PUBLIC MANAGEMENT SERVICE
PUBLIC MANAGEMENT COMMITTEE

Working Party of Senior Budget Officials

EXPERTS MEETING ON MANAGING FINANCIAL ASSETS AND INVESTING IN PRIVATE ASSETS TO ADDRESS LONG-TERM NEEDS

AGENDA

Paris, 4-5 April 2002

Chairman: Paul Posner, Managing Director, General Accounting Office (GAO), United States

This is an informal experts meeting in preparation for the forthcoming meeting of the Working Party of Senior Budget Officials

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AGENDA

Thursday, 4 April 2002

9:00-9:30 Opening Remarks by Chairman and Secretariat
  • Paul Posner, General Accounting Office, United States
  • Alex Matheson and Jon Blondal, OECD Secretariat

9:30-10:15 United States
  • Presentation by Diana L. Meredith, White House Office of Management and Budget
  • Questions-and-Answers

10:15-11:00 Norway
  • Presentation by Yngvar Tveit, Royal Norwegian Ministry of Finance
  • Questions-and-Answers

11:00-11:45 Canada
  • Presentation by Richard Neville and Mike Joyce, Treasury Board of Canada Secretariat
  • Questions-and-Answers

11:45-12:30 Netherlands
  • Presentation by Patrick Schuerman and Roald van der Linde, Ministry of Finance
  • Questions-and-Answers

12:30-14:00 Lunch Break

14:00-14:45 New Zealand
  • Presentation by Jeremy Corban, New Zealand Treasury
  • Questions-and-Answers
14:45-15:30 Chile
• Presentation by Mario Marcel, Ministry of Finance
• Questions-and-Answers

15:30-16:15 United Kingdom
• Presentation by Jo Whelan, Her Majesty’s Treasury
• Questions-and-Answers

16:15-17:00 Australia
• Presentation by Iain Scott, Australian Treasury
• Questions-and-Answers

17:00-17:45 Ireland
• Presentation by [X], Department of Finance
• Questions-and-Answers

17:45-18:00 Summary Remarks by Chairman and Secretariat

20:00 “No-Host” Dinner

Friday, 5 April 2002

9:30-11:00 Lessons Learned and Emerging Best Practices – Note by Chairman
• Paul Posner, General Accounting Office, United States

11:00-12:30 Lessons Learned and Emerging Best Practices – Comments on Chairman’s Note and General Discussion

12:30-14:00 Lunch Break

14:00-16:30 Lessons Learned and Emerging Best Practices – Comments on Chairman’s Note and General Discussion (Continued)

The Chairman will call coffee breaks during each of the sessions.
GENERAL NOTES

Discussion at Meeting

- On the first day of the meeting, each country will make a presentation on managing financial assets and investing in private assets to address long-term needs. Each presentation should be about 20-25 minutes in duration. The attached checklist for issues to be covered in the presentations should be used as a reference. Powerpoint equipment will be available in the meeting room. Following each presentation, the chairman will invite questions and comments from other delegates on the presentation.

- On the second day of the meeting, the chairman will highlight and synthesise the general lessons learned and emerging best practices based on the presentations the previous day. The chairman will then invite comments from other delegates and open the floor for general discussion of these issues.

Meeting Location

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

Please be advised that for security reasons you will need to show your passport or national identity card in order to receive an entry pass. Please allow 10-15 minutes to finish these security formalities.

Documentation

Delegates are requested to submit a written report based on their national perspectives ahead of the meeting. The attached checklist for issues to be covered should be used as a reference. The report may be more detailed than the presentation. Delegates are encouraged to provide any additional national documentation.

Hotel Reservations

We advise making hotel reservations as soon as possible as a number of special events are scheduled to take place in Paris during this time period.
CHECKLIST FOR ISSUES TO BE COVERED IN COUNTRY PRESENTATIONS AND REPORTS

Decisions to consider investment by government in financial assets

- Has the government considered or is it now considering investing in private financial assets?
- What problems or goals prompted the idea of government investment? Is investment a short-term use of excess cash or a longer-term strategy to address broader fiscal and pension policy? To what extent did budgetary surpluses and debt management goals play a role in considering the acquisition of financial assets by the government?
- What are/were the primary arguments for and against the government investing in financial assets? What political and public pressures exist? How have leaders addressed them?
- Provide an indication of the relative size of asset purchases. Are the investment proceeds to be used for general purposes or are they intended to be segregated for a specific purpose, e.g. social security? How are the proceeds accounted for in the budget? How would/does government investment in private assets affect reported measures of national debt and budget outcomes?
- What is the prospective size of the government investment relative to domestic capital markets and what issues have been raised about the impacts on capital markets?

Administrative Structures and Governance Issues

- To what degree are governmental financial investments insulated from political intervention? What mechanisms exist to ensure the independence of the investment activity? Do policymakers believe that government investment is less vulnerable to political pressure if the investment is undertaken in the context of a public pension program?
- What are the investment policies and objectives? Do these policies target any particular asset classes or sectors of the economy? Are investments made in foreign markets? If so, what rules guide these investments? Have the investment policies and objectives changed since inception?
- Who decides what the investment policies and objectives are? Who manages the government’s portfolio (government or contractors)? Are there estimates readily available of the associated costs and staffing?
- What is the relationship between portfolio managers and the government and/or the legislature? What accountability and oversight mechanisms are in place? Have these changed since inception?
- To what extent did the administrative structure and investment policies mitigate concerns raised about the government investing in financial asset markets? How was a compromise reached?
Experts Meeting on Managing Financial Assets and Investing in Private Assets to Address Long-term Needs

Paris, 4-5 April 2002

REGISTRATION FORM

(TO BE COMPLETED FOR EACH PARTICIPANT)

NAME _______________________________________________________________________

JOB TITLE __________________________________________________________________

ORGANISATION ______________________________________________________________

MAILING ADDRESS____________________________________________________________

COUNTRY ___________________________________________________________________

TELEPHONE __________________________________________________________________

FACSIMILE _________________________________________________________________

E-MAIL ADDRESS ____________________________________________________________

Please return the completed form to:

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