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GOV/PGC/SBO/A(2009)4

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

12-May-2009

English - Or. English

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

Working Party of Senior Budget Officials

30th ANNUAL MEETING OF THE WORKING PARTY OF SENIOR BUDGET OFFICIALS (SBO)

PROVISIONAL AGENDA

**OECD Conference Center, Paris
4-5 June 2009**

The meeting will be chaired by Dr. Ian Watt, Permanent Secretary, Department of Finance and Deregulation, Australia.

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JT03264399

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30th ANNUAL MEETING OF THE WORKING PARTY OF SENIOR BUDGET OFFICIALS (SBO)

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PROVISIONAL AGENDA

Thursday, 4 June

9:15-9:30 **Opening by Chairman and Secretariat**
Delegates' Introductions

9:30-10:30 **Thirty Years of SBO – Its Origins and Evolution**

SBO was launched in 1980 as an *ad hoc* response to the budget stress that beset most developed countries in the aftermath of oil price shocks, high inflation, and economic stagnation. The origins of SBO will be discussed by **Mr. Derry Ormond**, the “founder” of SBO, and former Head of the OECD Technical Co-operation Service/Public Management Service (1972-1998).

SBO has expanded greatly over the past 30 years. It now consists of a family of Networks, including networks on financial management (accruals), performance and results, public-private partnerships (PPP's), and most recently the creation of a network of parliamentary budget officials. SBO also hosts numerous experts meetings, including most recently on tax expenditures. Perhaps even more importantly, SBO has expanded beyond OECD countries and now features separate networks that bring together budget directors from Asia, Eastern and Central Europe, Latin America, the Middle East and North Africa, and Africa. This evolution and expansion of SBO over the past 30 years will be discussed by **several former SBO Chairmen**.

10:30-11:15 *“Family Photo,” followed by Coffee Break*

11:15-13:00 **Budgeting and the Global Financial Crisis**

The global financial crisis and the extraordinary governmental and international responses to the crisis give rise to fundamental questions that go to the core of budgeting as the authoritative process for allocating public money.

One set of questions pertains to the types of stimulus and bailout programs that have been devised by national governments; another pertains to the impact of the crisis on the conduct of budgeting. The first set of questions consider how budgeting shapes, or fails to shape, emergency revenue and spending actions; the second with how crisis affects the machinery of budgeting. The first set focuses on substantive policies, particularly on responses that deviate from conventional budget practice; the second on budgetary roles and procedures. The session will specifically discuss the budgetary accounting for the fiscal response as well.

Following a lead presentation by **Mr. Allen Schick**, Brookings Institution, Washington, DC, the floor will be opened for **Delegates** to discuss their country's respective experiences.

13:00-14:30 *Lunch Break*

14:30-16:00 Fiscal Futures, Institutional Budget Reforms, and Their Effects

Long-term fiscal projections provide a basis to discuss the sustainability of current public policies by qualifying and quantifying the impact of public policies with long-term fiscal consequences, as well as the impacts of demographic and other exogenous changes on selected summary indicator(s). Such projections have been considered best practice for budget/fiscal transparency for nearly a decade, yet their use is still limited to a relatively small number of OECD countries.

The OECD has conducted research extrapolating data from 12 OECD countries on the role of fiscal projections in balancing political pressures for short-term spending against fiscal pressures and risks over an extended time horizon. The **OECD Secretariat** will discuss the conclusions of this research and make recommendations concerning three aspects of fiscal projections: their frequency; their analytical quality; and their institutional quality.

Following the lead presentation, the floor will be opened for **Delegates** to discuss their views and experiences in this area.

16:00-16:30 *Coffee Break*

16:30-18:00 Dynamic Scoring

Dynamic scoring means taking full account of all the economic effects of policies when estimating their budgetary effects. As a result of the economic effects of both tax and spending proposals, individuals may change their behavior. These behavioral changes might be quite complex and on various margins, e.g. change in hours of work, in effort, in human capital or financial investment, in consumption and savings, in risk-taking, etc. These changes can then have 'second-round' effects through changes in market equilibrium, i.e. changes in prices in goods and services markets, changes in wages, interest rates, and so on. In turn, these will lead to modification of macroeconomic aggregates, including total output, consumption and aggregate savings that will ultimately influence the growth rate of the economy. All of these can affect the revenue that the government collects, so the full chain of consequences will determine the actual budgetary cost of tax and spending proposals.

But such scoring is formidably difficult to produce. This session will assess the key conceptual and practical challenges dynamic scoring poses and consider the pros and cons of adopting it.

