Working Party of Senior Budget Officials

2nd MEETING OF OECD-MENA SENIOR BUDGET OFFICIALS NETWORK

PROVISIONAL AGENDA

Doha, Qatar,
4-5 November 2009

The meeting is hosted by the Qatari authorities.
It will be held at the Four Seasons Hotel, Doha, Qatar

Chair: Mr. Bader AL EMADI AL-QAYED, Director of Public Audit Department, Vice Chairman, State Finance Committee, Ministry of Finance, Qatar.
Co-chair: Mr. Marten BLIX, Ministry of Finance, Sweden

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As requested by delegates to its first meeting in Cairo last November, the present meeting focuses on various aspect of the present economic and financial crisis. The nature of problems created by the crisis and its policy responses in various countries will of course occupy an important place. Even more immediately relevant for SBOs will be how various countries are handling exit questions as the crisis abates, notably how it is envisaged to return to a sustainable fiscal position, how the crisis has revealed needs for improvement in structures and processes of budgeting. The challenges exacerbated by the crisis have to do with off budget commitments and entities, contingent liabilities, flexibility on budgetary management in volatile environment, etc.

Wednesday 4 November 2009

8:30 - 9:00 Welcome coffee for delegates

9:00 - 10:30 Welcome words by Qatari and OECD Authorities  
Greetings from Mr. Hany Dimian, Vice-Minister of Finance, Egypt, and chairman of the predecessor group to MENA SBO.  
Presentation and discussion of the Agenda  
Qatar’s response to the crisis and plans for its aftermath  
Speaker: Mr. (tbc), Minister, Qatar

10:30 - 11:00 Coffee break

11.00–12.30 Session 1 -- The crisis and the responses to it: huge diversity between countries in spite of common features

The speed and reach of the crisis internationally has obscured the diversity of problems it has created in various countries. The responses to the crisis have of course correspondingly diverged. The problems and solutions in major large economies have been abundantly reported on and discussed. This session focuses on less well-know examples of the impacts and reactions to the crisis in Central and Eastern Europe where many conditions close to those of MENA countries prevailed, notably on question of debts and access to capital markets.
**Speaker**

Dr. Zsolt DARVAS, Research Fellow at Bruegel (Brussels European and Global Economic Laboratory): *The Impact of the Crisis on Budget Policy in Central and Eastern Europe*

12:30 - 14:00  Lunch

14:00 - 15:30  **Session 2 -- The budgetary management of the policy responses to the crisis: reconciling spending speed and flexibility with the efficiency and effectiveness objectives of the budget office**

The first challenge to surface during the crisis for budget offices has been to find ways to respond to the call for fast disbursements of large additional sums without forsaking traditional objectives in integrity and legality of expenditures. How was it done? Was it also possible to at least keep an eye on the efficiency and effectiveness of these hoped for rapid outlays? How?

**Speakers**

Mr. Lamine MOULAHI, Director General, budget synthesis and expenditure analysis, Ministry of Finance, Tunisia: *Managing the economic and social crisis: measures to restore confidence and their impacts on ongoing reforms and budgeting techniques*

Mr. Ross MACLEOD, Deputy Assistant Secretary in the Expenditure Management Sector, Treasury Board Secretariat, Canada: *How to track, assess and control a large stimulus package in a timely fashion*

15.30 - 16.00  Coffee Break

16.30 - 18.00  **Session 3 -- The policy responses and managing it in the medium term, dealing with the consequences of the crisis and trying to return to fiscal sustainability**

The start of the crisis in financial markets and the major contraction in intermediation have led governments to unprecedented interventions in financial markets. This has translated into a large increase in governments’ contingent liabilities for guaranties and loans offered to banks and firms. Budgetary handling of those has always been difficult. Is the crisis likely to lead to changes in BOs’ ways of handling these commitments, other types of off-budget commitments as well as the oversight of “independent” institutions which effectively incur them?

**Speakers**

Dr. Metri MDANAT, Sr. Economic Policy Adviser, Ministry of Finance, Jordan: *Mastering the policy response and its consequences in Jordan*

Mr. Gerhard STEGER, Budget director, Ministry of Finance, Austria and Chairman of OECD SBO: *Budgeting under and beyond the stimulus: lessons learned*

18.00  Social event

20.30  Diner hosted by the Government of Qatar
Thursday 5 November 2009

9.30 - 11.00  **Session 4** -- Coming out of the crisis and managing its budgetary sequels and consequences

Exiting the crisis, BOs will have to deal with issues which are reasonably clear by now: debt control and reduction, claw back of tax breaks, getting reimbursed for bridge loans and other emergency measures, etc. This against a perilous backdrop of not killing a fragile recovery by a premature tightening. Overall, this will take years. In the meantime budgets have to be produced. What will need to change to fulfill both tasks?

**Speakers**

Ms. Elena MARTIN CORDOVA, Ministry of Finance, Spain: *Dealing with a change in the economic growth pattern, high unemployment and the need for fiscal sustainability*

Specialist from Qatar’s MOF on *managing rainy day funds in the crisis*

11:00 - 11:30 Coffee Break

11:30 - 13.00  **Session 5** -- Tax expenditures: a revival of interest and hopefully real action?

The crisis has involved a massive expansion of tax expenditures in many countries. In parallel and probably as a consequence of the crisis there is a substantial renewal of interest internationally in finding a more effective integration of tax expenditures within the decision processes and disciplines of the expenditures budget. The key underlying question for all BOs is whether and how tax expenditures can truly be integrated into a comprehensive expenditure policy framework, years after a first attempt internationally essentially failed.

**Speakers**

A specialist (name to be confirmed) from Morocco’s MoF will make a presentation on his country’s national experience in assessing tax expenditures in key sectors.

Dr. François LACASSE, UQ/OECD: *Tax expenditures in OECD countries, a revival and maybe some action?* This presentation will draw substantially from the Anderson/Minarik work on the subject and on the Canadian experience in attempting and failing to integrate tax expenditures into the regular budget.

13:00 - 15:00 Lunch
**Session 6** -- MENA-SBO: Its structures, its operating rules and its financing as well as its work program for the next year

The delegates at the first MENA SBO meeting were told that funding and organizational arrangements which prevailed for its predecessor the WGIII on financial governance within the Good Governance for Development initiative could change in the coming years. Consequently, they mandated this year’s chairman with developing proposals specific to SBO MENA, with reference to the experience of SBOs operating in other regions of the globe. Such proposals from the chairman will be submitted to delegates with a view to generate a consensus on the future modus operandi of the MENA SBO.

**Priorities for activities and themes for the next year**

16:30 - 17:00 Closing comments by Chairman.