



Organisation for Economic Co-operation and Development

**GOV/PGC/SBO(2017)3**

**Unclassified**

**English text only**

**24 January 2018**

**PUBLIC GOVERNANCE DIRECTORATE  
PUBLIC GOVERNANCE COMMITTEE**

**Working Party of Senior Budget Officials**

**SUMMARY RECORD**

**38th Annual Meeting of Senior Budget Officials**

**held on 1-2 June 2017 in Lisbon, Portugal**

For further information, please contact Jon BLÖNDAL  
Tel. +33 1 45 24 76 59 – [jon.blondal@oecd.org](mailto:jon.blondal@oecd.org)

**JT03425854**

## **38<sup>th</sup> Annual Meeting of Senior Budget Officials Lisbon, 1-2 June 2017**

### **Summary Record**

The 38<sup>th</sup> Annual Meeting of Senior Budget Officials (SBO) took place in Lisbon on 1-2 June 2017, hosted by the Portuguese Ministry of Finance. It was attended by 90 officials representing 42 delegations. Attendance included high-level delegations from Brazil, China, South Africa and Thailand. The IMF, IADB and the European Commission were also represented at senior levels.

This summary record follows the order of sessions at the meeting.

#### **Opening Remarks**

The meeting opened with a welcome address by Mr. Mário Centeno, Minister of Finance, which focused on Portugal's recent fiscal transformation and exit from the *Excessive deficit procedure*. This was followed by a detailed overview of the ambitious budget reforms being undertaken in Portugal in the context of the *Budget Framework Law*.

Ms. Mari Kiviniemi, Deputy Secretary-General, opened the meeting on behalf of the OECD and placed the meeting in the context of the Ministerial Council Meeting which was taking place the following week. She highlighted that inclusive growth objectives – to respond to citizens' growing concerns that the benefits of globalisation have not been distributed fairly – must be aligned with resource allocation mechanisms over different time horizons.

#### **OECD Budgeting Outlook**

Delegates devoted significant time to discussing the proposed OECD *Budgeting Outlook*, which is designed to become the flagship publication for disseminating the output of the Working Party. Delegates welcomed the initiative and were especially enthusiastic about its potential to raise the profile of the work of the SBO, both internally and externally.

#### **Public Sector Productivity**

The session responded to a call by the OECD Ministerial Council Meeting in 2016 and presented two reports – *Understanding Public Sector Productivity* and *Measurement Challenges, Performance Information and Prospects for Improvement*. Following a rich discussion of the issues, Delegates concluded that measurement was an essential precondition to better understand the 'black box' of government that transforms inputs into outputs and that the agenda of budget reform coincides with – and can enable and underpin – the future challenge of measuring public sector productivity. Subsequent to the session several countries

with extensive experience in this field indicated their interest to work actively with the Secretariat to take this work forward.

### ***OECD Best Practices for Performance Budgeting***

The meeting discussed and agreed a set of OECD *Best Practices for Performance Budgeting*. This is a ground-breaking instrument which draws together the accumulated expertise of the OECD in this area based on analysis of member countries' practices. It sets out ways to make performance budgeting an effective tool, while responding to the significant challenges that countries have faced in this area. The *Best Practices* emphasise the role of the centre of government and the legislature for an effective performance budgeting framework. As a follow-up, it was suggested the OECD develop specific "model" performance indicators and targets for key sectors.

### **New Parliamentary Budget Procedures and Independent Fiscal Institutions**

The legislature reasserting its budgetary role and the growth of independent fiscal institutions (IFIs) have been key trends over the past decade across OECD countries. This session explored how the interaction of budget offices with the parliament and IFIs has evolved over the years. Increased transparency was highlighted as the most important gain from these institutional changes. A greater reliability of data and better understanding of data by parliament and the wider public were also highlighted as benefits. This session also explored initial orientations for best practices for parliamentary budget procedures.

### ***Rationalizing Fiscal Reporting in Government***

The *Rationalizing Fiscal Reporting in Government* report highlighted that the desire for sophistication in this area has come at the expense of clarity. Recommendations for addressing this paradox include simplifying the content of financial reports, using open data fiscal databases for providing detailed information and improved consultation processes with stakeholders. Finance ministries also need to dedicate more resources to analysing and commenting on financial information, which may otherwise be misunderstood or ignored. Delegates invited the Secretariat to expand the country coverage of the case studies upon which the report is based.

### **Network on Fiscal Relations across Levels of Government**

A special presentation was made on the Network on Fiscal Relations across Levels of Government, in light of the movement of its Secretariat from the Economics Department to the Public Governance Directorate. Delegates welcomed this development and a number of suggestions for achieving synergies between the Network and the Working Party were made in structured bilateral meetings between the Secretariat and Delegates.

### **SBO Subsidiary Networks**

The Working Party reviewed the activities of each of its subsidiary networks and their specific outputs, including the Chile *Infrastructure Governance Review*, based on a report by the Secretariat.

As part of this review, extended time was devoted to the Working Party's most recent subsidiary network, the Expert Group on Gender Budgeting.

The SBO agreed to update formally the names of three of its networks as follows:

- Financial Management and Reporting
- Parliamentary Budget Offices and Independent Fiscal Institutions
- Infrastructure and Public-Private Partnerships

### **Future Work**

The OECD *Budgeting Outlook* will form the bedrock for the Working Party's future work.

In addition to the "baseline" activities of the Working Party, Delegates highlighted the management of fiscal risks – based on practical experiences of countries – as a key theme going forward

### **New Chair and New Bureau Members**

Mr. Martin Kelleners, Director, Budget Directorate, Ministry of Finance, Germany was elected the new chair of the Working Party. This followed the resignation of Mr. Julian Kelly from his position as Director-General, Public Spending, HM Treasury, United Kingdom and subsequently as chair of the Working Party.

The membership of the seven-person Bureau of the Working Party was renewed with the following new members: Ms. Rosemary Huxtable, Secretary, Department of Finance, Australia, Ms. Kelly Kinneen, Assistant Director for Budget, White House Office for Management and Budget and Ms. Stavroula Miliakou, General Director of Fiscal Policy and Budget, Ministry of Finances.

### **Next Meeting**

Subsequent to the meeting, the Israel Ministry of Finance confirmed its hosting of the 2018 annual meeting of the Working Party on 6-7 June.