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

English - Or. English

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

Working Party of Senior Budget Officials

**OECD PARLIAMENTARY BUDGET OFFICIALS AND INDEPENDENT FISCAL INSTITUTIONS
Fifth Annual Meeting**

DRAFT ANNOTATED AGENDA

**Parliament of Canada, Ottawa
21-22 February 2013**

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

Complete document available on OLIS in its original format

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5th ANNUAL MEETING OF OECD PARLIAMENTARY BUDGET OFFICIALS AND INDEPENDENT FISCAL INSTITUTIONS

DRAFT ANNOTATED AGENDA

Wednesday, 20 February 2013

from 18:00 *Welcome Cocktail, Fairmont Château Laurier*

Thursday, 21 February 2013

9:00 - 9:15 **Opening by the OECD Secretariat and Delegates' Introductions.**

9:15 - 9:30 **Welcome Address**

- **Mr. James Rajotte**, MP, Chair, Standing Committee on Finance, House of Commons, Parliament of Canada

9:30 - 11:00 **Roundtable - Recent Developments and Views from Member Parliaments**

In the tradition of past PBO meetings, this session provides updates and perspectives from several OECD member country parliaments. It covers recent changes to the Danish budget law, including to the role of the Economic Council; how the Finnish Parliament is building an economist function within their research services; a parliamentary view of Poland's plans to enhance the role of existing institutions in place of establishing an independent fiscal institution; and how the euro crisis has impacted on the work of the German Bundestag.

Chair: **Kevin Page**, Parliamentary Budget Officer, Canada

Presenters:

- **Peter Bohlbro**, Head of Secretariat, Finance Committee, and **Niels Hoffmeyer**, Chief Economic Adviser, Danish Parliament, Denmark
- **Mika Rajala**, Researcher, Research Service, Parliament of Finland, Finland
- **Zofia Szpringer**, Chief, Financial Analyses and State Budget Team, Bureau of Research, Sejm Chancellery, Poland
- **Marc Schattenmann**, Senior Officer, Secretariat of the Budget Committee, German Parliament, Germany

11:00 - 11:30 **Coffee Break**

11:30 - 13:00 Roundtable - New Institutions

The trend towards establishing parliamentary budget offices and fiscal councils continues among OECD member countries and beyond. This session will provide an overview of new institutions that have been, or are being established, in France, Australia, Austria, South Africa and Italy. Following the main presentations, the session Chair will first call on the delegates from Ireland, Portugal, and the Slovak Republic to lead off the discussion with a brief update on their institution's developments in the past year.

Chair: Kevin Page, Parliamentary Budget Officer, Canada

Presenters:

- **Representative**, Cours des Comptes, France
- **Helmut Berger**, Head, Parliamentary Budget Office, Austria
- **Mohammed Jahed**, Head, Parliamentary Budget Office, South Africa
- **Phil Bowen**, Parliamentary Budget Officer, Australia
- **Chiara Goretti**, Acting Head, Budget Office, Senato della Repubblica, Italy

13:00 - 14:30 Family Photo and Luncheon**14:30 - 16:00 Independent Fiscal Institutions and Access to Information**

Independent Fiscal Institutions are highly dependent on government information to effectively carry out their mandate. The OECD draft *Principles for Independent Fiscal Institutions* recommend that IFIs have full access in legislation to all relevant information — including methodology and assumptions underlying the budget and other fiscal proposals — in a timely manner and at no cost. They further recommend that any restrictions on access to government information should also be clearly defined in legislation and that appropriate safeguards may be put in place as regards protection of privacy and of sensitive information in the areas of national defence and security. For around half of the institutions profiled last year access to information is enshrined in legislation (and/or a MOU). Yet even among those institutions, this has not always been enough to ensure full and timely access in practice. Access to information gives rise to many potentially thorny questions. Does the reliance on government for information potentially weaken an IFI's ability to act critically? What if IFIs request information that is not available or not easily available, potentially embarrassing government counterparts? What if government officials complain of being overburdened by requests for information? What if information is provided but is packaged in such a way that it creates additional work and delays? What strategies can IFIs use to facilitate sharing of information? What strategies can IFIs use when faced with disputes over access to information? This session will address these and other questions in light of country examples.

