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PUBLIC GOVERNANCE DIRECTORATE
COMMITTEE OF SENIOR BUDGET OFFICIALS

OECD Spending Better Framework

42nd Annual Meeting of Senior Budget Officials
Oslo, 2-3 June 2022

Spending Better is about ensuring resources are allocated to where they are most valued and away from areas where they are less valued. It is about safeguarding fiscal sustainability in the long-term. It is about effective citizen and parliamentary engagement and oversight. Key to Spending Better are quality budget institutions.

This document presents the OECD's analysis of the key features that constitute quality budget institutions. It is organised around ten principles, "connecting the dots" of various budget reform initiatives. It is a comprehensive framework that should be viewed holistically. It defines the key entities, functions, processes and procedures that together constitute quality budget institutions.

This document is informed by Secretariat analysis of Member countries' practices and draws on the OECD's extensive work in this area. It is a companion toolkit to the *OECD Recommendation on Budgetary Governance*.

It has been updated to reflect comments received.

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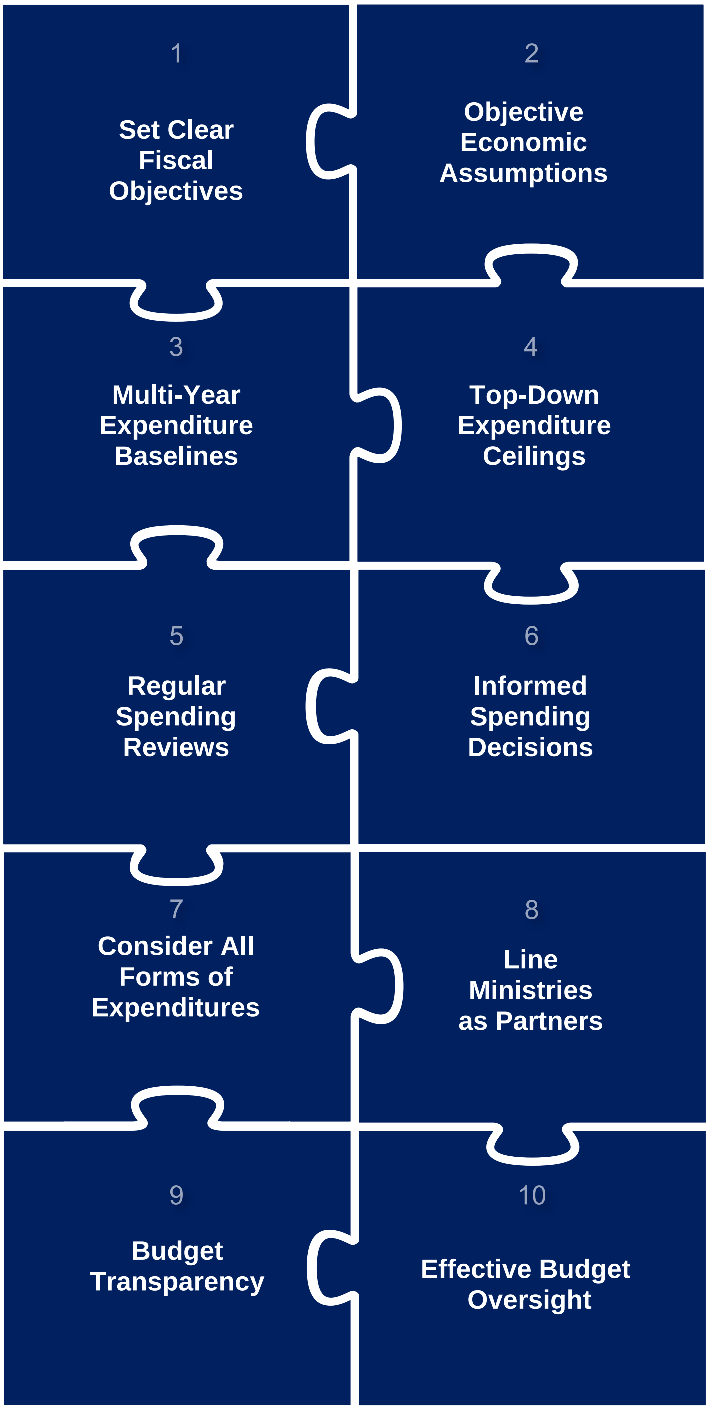

Introduction

1. The COVID-19 pandemic and its economic consequences inflicted a severe shock on government finances everywhere. Budgets were one of the key tools used to mitigate its effects on businesses and households. Spending jumped and revenue fell, producing a sharp deterioration in budget balances and higher levels of debt.

