

Unclassified

GOV/PGC/SBO/A(2012)2/FINAL

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

28-Feb-2012

English - Or. English

PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE

Cancels & replaces the same document of 21 February 2012

Working Party of Senior Budget Officials

OECD PARLIAMENTARY BUDGET OFFICIALS AND INDEPENDENT FISCAL INSTITUTIONS
Fourth Annual Meeting

ANNOTATED AGENDA

OECD Conference Centre, Paris
23-24 February 2012

For further information, please contact Lisa VON TRAPP at OECD Headquarters
Tel: +33 1 45 24 81 33 - Email: lisa.vontrapp@oecd.org

JT03316708

Complete document available on OLIS in its original format

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



GOV/PGC/SBO/A(2012)2/FINAL
Unclassified

English - Or. English

4th ANNUAL MEETING OF OECD PARLIAMENTARY BUDGET OFFICIALS AND INDEPENDENT FISCAL INSTITUTIONS

ANNOTATED AGENDA

Thursday, 23 February 2012

9:30 - 9:45 **Opening** by **Yves Leterme**, Deputy Secretary-General, OECD and **Delegates' Introductions**.

Chair: **Gilles Carrez**, MP, General Rapporteur, Committee on Finance, Economy, and Budgetary Oversight, National Assembly, France.

9:45 - 10:00 **Welcome Address**

Gilles Carrez, MP, General Rapporteur, Committee on Finance, Economy, and Budgetary Oversight, National Assembly, France.

10:00 - 11:15 **Meeting Consolidation Needs While Minimizing the Cost to Growth**

Public debt in the OECD area passed annual GDP in 2011 and is still rising. For many countries, just stabilising debt - let alone bringing it down to a more sustainable level - is a major challenge. This session will examine how reducing debt levels has implications for growth both in the short-term and in the long-term. Consolidation needs are large and most of the reduction in debt overhangs will need to come from improvements in the primary balance. In the short-term, the pace of consolidation needs to balance consolidation requirements with the effects of fiscal retrenchment on aggregate demand. However, a slow consolidation will ultimately require more consolidation to be undertaken. In this context, consolidation should aim to use instruments that are friendly to long-term growth. There is scope to improve budgetary positions by reforming transfer systems, improving the efficiency of public services, eliminating unjustified tax expenditures, and raising additional revenues from less distortionary tax bases.

Chair: **Gilles Carrez**, MP, General Rapporteur, Committee on Finance, Economy, and Budgetary Oversight, National Assembly, France.

Presenter: **Eckhard Wurzel**, Senior Economist, Macroeconomic Policy Division, Economics Department (ECO), OECD.

Discussant: **Robert Chote**, Chair, Office for Budget Responsibility (OBR), United Kingdom.

11:15 - 11:45 **Coffee Break**

11:45 - 13:00 Reinforcing Economic Governance in the European Union

Against the background of the global economic crisis and its effects upon the public finances of Member States, European Union authorities have announced their intention to reinforce economic governance. As part of these efforts, the EPC undertook a review of national fiscal frameworks which provided a broad overview of their features (e.g. fiscal rules, medium term budgetary frameworks, and independent fiscal institutions) and related policy advice. This session will highlight the directive on national budgetary frameworks, as well as the review process and its main conclusions including specific conclusions around independent fiscal institutions. It will also touch the role of domestic fiscal rules and institutions vis-a-vis EU rules in the overall design of the reform of economic and fiscal governance.

Chair: Daniel Hochedez, Director, Public Finance Services, National Assembly, France.

Presenter: Georges Tournemire, Directorate-General for Economic and Financial Affairs, European Commission.

Discussant: George Kopits, Senior Scholar, Woodrow Wilson International Center for Scholars, former chair of the Fiscal Council, Republic of Hungary.