Chair: John McHale, Chair, Irish Fiscal Advisory Council, Established Professor and Head of Discipline, Economics National University of Ireland, Galway

Presenters:

- **Tolga Yalkin**, Senior Advisor to the Parliamentary Budget Officer, Canada

- **Robert Chote**, Chair, Office for Budget Responsibility (OBR), United Kingdom
- **Bob Sunshine**, Deputy Director, Congressional Budget Office (CBO), United States

16:00 - 16:30 *Coffee Break*

16:30 - 18:00 **Evaluating Independent Fiscal Institutions**

Just as audit institutions are often asked “who is auditing the auditors”, independent fiscal institutions may be asked “who is watching the watchdogs”? Members of IFIs and academics have proposed peer or international evaluations of IFIs work to strengthen their accountability. What can the network learn from the experiences of supreme audit institutions which have developed voluntary peer review mechanisms? The network of OECD Parliamentary Budget Officials and Independent Fiscal Institutions has continued to gather lessons and elements of good practice, now incorporated into the draft *Principles*. What lessons can we draw from additional work being undertaken by the IMF on the impact of fiscal councils and their own attempts to define core pre-conditions and features of effective fiscal councils? Could we develop a common framework?

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

Presenters:

- **Dieter Engels**, President of the Bundesrechnungshof (Supreme Audit Institution), Germany
- **Xavier Debrun**, Deputy Division Chief, Fiscal Policy and Surveillance, Fiscal Affairs Department, International Monetary Fund (IMF)
- **Kevin Page**, Parliamentary Budget Officer, Canada

from 18:30 ***Visit to the National Gallery and Gala Dinner***

Friday, 24 February 2012

9:00 - 10:30 Budget Oversight under Minority Governments

Minority governments are a fairly common occurrence in Western Europe, particularly in Scandinavia. Recent years have also seen an upsurge in minority governments in Westminster-based systems. Especially in Westminster-based systems, minority governments are viewed as weak, unstable and not conducive to dealing with long-term issues. Yet well-functioning minority governments can promote increased transparency, debate, compromise and cooperation across party lines. Parliament as an institution may be strengthened vis-à-vis the executive, increasing prospects for stronger oversight in particular and parliamentary reform more generally. Minority (and coalition) governments have greatest incentive to negotiate a budget agreement prior to the formal release of the budget and to negotiate with parliament to secure budget approval. Interestingly both the Canadian and Australian Parliamentary Budget Offices were established under minority governments, among other reforms. The Scottish Parliament expanded its capacity to provide expert financial assistance to backbench and opposition members under a minority government. Yet, parliaments are not monolithic and the competing interests within parliament may make oversight processes more complex and unpredictable. This session looks at country examples of parliamentary oversight, and more specifically budget oversight, under minority governments.

Chair: Kevin Page, Parliamentary Budget Officer, Canada

Presenters:

- **Ingvar Mattsson**, Head of Secretariat, Finance Committee, Swedish Parliament, Sweden
- **David Brunoro**, Committee Secretary, Public Accounts and Audit, Department of the House of Representatives, Australia

10:30 - 11:00 Coffee Break

11:00 - 12:30 The Impact of Permanent Legislation on Budgeting and Budget Oversight

Across the OECD, up to two-thirds of public spending is mandated by permanent legislation rather than discretionary budget decisions. Budget officials regularly complain about the increasingly limited room for manoeuvre within the budget process. Parliaments' are similarly constrained. Legislation that creates a permanent appropriation typically allows the recipient to spend money without further action by the parliament. Even when funding for permanent legislation goes through the annual appropriations process, the amount of funding may effectively be mandated so that the parliament can make little or no adjustments. Moreover, the pattern of spending mandated by permanent legislation may not be evenly distributed over time, leading to much larger commitments in the longer term. What mechanisms can be used to ensure that the fiscal implications of permanent legislation are properly weighted and subject to more rigorous scrutiny? What role can parliamentary budget offices or similar institutions play?