2. At the same time, the long-term fiscal pressures associated with climate change and reducing greenhouse gas emissions; ageing populations and shrinking labour supply; and rising health care and social care costs continued to mount. Interest expenditures are now increasing significantly. The current geopolitical tensions are adding further new spending pressures, including in the defence area, as well as greater economic uncertainty.

3. Reconciling these pressures with already stretched public finances requires high quality budget institutions. Resources will need to be reallocated to meet the many current and emerging pressures on public expenditures in order to ensure the long-term sustainability of public finances.

4. Budgets are about more than money. They are a statement of a nation's priorities. Engagement and oversight of the budget process by parliaments and the public is fundamental to democratic governance and trust in government.

5. Spending Better is about ensuring resources are allocated to where they are most valued - and away from areas where they are less valued. It is about safeguarding fiscal sustainability in the long-term. It is about effective citizen and parliamentary engagement and oversight. Key to Spending Better are quality budget institutions.

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1. Set Clear Fiscal Objectives

1. Setting clear fiscal objectives is core to achieving fiscal goals.
2. All key fiscal objectives should be explicitly disclosed, including for the budget balance and the aggregate levels of revenues, expenditures and debt.
3. High-level fiscal objectives can take the form of legislated fiscal rules, a government statement to parliament, or be contained in Coalition or other political agreements.
4. They encourage prudent fiscal management by providing a benchmark to hold government accountable.
5. They provide the anchor for subsequent principles that operationalise the high-level fiscal objectives set – especially top-down expenditure ceilings.
6. Simplicity in design promotes transparency and accountability.

Box 1. New Zealand's Fiscal Strategy Report

New Zealand does not have legislated fiscal rules. Rather, according to the Public Finance Act 1989, the government must prepare a *Fiscal Strategy Report*, which is published alongside each Budget. It contains their short-term fiscal intentions and long-term fiscal objectives for fiscal policy shown against five variables:

- Total operating expenses.
- Total operating revenues.
- The balance between total operating expenses and total operating revenues.
- Total debt.
- Total net worth.

As well as setting out these intentions and objectives, the government must explain how its fiscal strategy is responsible. The provisions require the government to look back and assess the extent to which its fiscal performance was consistent with its published fiscal strategy.

The government also provides a public update on its fiscal strategy months in advance of finalising the Budget, in its Budget Policy Statement (BPS). As well as setting out the government's policy priorities more generally, the BPS includes an update on the government's short-term intentions and long-term objectives for fiscal policy against the five variables listed above.

Box 2. Switzerland's Structural Budget Balance Rule

The Swiss Federal Constitution contains a provision, added by popular vote in 2001, which requires the central government to maintain a balanced budget that "takes account of the economic situation" by permitting countercyclical spending during downturns but requiring offsetting surpluses during booms.

The specific methodology for adjusting permissible expenditure by the business cycle is regulated by law, which requires budget planners to put forward a budget where the one-year-ahead forecast of expenditure equals forecast revenues, and where forecast revenues have been multiplied by the ratio of trend real GDP to expected real GDP. For example, if the economy is expected to be 5% below its trend, then the revenue forecast would be adjusted upwards by the factor 100/95 ≈ 1.05 and budgeted expenditures could be equally higher.

If, after the budget has been implemented, actual spending exceeded planned expenditure, the resulting structural deficit is recorded. If accumulated structural deficits exceed 6% of expenditure, the government must implement a programme to reduce the balance below the threshold within three years.

The rule also includes an escape clause for exceptional financial requirements, which are similarly recorded and must be offset by structural budget surpluses over the following six years. The exceptional financial requirements clause was used during the COVID-19 pandemic.