13:00 - 14:30 Lunch Break**14:30 - 16:00 Roundtable on New Institutions**

The trend towards establishing independent fiscal institutions among OECD member countries continues. Since the last meeting of the PBO Network Australia, Ireland, Portugal and Slovakia have all moved forward in establishing new institutions. This session will provide an overview of several of these new institutions, their current stage of development, and main areas of debate encountered. The session Chair will also provide an update on changes to the structure of the Swedish Fiscal Policy Council in the past year.

Chair: Lars Jonung, Chair, Swedish Fiscal Policy Council.

Presenters: John McHale, Chair, Irish Fiscal Advisory Council, Established Professor and Head of Discipline, Economics National University of Ireland, Galway; Vikki Darrough, Inquiry Secretary, Joint Committee of Public Accounts and Audit, House of Representatives, Australia; Ludovit Ódor, Advisor to the Minister of Finance, Ministry of Finance, Slovak Republic; and Teodora Cardoso, Chair, Council on Public Finance, Portugal.

16:00 - 16:30 Coffee Break**16:30 - 17:45 Assessing the Impact of Fiscal Councils on Fiscal Performance – First Attempts**

Despite a fairly active debate in academic and policy circles, the economic analysis of "Fiscal Councils" remains limited and largely informal. There is virtually no systematic empirical evidence exploring the link between these institutions and countries' fiscal performance. This session, based on a preliminary paper entitled "Fiscal Policies in Crisis mode: Has the Time for Fiscal councils Come at Last", seeks to fill in some of those gaps

by sketching a highly stylized theoretical model and gathering empirical evidence on the effectiveness of existing fiscal councils, in particular looking at their media impact and testing whether this media impact leads to desirable policy changes.

Chair: **Bob Sunshine**, Deputy Director, Congressional Budget Office (CBO), United States

Presenter: **Xavier Debrun**, Deputy Division Chief, Fiscal Policy and Surveillance, Fiscal Affairs Department, International Monetary Fund (IMF)

Discussant: **Frits Bos**, Senior Economist on Public Finance and Regional Economics, Netherlands Bureau for Economic Policy Analysis (CPB).

from 18:00 **Cocktail Reception – Room Roger Ockrent.**

Friday, 24 February 2012**9:30 - 11:00 Independent Fiscal Institutions and the Relationship with the Media**

Effective communication with the media is critical to independent fiscal institutions' ability to influence public debate on fiscal policy. Moreover, particularly at the outset, the media may prove an important ally. At the same time, maintaining a high media profile has the potential to exacerbate tensions with Government members or officials who may fear critical media reports or with legislators who may feel upstaged. This session looks at examples of the strategies used by different institutions when engaging the media, their strengths and potential pitfalls, and how they may have evolved over time.

Chair: **Robert Chote**, Chair, Office for Budget Responsibility (OBR), United Kingdom.

Presenters: **Bob Sunshine**, Deputy Director, Congressional Budget Office (CBO), United States; and **Kevin Page**, Parliamentary Budget Officer (PBO), Canada.

11:00 - 11:30 Coffee Break**11:30 - 13:00 Discussion on Draft Principles for Independent Fiscal Institutions**

Following a session at the 2011 PBO meeting on *Parliamentary Budget Offices and Fiscal Councils – New Institutions and Challenges*, delegates asked the OECD Secretariat to work with them to develop principles for independent parliamentary budget offices and fiscal councils (independent fiscal institutions). A Reference Group of heads and deputy heads of IFIs was formed to help guide this work. The draft principles presented here for discussion are supplemented by a set of fifteen country notes which demonstrate both the heterogeneity and the specific country context for each. The draft principles are based on commonly agreed good practices and lessons of experience. They draw on previous OECD and PBO work including last year's paper entitled "Independent Fiscal Institutions: Developing Good Practices".

Following a presentation by the **OECD Secretariat**, **George Kopits**, Senior Scholar, Woodrow Wilson International Center for Scholars, former chair of the Fiscal Council, Republic of Hungary, will lead a discussion on the draft principles.

