PUBLIC MANAGEMENT SERVICE
PUBLIC MANAGEMENT COMMITTEE

OECD's WORK ON BUDGETING
2001-2002 PROGRAMME OF WORK

Priority Exercise and Identification of Voluntary Contributions

22nd Annual Meeting of Senior Budget Officials
Paris, 21-22 May 2001

For further information, please contact Alex MATHESON or Jon BLONDAL
alex.matheson@oecd.org - Tel. +33-1 45 24 90 85; Fax +33-1 45 24 17 06
jon.blondal@oecd.org - Tel. +33-1 45 24 76 59; Fax +33-1 45 24 17 06

JT00107826

Document complet disponible sur OLIS dans son format d'origine
Complete document available on OLIS in its original format
FUTURE PROGRAMME OF WORK

Priority Exercise and
Identification of Voluntary Contributions

BACKGROUND

1. This document contains the major areas of work for the Working Party of Senior Budget Officials. The Head of Division will speak to each of these during the discussion of the Working Party’s Future Programme of Work.

2. In order to increase responsiveness, this document is being circulated in order for Member countries to indicate the areas of work that is of high, medium or low priority for their national administrations, as well as to propose new areas of work not listed in this document. Member countries are also invited to indicate whether they would consider making contributions (financial or in kind) to any of the activities.

3. Member countries are invited to submit this completed report to the Secretariat during the meeting. It should be emphasised that this is meant as an informal indication of interest.

CONTACT INFORMATION

Name: ______________________________________________________________

Job Title: __________________________________________________________

Address: ______________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________

Telephone: __________________________________________________________________________

Facsimile: ___________________________________________________________________________

E-Mail: _____________________________________________________________________________
THE OECD AND GOOD GOVERNANCE

Our aim is to support and facilitate the efforts of Member countries to achieve ever higher standards of effective and good governance in accordance with their needs and priorities and to draw on the results of our work to enhance the OECD relationship with non-members.

In pursuit of this aim, we will focus on the principal elements of good governance:

- **Accountability**: government actions, decisions and decision-making processes are open to scrutiny by public agencies, parliament, civil society and, in some instances, supranational bodies and institutions;

- **Transparency**: government is able and willing, through the provisions of information and explanation to show the extent to which its actions and decisions are consistent with clearly-defined and agreed objectives based on sound analysis;

- **Efficiency and Effectiveness**: government strives to produce high quality cost-effective public outputs, including laws, regulations and services delivered to citizens, and monitors and evaluates its performance;

- **Responsiveness**: government has the capacity and flexibility to respond rapidly to changes, consults widely and is willing to re-examine critically the role of government;

- **Forward-Vision**: government is able to anticipate future problems and issues based on current data and trends and develop policies that take into account future costs and anticipated changes (e.g. demographic, economic, environmental, et cetera);

- **Rule of Law**: government enforces equally transparent laws, regulations and codes.

ACTIVITIES

The OECD Budgeting Database

4. The OECD maintains an extensive database on budgeting institutions, systems, and instruments in Member countries. This data has been gathered primarily through the annual Survey of Budgeting Developments, conducted prior to each meeting of the Working Party. This is a fundamental resource for the Working Party and facilitates the entire programme of work. It is proposed to make the database still more comprehensive and to enhance its accessibility, especially on-line.
Country Reviews

5. The Working Party customarily conducts a review of the budgeting system in one Member country at each meeting. The objective of this programme is to provide an overview of the budget process in the country under review and to offer other Member countries an opportunity to comment on specific budgeting practices in the country under consideration (“peer review”). It is proposed to continue this practice, and to explore the possibility of increasing the number of country reviews conducted each year to two.

Financial Accountability

6. There are major reforms underway in a number of Member countries in the area of accounting and financial reporting. This is best exemplified by the move to accrual accounting and budgeting practices. Following on last year’s Symposium, it is proposed to convene the senior officials responsible for accounting policy in Member countries again to discuss financial accountability issues more broadly, including the development of international accounting standards which are of concern to a number of Member countries.

Role of the Legislature in the Budget Process

7. The Working Party first started work in this area in 1998 with a data gathering exercise and discussions at its annual meetings. This work culminated in the inaugural Symposium of Parliamentary Budget Committee Chairpersons, which took place in January 2001. It is proposed to convene this group regularly in order to foster more informed discussion of budgeting and management issues and to study the various roles legislatures play in the budget process and how this contributes to different budgetary outcomes.

Future Expenditure Issues

8. A significant number of Member countries are facing unprecedented fiscal claims in the near future as the result of demographic and other changes. Responding to these changes is inherently difficult as it by definition involves “sacrifices”. This subject has been thoroughly analysed in recent years from a technical point of view. It is proposed to study this activity from a more political approach, focusing on strategies applied in individual Member countries to achieve reforms, highlighting the political obstacles and opportunities. It will be explored whether a ministerial meeting on this subject would be feasible.