2. Objective Economic Assumptions

1. Unbiased economic assumptions are crucial to avoiding revenue shortfalls and unplanned spending pressures.
2. All key economic assumptions should be disclosed. This includes the forecast for GDP growth, the composition of GDP growth, the rate of employment and unemployment, the current account, inflation and interest rates. Any deviations from previously applied assumptions should be highlighted.
3. Any adjustments for risk to provide a cushion against an unexpected economic downturn or shock to the public finances should be disclosed.
4. A sensitivity analysis should be carried out to quantify uncertainty, i.e. showing how alternative assumptions for key economic variables would affect the budget.
5. Independent fiscal institutions are an important partner in ensuring that economic assumptions are objective, whether that is through producing the official economic assumptions or validating the reasonableness of the government's estimates.

Box 3. United States Congressional Budget Office

The Congressional Budget Office (CBO) was established under the Congressional Budget Act of 1974 to provide objective, nonpartisan information that would support the budget process. CBO's mission is to help the Congress make effective budget and economic policy. In carrying out that mission, the agency offers an alternative to the information provided by the Office of Management and Budget and other agencies in the executive branch.

It develops its own economic forecasts and baseline budget projections. These cover the same period as the those contained in the budget prepared by the Office of Management and Budget (OMB). These serve as a benchmark to view those prepared by the Office of Management and Budget.

Box 4. United Kingdom Office for Budget Responsibility

The Office for Budget Responsibility (OBR) was created in 2010 to provide independent and authoritative analysis of the UK's public finances. Its key responsibilities include:

- Producing the official economic and fiscal forecasts for the Budget and Spring Statements, which must cover at least five future years (or more, at the Treasury's request).
- Assessing the extent to which the government's fiscal targets have been, or are likely to be, achieved alongside each forecast.

- Assessing the accuracy of its previous fiscal and economic forecasts at least once a year.

The OBR co-operates closely with the Treasury (and other ministries) in its work but the judgements, assumptions and methodologies it applies for its forecasts and analysis are fully independent.

3. Multi-Year Expenditure Baselines

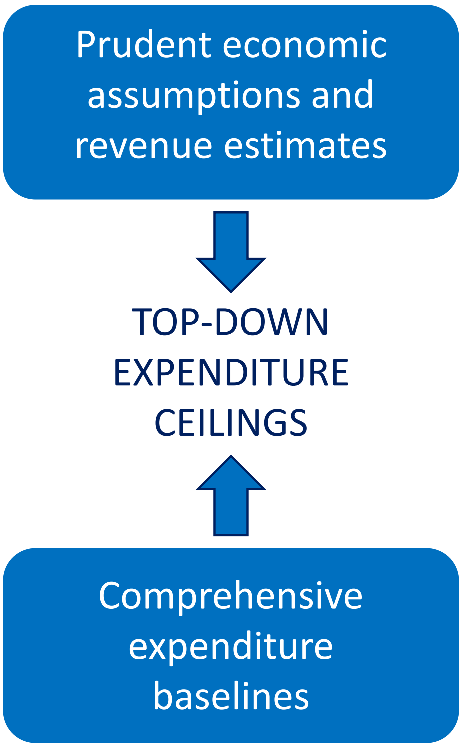
1. Baselines illuminate the multi-year implications of spending decisions, and act as an early warning of emerging expenditure trends. They facilitate decisions to re-allocate resources.
2. Baselines should have a medium-term time horizon of 3-5 years beyond the budget. Each baseline should be rolled over for an additional new year with each budget.
3. Baselines should be continually updated internally to reflect all policy decisions with an expenditure impact, and should be published at regular intervals.
4. Baselines should include all expenditures, whether authorised in the annual budget law or in separate legislation ("mandatory" or "entitlement" expenditure).
5. Baselines should be presented at an institutional level, not only at aggregate level.
6. There should be a reconciliation of the baseline and actual expenditure to encourage discipline in its preparation and foster transparency.
7. Preparing the baselines should be the responsibility of the same entity that prepares the annual budget. They are an integral part of the budget process, not a separate exercise.