13:00 - 14:30 Lunch Break

14:30 - 16:00 Legislative Institutions for Ex-Post Budget Oversight

This session will introduce a schema for examining principal institutions for ex-post budget review and oversight by legislatures. Several broad models exist, with some variations across parliaments. Central is the existence of a supreme audit institution and either a dedicated committee or an oversight mandate spread across one or more departmental committees. In Westminster based parliamentary systems, and in a small but increasing number of non-Commonwealth countries, an independent audit agency (typically the Auditor General or Audit Board) reports to parliament where a dedicated audit or Public Accounts Committee carries out further analysis – often through public hearings and field visits – and sanctions errant public servants and/or makes recommendations to improve budgetary accountability systems. In most Congressional systems, including the United States, and in some parliamentary systems, there is an independent audit agency but the responsibility for audit follow-up is spread across legislative departmental committees. By contrast, in countries influenced by the Napoleonic code, audits are performed by the Court of Accounts, a quasi-judicial body. Parliaments do not automatically receive the Court’s reports and the Court undertakes disciplinary actions in the case of faulty accounts directly. Several different forms of collaboration between the Court and parliament can be found in these types of regimes. A weak link in all systems is the feedback mechanism from ex-post legislative audit and review to the subsequent year’s budget deliberations. A key question for parliamentary budget officials is how can they use the results from the legislative audit process to better inform their ex ante budget analysis?

Chair: Daniel Hochedez, Director, Public Finance Services, National Assembly, France

Presenters: Mitchell O’Brien, Governance Specialist and Team Lead, Parliament Program, World Bank Institute (based on a paper prepared by Rick Stapenhurst, Parliamentary Advisor, World Bank Institute); Eduard A.J. Groen, Head, Department of Social and Financial Affairs, Clerk of the Public Expenditure Committee, House of Representatives, the Netherlands; and David Wilson, Clerk-Assistant, Select Committees, House of Representatives, New Zealand.

16:00 - 16:30 Report by the OECD Secretariat

This session is designed to update participants on current and future projects by the OECD in the field of budgeting and public expenditures. It is also an opportunity for participants to identify emerging priority areas for future work, the nature of their interest in the subject and their willingness to participate in particular studies.

16:30 Closing by Chair and OECD Secretariat.

MEETING INFORMATION

Registration Form

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

Accommodations

Delegates are responsible for their own accommodation. Information on hotels close to the OECD at special rates and our online booking system can be found at: www.oecd.org/conferencecentre

Meeting Location

The meeting will take place at the Conference Centre at OECD Headquarters – *Château de la Muette* – which is located at: 2, rue André Pascal in the 16th *arrondissement* (district) of Paris. The closest metro station is “*La Muette*” on line 9 or “*Henri Martin*” on line C of the RER. More information on getting to the OECD can be found at: www.oecd.org/conferencecentre

Security and Badges

Please be advised that OECD Headquarters is a secure complex. Badges can only be issued to registered Delegates, and a passport or national identity card is required in order to receive a badge. Delegates must go to the main entrance and pass through the security checkpoint in order to pick up badges. Please allow up to 15 minutes to complete these formalities.

Catering

The OECD Conference Centre has several dining options:

- A coffee bar in the heart of the conference centre, open all day from 8:30 to 17:00 for coffee and sandwiches;
- A snack bar with 132 seats, open from 08:00 to 17:00 offering breakfast, lunch, salads, sandwiches and snacks throughout the day;
- A self-service cafeteria, open from 11:45 until 14:15 and seating 700 per service. It provides a range of set menus and a wide choice of starters, main courses, grill-cook food and sweets;
- A restaurant with waiter service offering simple and refined dishes and open from 12:00 until 14:00.

Wi-Fi Internet Access and Business Centre

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

Simultaneous Translation

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

Cocktail Reception

All Delegates are invited to a Welcome Cocktail in the Roger Ockrent Room on the evening of the first day of the meeting, Thursday, 23 February at 18:00.