Chair: Lars Jonung, Chair, Swedish Fiscal Policy Council

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

Discussants:

- **Ingvar Mattsson**, Head of Secretariat, Finance Committee, Swedish Parliament, Sweden
- **Jason Jacques**, Director, Budget, Estimates and Reporting, Office of the Parliamentary Budget Officer, Canada

12:30 - 14:00 **Luncheon**

14:00 - 15:30 **The Benefits of Long-term Fiscal Projections**

In order to be better prepared for fiscal risks and challenges ahead, many OECD member countries are undertaking long-term fiscal projections. While only a handful did so in the mid-1990s, as of 2009 27 OECD member countries reported producing long-term projections (most commonly between 41-50 years ahead), with about half doing so on an annual basis. The OECD Best Practices for Budget Transparency (2002) recommend that fiscal projections should cover between 10 and 40 years and be prepared or updated at least every five years or when major changes are made in revenue and expenditure programmes. In addition, all key assumptions underlying the long-term fiscal projections should be made explicit, together with a range of plausible scenarios. Governments should publish periodic reports on long-term public finances, and the focus of these projections should be on more than just demographic changes. This session will examine recent OECD work on long-term projections, as well as several country cases, in light of the above recommendations and key questions such as:

- What types of fiscal indicators are used, and are these compared against previous projections?
- Is sensitivity analysis (or are alternate scenarios) of the projection presented to reflect different underlying assumptions?
- Do projections highlight the long-term fiscal costs of past and possible future policy change?
- Are fiscal projections presented to the legislature together with the annual budget?
- Is consideration given to the long-term costs of new programmes or reforms?
- Do projections trigger adjustments to expenditures or revenues, or to fiscal rules in the medium term?

Chair: Robert Chote, Chair, Office for Budget Responsibility (OBR)

Presenters:

- **Sebastian Barnes**, Senior Economist, Economics Department, OECD, and Member of the Irish Fiscal Council
- **Frits Bos**, Senior Economist on Public Finance and Regional Economics, Netherlands Bureau for Economic Policy Analysis (CPB), the Netherlands

- **Chris Matier**, Senior Director, Economic and Fiscal Analysis and Forecasting, Office of the Parliamentary Budget Officer, Canada
- **Young Jin Joo**, Chief, National Assembly Budget Office (NABO), Korea

15:30 - 16:00 Adoption of the revised “Principles for Independent Fiscal Institutions” and Report by the OECD Secretariat

***Chair:* Kevin Page**, Parliamentary Budget Officer, Canada

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.

16:00 Closing by Chair and OECD Secretariat

16:15 Tour of Parliament

All Delegates must complete the attached registration form and return it to the Secretariat via Ms. H  l  ne LECONTE-LUCAS by email at helene.leconte-lucas@oecd.org or by fax at +33 1 44 30 63 34.

The meeting will take place at the Parliament of Canada.

Meeting badges can only be issued to registered Delegates, and a passport or national identity card needs to be presented in order to receive a meeting badge.

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

All Delegates are invited to a Welcome Cocktail at the Fairmont Château Laurier on the eve of the meeting, Wednesday 20 February at 18:00.

Following the conclusion of the first day of the meeting, Thursday, 21 February, all Delegates (and spouses) are invited to a reception and private viewing at the National Gallery, followed by a Gala Dinner.

The Office of the PBO has made arrangements with special rates (prix de faveur) at the Fairmont Château Laurier (<http://www.fairmont.com/laurier-ottawa>; Tel: 1-506-863-6310) in Ottawa. Please note that these rates do not include breakfast.

- Fairmont room - \$159 Cdn.
- Fairmont Room with view - \$199 Cdn.
- Deluxe - \$229 Cdn.
- Fairmont Gold - \$279 Cdn.
- Fairmont Gold Suite - \$299 Cdn.

The hotel is within walking distance of the meeting venue. Please contact the hotel directly to make reservations by calling call +1-506863-6310 or using the designated web link for the PBO meeting: https://resweb.passkey.com/Resweb.do?mode=welcome_ei_new&eventID=9610515. Rooms are limited and reservations should be made in advance in order to guarantee the special rates.