Box 5. Australia's Forward Estimates

Australia's Forward Estimates include a baseline projection for all expenditures for three years beyond the next (upcoming) budget. This includes expenses associated with existing government policy decisions, based on economic, demographic and other forecasting assumptions. These estimates are based on ongoing programmes linked to current government policy. Forward estimates therefore do not include new programmes, the expansion of existing programmes that the government has not agreed to, or programmes that are expected to end. After Parliament approves the budget, the first year of the Forward Estimates becomes the starting point for preparing next year's budget, and another out-year is added to the Forward Estimates. The Forward Estimates are prepared at the same level of detail as the budget, thereby allowing each year's budget to contain a reconciliation between its own figures and the first outer year in the previous year's forward estimates. Any differences between the two are explained and categorised as being due to new policy decisions (expansion of existing or creation of new policies), changes in non-economic parameters (for example, the number of people claiming benefits), changes to macroeconomic parameters and other variations. The Forward Estimates are updated throughout the year, to ensure they reflect all available information on the evolution of parameters and policy decisions at any given time. All new policy proposals are assessed and discussed in terms of their impact on the upcoming budget and the three-year Forward Estimates. The Forward Estimates are published with the budget, and updated and published mid-year as well.

4. Top-Down Expenditure Ceilings

1. Top-down expenditure ceilings are the bedrock of the budget process. They operationalise the government's high-level fiscal objectives in concrete terms and reflect allocations and reallocations to fund new policy initiatives.
2. Expenditure ceilings should be established for the medium-term, either consistent with the government's term of office, or on a rolling basis. If the latter, decisions by a new government should show changes from the previous one.
3. For out-years in a multi-year framework, expenditure ceilings may be grouped together and be more indicative in nature.



Informed by prudent economic assumptions and revenue estimates, and comprehensive expenditure baselines, the level of total expenditures compatible with the government's high-level fiscal objectives is set.

This shows the fiscal space available, or level of fiscal retrenchment needed. This facilitates decisions on reallocations required to implement the government's policy agenda.

4. The total level of annual expenditure should be disaggregated into separate expenditure ceilings allocated to ministers. An expenditure ceiling should optimally be the responsibility of a single minister. A minister may have one expenditure ceiling for the whole of their ministry, or there may be specific sub-ceilings ceilings within the ministry for certain programmes.
5. Certain expenditure ceilings may be deemed flexible in nature. This is especially applicable to cyclical areas of expenditures, such as unemployment benefits. Interest expenditure may be similarly treated.
6. Ministers should have flexibility and autonomy to reallocate resources within their expenditure ceilings. The Ministry of Finance should have the capacity to assess such reallocations and ensure that decisions by line ministers are within the overall policy and budget framework. Rules for reallocation between different categories of expenditures (such as personnel, other operating expenditure, transfers and capital expenditures) should be set.

7. Expenditure ceilings should be set at the start of the annual budget preparation process prior to any consideration of “bottom-up” spending requests from line ministries.
8. Once set, the ceiling should not be varied during the budget preparation process to ensure the credibility of the overall framework, and to ensure that expenditure is in line with the government’s fiscal objectives.
9. Robust monitoring and enforcement mechanisms need to be in place to ensure that actual spending is in line with the expenditure ceilings.
10. An unallocated reserve or, “margin”, should be in place to meet unforeseen and exceptional contingencies while ensuring the integrity of the high-level fiscal objectives.

Box 6. Expenditure Ceilings in Finland

Finland’s multi-year expenditure ceilings are defined for a period of four years. The ceilings cover approximately 80% of central government expenditure, where expenditure that varies according to the economic cycle and automatic fiscal stabilisers, such as unemployment security expenditure and housing allowance, is not included in the ceilings. Only essential price- and cost-level adjustments and required structural corrections are made to it annually. In March every year, the ceilings are converted into the upcoming year’s price level using an updated deflator of the central government price index. At this time, the government also makes any technical adjustments to the ceilings to neutralize changes in the structure of the budget. The Coalition Agreements may be renegotiated to increase the ceilings given that the funding source is determined prior to the negotiation. The expenditure ceilings also cover supplementary budgets, for which a certain proportion is reserved. An unallocated reserve is also in place that can be allocated at a later date.

The Finnish system relies on incentives for line ministries to reallocate expenditure to finance new policy priorities. Any potential deviations from expenditure ceilings are detected through intra-year monitoring. In case of non-compliance with the ceilings, the minister of the respective ministry needs to implement corrective measures immediately. In case of a failure to adhere to the ceilings, the Ministry of Finance has the authority to reduce the appropriations by the equal amount of the expected overrun. The same holds for *ex post* detection of the breach.