Following a lead presentation by **Mr. Stuart Adam** and **Mr. Antoine Bozio**, Institute for Fiscal Studies, United Kingdom, the floor will be opened for Delegates to discuss their views and experiences in this area.

18:00 *Cocktail*

Friday, 5 June

9:30-10:30 Tax Expenditures in OECD Countries - Update

Tax expenditures are losses to the budget from granting certain deductions, exemptions, or credits to specific categories of taxpayers. In some cases, tax expenditures may be an alternative to direct government spending on policy programs.

These issues were discussed at last year's SBO meeting in Vienna and subsequently in a joint meeting with the OECD's Committee on Fiscal Affairs (taxation). This session is designed to update Delegates on progress in this area. It will be led by **Mr. Joseph Minarik**, Senior Vice President and Director of Research, Committee for Economic Development, a think-tank based in Washington D.C.

Mr. George-Henri Lion, French Ministry of Budget, will also update delegates on an International Study conducted by the French Ministry of Budget, and discuss tax reform efforts in France.

The floor will then be opened to all **Delegates**.

10:30-11:00 Coffee Break

11:00-12:30 Budgeting for Natural Disasters

This session will discuss the most appropriate budgetary treatment for the government's share (under current policy) of losses from low-frequency, high-cost events whose size and timing are difficult to predict. The key issues are whether governments should recognize estimated costs before the event, rather than after, and if so, how?

It will highlight the potential gains from *ex ante* accounting and budgeting for natural disasters, including smoothing national consumption, increasing incentives for mitigation and lower total cost, clarifying public policy and increasing cost effectiveness, improving the mix of public and private responsibility, and increasing "beneficiary pays" incidence.

It will also survey the potential losses from *ex ante* accounting and budgeting for natural disasters, including sacrificing current consumption for events that may never happen, misallocation of capital from government investment, adding uncertainty and error to budget numbers, the added potential for budget gimmicks and misuse, e.g. mandated private coverage, and disregard of technical actuarial estimates.

Finally, the session will outline the analytical and accounting requirements for an *ex ante* treatment, including estimating and recognizing expected losses in the budget.

Following a lead presentation by **Mr. Marvin Phaup** and **Ms. Charlotte Kirschner**, The George Washington University, United States, the floor will then be opened for **Delegates** to discuss their views and experiences in this field.

12:30-14:00 Lunch Break

14:00-15:30 Budgeting in Mexico (Peer Review)

Mexico is the object of this year's peer review.

Peer reviews are a key tool for analyzing innovations in budgeting and public expenditure practices and for making them visible in the international arena. Following a common methodology and conceptual framework, reviews promote the sharing of experience among countries and the formulation and diffusion of relevant policy recommendations.

The objective of the reviews is to provide a comprehensive overview of the budget process in the country under examination, to evaluate national experiences in the light of international best practice, to provide specific policy recommendations, and to offer other member countries an opportunity to comment on specific budgeting issues in the country under examination ("peer review").

The **Secretariat** will present its draft report. Two Member countries – acting as **lead examiners** – will begin the review. Following the reaction from the Mexican Delegation, led by **Mr. Dionisio Pérez-Jácome**, Under-Secretary of Expenditure, Ministry of Finance and Public Credit, the floor will be opened for questions and comments by all **Delegates**.

15:30-16:30 Report on Current SBO Activities

SBO Future Work Programme

The Secretariat will provide a general report on activities since the last meeting of the Working Party, including an update on the work of each of the SBO subsidiary bodies and a progress report on the expansion of the OECD Survey on Budget Practices and Procedures.

The Secretariat will then highlight proposals for the future work programme and Delegates will be asked to comment on priorities and indicate their interest in particular studies.

16:30 Closing by Chairman and Secretariat

GENERAL MEETING INFORMATION

Meeting Location

The meeting will take place at the OECD Conference Center which is located at 2 rue Andre Pascal in the 16th *arrondissement* (district) of Paris. The closest metro station is “La Muette.”

Registration Form

All Delegates need to complete the attached registration form and return it to the Secretariat ahead of the meeting.

Security

Please be advised that OECD Headquarters is a secure complex. Entry passes can only be issued to registered Delegates, and a passport or national identity card needs to be presented in order to receive an entry pass. Delegates will also be required to clear an airport-style security checkpoint for entry. Please allow at least 15 minutes to complete these formalities.

Documentation

Background documents will be available for all substantive sessions of the meeting. The documents will be distributed electronically to all registered Delegates prior to the meeting.

