres/pac/benchmarking/links/>

●Benchmarking project

Since 1996, the **United Kingdom** has been running a project of self-assessments by government bodies based on the European Quality Award Business Excellence Model (see *Focus* No. 7, p. 2). Self-assessments provide measurement of performance; a means to identify strengths and weaknesses; a framework for making improvements and measuring their effectiveness; a customer focus and drive for continuous improvement; an insight into private sector best practice; and a comparison with other participants, private sector companies, and, in time, public services in other countries. Participation in the project has been entirely voluntary. A database of results helps organisations compare their performance against others' and aids in the identification and spread of good practice. In its first two phases, the project involved over 100 public bodies (including half the civil service). Phase 3, begun in April 1998, is open to bodies in the wider public sector. ☐

●Benchmarking and review

In 1997, **Denmark** conducted a benchmarking exercise for some of its public services (passport services, driver's licence services, approval of drugs and pharmaceuticals, etc.) with those of a number of OECD countries. The survey compared administrative performance in terms of response time, choice, number of public institutions involved, and access to information through the use of IT, etc.

In 1997-98, three bottom-up reviews of regulatory and administrative complexity were carried out. One focused on public control of companies, one on the interface between public authorities and families with children, and one on the administrative procedures for retirement. ☐

●Government-wide performance plan

The 1999 **United States** budget proposal contains the country's first comprehensive Government-Wide Performance Plan, which highlights three aspects of performance: fiscal performance, management performance and programme performance. These sections contain the measures and descriptions of programme activity set forth in the Government Performance and Results Act. For the first time, key performance measures drawn from agency performance plans were used in the preparation of the President's Budget. By March 2000, agencies will report to the President and Congress on how well they met the performance goals in these plans. ☐

●Interdepartmental policy review

In 1994, the **Netherlands** reorganised its interdepartmental policy review procedure, changing the overall goal of the procedure from savings to institutional reform. Agencies are reviewed both on their funding methods (direction of financial flow and basis of funding system) and their organisational forms (degree of economic autonomy, internal management and financial accounting system). The studies are conducted in an annual cycle. The Ministry of Finance and a special ministerial committee make proposals to the Cabinet on areas to be reviewed; the Cabinet then makes the final selection. Since 1994, the objectives of the procedure and the nature of the studies have changed considerably. Current review studies cover, for example, increasing labour participation by the elderly and benchmarking of institutions in the public health sector. The review procedure is an important element for the budget process and for improving financial systems. ☐

*This issue of Focus was prepared by
Atila Alpöge, Claude Jacqmin,
Marie Murphy, Andrea Uhrhammer and
Deirdre Wolfender.*

Government priorities for addressing the Year 2000 Problem

	AUS	CAN*	ESP	FIN	ISL	ITA	JPN	KOR	MEX	NLD	NOR	SUI	SWE	UK	USA
1. Major Sectoral Priorities															
Energy	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Communications	●	●	●	●	●	●	●	●	●	●	●	●	●		●
Financial	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Transportation	●	●	●	●		●	●	●	●	●	●	●	●	●	●
Health	●	●		●	●	●	●	●	●	●	●	●	●	●	●
Water	●	●	●		●				●	●			●	●	●
2. Government Sectoral Priorities															
Defence	●	●				●				●	●		●	●	
Disaster Management		●								●			●		
Judicial System		●								●		●		●	
Welfare & Pension Payments (social)	●	●							●	●		●	●	●	
Postal Services												●	●		
Revenues & Tax Collection	●	●							●	●		●	●		
3. Local Level															
Emergency Services	●	●										●	●	●	●
Law enforcement		●				●				●	●	●			●
Municipal Services	●	●										●			
4. Others															
Small-and-Medium Enterprises	●	●	●					●				●	●		●
Food Supplies									●	●		●		●	●
Shipping								●			●		●		●
Industrial Facilities			●					●			●				
Consumers & Users			●												
Environment			●												
Insurance		●				●									
Construction											●				
Retail		●									●				
Weather Reports (for travel, flood, defence)														●	

AUS = Australia FIN = Finland JPN = Japan NLD = Netherlands SWE = Sweden
 CAN = Canada ISL = Iceland KOR = Korea NOR = Norway UK = United Kingdom
 ESP = Spain ITA = Italy MEX = Mexico SUI = Switzerland USA = United States


* Canada's priorities are not listed in full, given the difficulty of fitting all their 48 mission-critical functions into the categories designated in this table. Other priorities mentioned include food production and inspection, primary industries, manufacturing, seismic and geometric monitoring, search and rescue, etc.

Source: Responses to "Enquiry and Description of OECD on the Y2K Problem/Millennium Bug", June 1998, OECD.