Governance and Accountability of Agencies

9. Agencies are defined as organisations that are not under the direct political and administrative supervision of ministries. The number of such bodies has been increasing significantly in Member countries in recent years as part of overall public sector modernisation reforms. While recognising that substantial benefits can be gained from such organisational arrangements, this work is motivated by the difficulties that Member countries have experienced in designing and maintaining effective accountability mechanisms for such bodies. Based on a very recent Expert’s Meeting, it is proposed to take this work forward in order to assist Member countries to strengthen the governance arrangement of these bodies, including the possible development of “Corporate Governance Principles for Agencies.”
Fiscal Relations Between Levels of Government (Fiscal Federalism)

10. Maintaining “whole-of-country” budgetary balances requires taking account of the budgetary situation at both national and sub-national levels of government. At the same time, there is a trend for increased decentralisation of policy and fiscal decision-making in a number of Member countries. This situation may require new mechanisms for the co-ordination of fiscal policy across levels of government. It also has implications for the assignment of revenue and expenditure programs to different levels of government and for the system of fiscal transfers between levels of government. It is proposed that this activity analyse comparative approaches that different Member countries have taken in this area.

Managing Surpluses

11. A significant number of Member countries are experiencing budgetary surpluses at the moment. The question arises how those surpluses should be managed. It is proposed to study comparative practices in Member countries for optimum debt level management and the management of financial assets, including needed governance arrangements to ensure the quality of government investments.

Performance Budgeting

12. A major theme of budgeting reforms in Member countries has been the shift in focus to results and managerial flexibility and away from inputs and centralised controls. The Working Party has devoted time to discussing specific aspects of implementing outcomes and outputs at its current and previous meeting. It is proposed that the Working Party next assess performance budgeting: What has been its impact over the past 10 years or so, and what has been achieved in relating performance information to the budgeting process.

Gender Budgeting

13. The OECD is committed to achieving equality between women and men in all areas of public and private decision-making and is promoting this through its various activities. The budget is the prime policy instrument of governments and a number of Member countries have applied gender analysis techniques to budgeting. UNIFEM, the United Nations Development Fund for Women, and the OECD are organising a major conference, to be hosted by the Belgian Government in Brussels on 16-17 October. The conference will showcase policies and techniques for applying gender analysis to the budget. It is proposed to support this work and to assist diffusing information on gender budgeting practices in Member countries.

E-Government

14. During the recent OECD Ministerial, ministers called on the OECD to conduct work in the area of E-Government. Delegates are asked to consider how the Working Party could best respond to this request, i.e. the implications of E-Government for budgeting and management.
<table>
<thead>
<tr>
<th>Please Mark One</th>
<th>Low Priority</th>
<th>Medium Priority</th>
<th>High Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD Budgeting Database</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country Reviews</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Accountability, including accrual accounting and budgeting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Role of the Legislature in the Budget Process, including meeting of parliament</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iary budget committee chairs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future Expenditure Issues, including ageing and reform of entitlement programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance and Accountability of Agencies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal Relations Between Levels of Government (Fiscal Federalism)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing Surpluses, including optimum debt levels and management of financial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Budgeting, including outcomes and outputs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender Budgeting</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-Government</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Please list any activities that you believe the Working Party should undertake and are not listed in Table 1, and please provide any comments on the activities listed in Table 1.
TABLE 2 - VOLUNTARY CONTRIBUTIONS

This is not intended as a commitment to provide voluntary contributions, but rather as an indication of interest. The Secretariat will then be in touch with each Member country to follow-up.

<table>
<thead>
<tr>
<th>Please mark with</th>
<th>Staff secondment to OECD</th>
<th>Staff time in home country</th>
<th>Cash contribution</th>
<th>Hosting an event</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD Budgeting Database</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country Reviews</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Accountability, including accrual accounting and budgeting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Role of the Legislature in the Budget Process, including meeting of parliamentary budget committee chairs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future Expenditure Issues, including ageing and reform of entitlement programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance and Accountability of Agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal Relations Between Levels of Government (Fiscal Federalism)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus Budgeting, including optimum debt levels and management of financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Budgeting, including outcomes and outputs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender Budgeting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E-Government</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Secondment to OECD = A Member country sending an employee to work at the OECD for a duration of time and paying his salary while he is at the OECD

Staff Time in Home Country = A Member country makes the time of a staff member available to work on a project for the OECD, while he remains at his office in the Member country

Cash Contributions = A Member country contributes cash to the OECD and the OECD recruits a staff member or a consultant to work on the specified project

Hosting Events = A Member country hosting an experts group meeting or a symposium and providing services such as conference facilities, translation, et cetera

Please provide any comments on possible voluntary contributions listed in Table 2.