Simultaneous Translation

Simultaneous translation between English and French, the OECD’s two official languages, will be available throughout the meeting.

Wi-Fi Internet Access and Business Center

The OECD Conference Center features complimentary Wi-Fi Internet Access throughout its facilities. There is also a Business Center located in the Conference Center offering complimentary desktop computers with standard *Microsoft Office* software, Internet connections and printers.

SUGGESTIONS FOR POWERPOINT PRESENTATIONS

- 1. Keep it simple.** The less clutter on a slide, the easier it is for the audience to see and, when accompanied by a more complete verbal explanation, understand the slide. This applies to both slides with text and slides that use charts, graphs and tables. Page numbers are very helpful because of the need to refer to slides during and after the presentation, but identifying logos and even dates are best reserved for the first, and perhaps last, slide.
- 2. The bigger the type, the better.** If you want the audience to read the slide, always try to use the biggest typeface possible for the slide in question. For example, if you wish to make 3 main points with an explanation for each point, use 4 slides, not one: the first slide should have as a heading what the 3 points refer to with each point listed below. Each of the subsequent 3 slides should have the individual point as the heading with whatever explanation is required listed below. Footnotes and other references in smaller type at the bottom of a slide are frequently impossible to read on either the slide as presented or in the printed version. If the footnote or reference is that important, use readable type on the slide or include a slide at the end with footnotes and/or references in readable type.
- 3. Do not read your presentation.** Reading a presentation word for word -- either from very detailed slides or from a prepared written speech -- is monotonous and puts the audience to sleep. Of course, the less comfortable you are in the language in which you are presenting, the more you may have to rely on a written text, but avoid reading from it word for word as much as possible.
- 4. Bullets are better than complete sentences.** Use bullets to highlight the most important items in your presentation and as a memory tool for you to emphasize these points as you speak. If you feel you must use bullets that are complete sentences instead of just words or phrases, don't read the sentences word by word; use them as memory tools for you to emphasize verbally the points you want to make. If you want to include a specific quote word for word and read it to draw emphasis to it, put it on a separate slide and tell why you are doing this.
- 5. Charts, graphs, and tables can help if they are easy to understand.** Remember that the goal of using a chart, graph, or table as opposed to just including the point in words is to help the audience better understand a point -- not to demonstrate to the audience how adept you (or your assistant) are in utilizing the latest technology. Colour can help if the audience can see the different colors (avoid yellow), but don't overuse it or it diminishes its effectiveness. Moreover, because copies of presentations are frequently made in black and white, use dotted and dashed lines and areas in addition to color so that the differences are visible in the black and white copies too. Laser pointers can also help you refer to specific points on a chart, graph, or table as you talk.
- 6. Handout copies of your slides *before* your presentation.** This allows the audience to make notes on the handouts of the points that are most important. Although this also means that many in the audience will be going from page to page on the handouts as you go from slide to slide, so what? The goal is to get the information across to the audience, not to have them watching you personally every minute of the presentation. Please submit your presentation to the Secretariat two days ahead of the meeting so it can be reproduced in a timely manner for distribution.
- 7. Speak slowly.** The faster you go, the more difficult it is for the audience to understand your points, particularly with simultaneous translations. Rehearse your presentation; the more you do so, the more comfortable you will be in presenting it.
- 8. The most common mistake presenters make is to present too much detail.** Presenters frequently have worked hard for a very long time to perform the research and analyses that supports their presentations, and thus there is a natural tendency to make a long, detailed presentation to demonstrate their hard work. But long, detailed presentations frequently don't do a good job of getting the message to the audience. Rather they make it less likely that the audience will recognize the *key* points of the presentation. In addition, other problems such as cluttered slides and speaking too fast can arise because the speaker is trying to cover too much ground. It is better to strip your message down to the essential points with only such supporting detail as is necessary to make your case persuasively. Your work (and you!) look better the more straight forward and clearer your message.



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Paris, 4-5 June 2009

REGISTRATION FORM

(TO BE COMPLETED FOR EACH PARTICIPANT)

Mr. [] Mrs. [] Ms. []

LAST NAME (in BLOCK letters) _____

First Name _____

JOB TITLE _____

ORGANISATION _____

MAILING ADDRESS _____

COUNTRY / ECONOMY _____

TELEPHONE _____

FACSIMILE _____

E-MAIL ADDRESS _____

Please return the completed form to:

Mrs. Hélène LECONTE-LUCAS, OECD - GOV/BUD

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