Issues associated with the "Year 2000 Problem" have become a particular national concern in OECD Member countries. As governments believe that they have a role to play beyond their own operations, many countries have defined economy-wide policies and set priorities for addressing the problem.

The chart above shows the priorities given by governments to particular sectors. These priorities were expressed by countries in their reply to a survey conducted by PUMA in June 1998. For further information on this survey and its results, please see page eight of this issue. ■


●Modernising comptrollership

To help it adapt its comptrollership function to today's rapidly changing conditions and risks, the government of **Canada** created the Independent Review Panel on the Modernization of Comptrollership. The Panel has reviewed existing initiatives and prepared a report presenting a vision of modern comptrollership as well as suggestions on how to achieve this vision. It considers that new partnerships will be necessary between managers and supporting specialists, and between the central administration and line departments. Central agencies will provide advice and support through standards and reporting frameworks, while departments will decide how best to meet key comptrollership responsibilities. To help move the modernisation process forward, a Modernization Task Force, a Standards Advisory Board and a Comptrollership Council are being created. The Panel's report is available on-line at http://www.tbs-sct.gc.ca/Pubs_pol/partners/rirp_e.html. 

●A new internal audit strategy


In July 1997 the **Australian** Department of Finance and Administration decided to change its internal audit strategy, making the Internal Audit Unit part of the Departmental Executive and outsourcing the internal audit function to a private accounting firm. Previously, internal audit was conducted by in-house staff. A business risk assessment of all departmental programmes is being undertaken as a high priority, and will provide the basis for a departmental Risk Management Plan, a Fraud Control Plan, a Business Continuity Plan and a Strategic Audit Plan. Under the new arrangements, the Internal Audit Unit conducts pre-emptive audits of all new major activities, tender processes, contracts, etc., prior to approval by the Executive and/or the Management Board of the Department. It advises the Departmental Executive on whether projects were carried out with probity, and assists managers embarking on new projects. 

●Strategic plan for electronic commerce


The **United States** government makes 22 million purchase transactions a year. To make these easier for both buyers and sellers, the government is turning to electronic commerce. By 2001, it is planned that all federal agencies will offer customer-friendly electronic purchasing tools. Payment, accounting and performance reporting information will also be processed electronically. Commercial processing services will be used, except for activities with a low volume of transactions. In these cases, government-unique systems will be developed. The Electronic Processes Initiative Committee will provide leadership across the federal government to ensure that co-ordinated electronic commerce activities proceed as planned. See the Committee's Web site at <http://policyworks.gov/epic>. 

Every Saturday, the What's New page on PUMA's Web site presents new items (<http://www.oecd.org/puma/new.htm>).

●Reviewing the role of the Budget Group

To meet the pressures brought on by new budgeting techniques such as accrual accounting, changing financial legislation, competitive tendering and contracting-out, the Budget Group of the **Australian** Department of Finance and Administration is being redesigned. In its new role, it will provide ministerial advice and services, ensure budget development and management, and offer assistance to agencies in improving performance. New information technology systems are helping to streamline these activities. The Group is also revamping its organisational structure and the skills of its staff to better match its new priorities. 

●Budget reform for better results

Mexico is introducing a system of planning, programming and budgeting, moving from an input-based approach to a strategic one that focuses on results, efficiency and quality. The main objectives are to link the allocation of resources to the efficiency, effectiveness and quality of public goods and services, and to public policy goals; to develop tools to improve spending projections and control; to encourage proper training of managers; and to simplify the management of spending. To help achieve the goals of the reform, three major innovations are being launched: a New Programmatic Structure that will foster a strategic planning approach to budgeting; a Performance Evaluation System for spending units; and a new pay system for the public administration. Other reform mechanisms include performance agreements, the decentralisation of public expenditure and a draft Civil Service Law. 

The Focus Hot File, which presents public management initiatives undertaken in OECD countries, appears every month. Upcoming issues will be available on: October 10, November 7, December 12.

<http://www.oecd.org/puma/focus/hot.htm>

●Public Service Charters

In **Finland**, the Service Charter Working Group recently submitted its report to the Minister for Administrative Affairs. It proposes that service charters be introduced throughout the public service, and that steps be taken immediately to draw up service charters and launch development projects. Pilot projects have already been carried out at employment offices in five different municipalities. The principles of service charters include service quality, efficiency, client-centredness and flexibility; client feedback and error correction; description and explanation of services. Service charters must be published and made available to users in a clear and intelligible way. The Group also proposes the creation of a compensation system and service guarantee in connection with the charters. The charters are part of a quality strategy that is being developed jointly by the Association of Finnish Municipalities and the principal ministries. ☐

●The New Charter Programme

The **United Kingdom** has relaunched its Charter Programme as part of the wider Better Government Initiative. The Programme has been reshaped to reflect government priorities and the results of a consultation exercise carried out in late 1997. Service First - The New Charter Programme focuses on more effective consultation with stakeholders, more meaningful standards that reflect outcomes, closer collaboration between related service providers and a revamped Charter Mark awards scheme. Other projects are being developed in conjunction with the new programme. People's Panel consists of 5 000 randomly selected members of the public who are consulted about the quality of public service delivery and how to improve it. Better Government for Older People aims to improve public services for the elderly. Performance information is being published on the Internet, allowing citizens to find out how well services in their area are performing. For more information, see <http://www.servicefirst.gov.uk>. ☐

●Inspecting the public administration

Greece has created the Body of Inspectors-Controllers for Public Administration, a central audit institution under the responsibility of the Minister of the Interior, Public Administration and Decentralisation. Using performance measures and efficiency scrutinies, the Body inspects government departments, institutions of public law and local government organisations (such as prefectures and municipalities). It then makes recommendations for correcting any instances it finds of misadministration, lack of transparency or low productivity. ☐

• INFORMATION TECHNOLOGY •

●Promoting information technology

To promote the use of advanced information technologies in the public administration, **Japan** revised its Basic Plan for Promoting Administrative Information in late 1997. The objectives of the plan are to allow the administration to:

- respond accurately to internal and external changes concerning the administration;
- promote further simplification and increased efficiency; and
- better respond to people's needs.

●Innovation database

In February 1998, the **French** government decided to create an interministerial database on innovations in the public service. Current and past innovations are identified and presented on the Internet for state and local government administrations and interested members of the public. The database is thus both a showcase for public service modernisation and a forum for exchanging information. The innovations presented concern services offered to the public or organisational measures to improve and adapt these services to users' expectations. They are taken from state and local government administrations and public sector establishments, businesses or associations. The database does not aim to be exhaustive; it is meant to illustrate how public service reform is progressing. Entries are chosen for how well they meet client expectations, and are regularly updated. Information on innovations is sent to the Businesses, Territories and Development Service, which operates the database and ensures that entries are clear and precise. The database can be found on the Internet at <http://www.innovations-services-publics.gouv.fr>. ☐

Derry Ormond, Head of the OECD Public Management Service, will retire on 1st November 1998.

Bob Bonwitt has been appointed Acting Head of Service. He can be reached care of PUMA.

Management Reform: Agencies' Initial Efforts to Restructure Personnel Operations Report to the Director, Office of Management and Budget

July 1998, General Accounting Office, United States (62 pages, GAO/GGD-98-93)

Between 1993 and 1997, the number of civilian personnel across the United States government decreased by about 21 per cent. This report examines the initial effects of this reduction. Four major federal departments were reviewed, to describe the activities they have undertaken in restructuring personnel offices and operations, ascertain what (if any) performance measures are in place to gauge results of the restructuring efforts, and identify issues agencies may commonly encounter when, in restructuring their personnel operations, they consider outsourcing automated personnel and/or payroll services to another agency or the private sector. The four departments reviewed were the Departments of Agriculture, Health and Human Services, the Interior, and Veterans Affairs, which together employ roughly one-fourth of the nonpostal federal workforce.

Available from:

U.S. General Accounting Office
P.O.Box 37050
Washington, D.C. 20013
Tel: +1-202-512.6000
Fax: +1-202-512.6061
E-mail: info@www.gao.gov
<http://www.gao.gov>

The new NHS, Modern and Dependable: A National Framework for Assessing Performance

Department of Health, United Kingdom (54 pages, January 1998)

This consultation document sets out the reasons why the approach to assessing and managing the performance of the National Health Service (NHS) needs to change. It describes a new national framework to drive improvements in NHS performance. It illustrates how the framework can be used by a range of different people and organisations. It considers the development of indicators of NHS performance for the new framework. It puts forward proposals for an initial small set of high-level indicators to provide an overview of health authority performance across the areas of the new framework. Available from:

NHS Executive
Richmond House
79 Whitehall
London SW1A 2NS
Tel:+44-171-210.3000

Forum

Federal Ministry for the Civil Service, Belgium

Forum is a publication of and for the staff of the Belgian Ministry for the Civil Service. Each issue averages 50 pages. Articles vary in length from a paragraph to several pages, and cover public service modernisation around the world as well as innovations and news within the Ministry.

Available (in French) on the Internet at

<http://www.mazfp.fgov.be/aa/aa031fr.htm> and from:

Mia Van Aken, Rédactrice en chef / Fonctionnaire d'information

Ministère fédéral belge de la Fonction publique
Résidence Palace - Bloc C, Rue de la Loi 155
B-1040 Bruxelles

Tel: +32-2-2872454

Fax: +32-2-2874248

E-mail: mia.vanaken@mazfp.fgov.be

For up-to-date information on PUMA publications, see:

<http://www.oecd.org/puma/pubs>

Report on Government Services 1998: Volume 1: Education, Health, Justice, Emergency Management (628 pages)

Volume 2: Community Services, Housing (477 pages)

Steering Committee for the Review of Commonwealth/State Service Provision, Australia, 1998

ISSN 1328-181X

Reports on government services have been issued annually since 1995. They provide data on performance of services and make comparisons on performance across jurisdictions. They attempt to set indicators, and measure and report on performance in terms of overall outcomes, access and equity, appropriateness, quality (including customer satisfaction where appropriate) and efficiency (including cost). Available at <http://www.indcom.gov.au/service/gsppubs.html> and from:

Steering Committee for the Review of Commonwealth/ State Service Provision

Industry Commission
LB2 Collins Street East Post Office
Melbourne, Victoria 8003

Tel: +61-3-9653.2100

Fax: +61-3-9653.2359

E-mail: gsp@indcom.gov.au

15 months to go

It's getting late

Year 2000 is approaching, bringing with it the dangers the "millennium computer bug" may create. There is a growing belief among experts that countries are lagging behind the schedule of necessary interventions. Recently, the OECD conducted a special study on this problem. It was co-ordinated by PUMA and done jointly with the Directorate for Science, Technology and Industry. The final report will be presented to a meeting of OECD Ministers in Ottawa in October.

The study reviewed the experiences of OECD Member countries and assessed the findings of various organisations. It concludes that there is reason for concern and a need for sustained action in the following ten areas:

Stronger government role

1. Governments need to accelerate their own preparations. They generally indicate that they have done less than half of the work required to achieve public sector compliance. This is particularly worrisome, because many experts claim that systems should be ready by the end of 1998, so that early manifestations of the problem are avoided.
2. Governments should promote economy-wide preparedness, through policy actions, co-operative problem-solving with the private sector, or an emphasis on awareness-raising. Governments must help to ensure that their economies are prepared.
3. Further scope exists for policy action to support readiness. Measures introduced by countries include tax breaks, loan programmes for small businesses, policies to encourage expansion of the IT specialist labour pool, and policies to promote information disclosure.

Lack of awareness

4. There continue to be misconceptions about the nature and scope of the problem in some governments and parts of their economies. Education is needed to overcome incomplete understanding of Y2K.

5. Regular public disclosure of government and industry assessments of readiness will help motivate action. They can also help to build public confidence that remedial action is going forward.
6. Greater focus is needed on embedded systems or chips, built into most modern electronic equipment.
7. Regional and local governments should be just as concerned. Evidence suggests that local governments often lag behind national governments in preparing for the millennium date change.

Government action needed

8. Y2K requires high-level managerial attention and a central strategic capacity. The interdependence of many government information systems and the need to undertake

testing involving multiple actors makes this particularly important.

9. Risk assessment and contingency planning are an essential part of preparations.

International co-operation

10. Increased cross-border testing and international co-operation is needed. Transport, telecommunications, international financial transactions, energy provision and many other activities depend upon cross-border interchanges that could be vulnerable. While international initiatives have been launched in most sensitive sectors, greater participation will be needed to ensure their success. ■

The Year 2000 Problem: Impacts and Actions is available at:
<http://www.oecd.org/puma/gvrnance/it/y2k.htm>

How do countries prepare for the Year 2000?

Almost all OECD Member countries have set policies and priorities, established task forces and launched specific actions. The following selection illustrates the many measures they have undertaken.

- **Australia** will spend almost US\$6 million on an advertising campaign to raise business awareness, targeted mainly at small businesses.
- **Canada** announced tax relief for small businesses in the form of accelerated capital cost allowances.
- **The French Ministry of Economy, Finance and Industry** created a special mission to mobilise action at national level.
- **Ireland** issued brochures and guidance to over 150 000 businesses in 1997 and again in 1998.
- **Japan** is providing special loans to support industry preparations.
- **Korea** requires government units to purchase only products that are "Year 2000 compliant".
- **Dutch ministries** verify that the effects of new legislation will not adversely affect efforts to address the Y2K problem.
- A report by the **New Zealand** government states that, although only 3 or 4 chips out of 1000 may malfunction, they represent a real risk.
- **Sweden** reports continuous use of risk assessment.
- **The United Kingdom** confirmed that corporate expenditures on millennium compliance qualify for tax relief.
- **The US** has proposed legislation to encourage businesses to share information on their compliance experience by ensuring that they cannot be held liable if the shared information is inaccurate.

Please contact **Focus** at PUMA OECD
 2, rue André-Pascal
 75775 Paris Cédex 16 France

Fax+33-1-45.24.87.96
 e-mail: pum.contact@oecd.org