5. Regular Spending Reviews

1. Spending reviews identify opportunities for reallocation in order to align spending with government priorities, and to control total expenditures.
2. All expenditures, not only new proposals, should be subject to spending reviews. Each spending review may focus on a specific area of expenditure.
3. Spending reviews should have a clearly specified scope and objectives, with recommendations and governance arrangements which are transparent and ensure accountability.
4. Spending reviews are inherently linked to the budget process, otherwise the recommendations of the spending reviews are less likely to be implemented.
5. Performance and results information, budget impact analysis, and public policy evaluations are key inputs to spending reviews.

Box 7. Aligning Spending Reviews to the Budget Process in Norway

Spending reviews are closely aligned with the budget process in Norway and form a routine part of budget planning. The Norwegian government initiates a budget strategy conference in early autumn each year where the economic outlook over the medium-term is discussed. Based upon that discussion, the government decides its priorities and guidelines for the budget process for the following year. Mandates for spending reviews have been an important part of the discussion, where the results of previous spending reviews are also considered. Soon after the final spending review report is delivered, the Ministry of Finance, in close co-operation with line ministries, present the recommendations to the government for approval. The recommendations from spending reviews that have a direct effect on spending are integrated into the budget process.

6. Informed Spending Decisions

1. Performance and results information, budget impact analysis and public policy evaluation are tools to help inform spending decisions and improve expenditure performance.
2. Key performance indicators and targets should be included in budget documents together with monitoring mechanisms and regular reporting. Guidelines from the Ministry of Finance should inform the number of targets and indicators to be used, and maintain a stable structure of performance information over time to ensure comparability of data and promote accountability.
3. The budget and the budget process are a powerful instrument for affecting change, including in areas such as climate change and gender equality. Budget impact analysis is one of the tools that can help inform how budget decisions impact both positively and negatively on specific high-level policy goals.
4. Policy evaluations allow budget decision-makers to conduct in-depth evidence-based assessments of the efficiency, effectiveness and results of programmes and the continued relevance and viability of their objectives.

Box 8. Gender budgeting in Canada

Gender budgeting was introduced in Canada in 2016 and the practice was underpinned by legislation in 2018. Since 2017 the Minister of Finance has required all budget and off-cycle funding proposals to be accompanied by a gender impact assessment (called GBA+). Information from these assessments is used to help inform budget decision making. A key feature of Canada’s approach to gender budgeting is the gender information that accompanies the budget. A separate report includes information on the gender impact of all budget measures. It also provides information on the budget measures that contribute towards each of the gender equality goals set out in Canada’s Gender Results Framework.

Box 9. Green budgeting in France

In 2017, France committed to assessing the compatibility of its public finance trajectories with the Paris Agreement and other environmental goals. As part of these efforts, France experimented with a possible methodology, which helped them develop their first comprehensive Green Budget in 2020.

France published its first Green Budget as an annex to the 2021 Finance Bill. The budget provides an assessment of the green impact of all state budget expenditure and tax measures, including both positive and negative impacts on the environment. Furthermore, France has worked on a comprehensive classifications system for environmentally friendly, neutral and potentially harmful budget measures. Their approach looks at six different environmental aspects: climate change adaptation, mitigation, biodiversity, the circular economy, water and air quality. It also assesses the potentially negative or positive spillover effects from one environmental sphere to another.

This process was introduced due to increasing demand by Parliament, citizens and civil society for more transparent environmental information and accountability in terms of the impact of the central government budget on the environment.

7. Consider All Forms of Expenditure

1. All forms of expenditure should be considered on an equal footing in the annual budget process.
2. This includes appropriations authorized in the annual budget, expenditure authorised in standing legislation ("entitlements," or "compulsory" expenditure) and expenditures authorized in tax legislation ("tax expenditures").
3. In addition, governments carry out significant activity through loans, guarantees and other contingent liabilities that will – or may – have future budgetary implications.
4. Such activities often contain a carry a low rate of interest and/or default risk, which should be made explicit. These subsidies should be estimated upfront at the time of granting the loan and guarantees, and fully funded when granted within established expenditure ceilings.
5. Governments should monitor and manage their portfolio of loans and guarantees, as well as relevant fiscal risks that do not meet the recognition criteria of a contingent liability, with a view to the long-term sustainability of public finances.

Box 10. The United States Federal Credit Reform Act

The United States Federal Credit Reform Act was enacted to better measure the cost of credit programmes by assessing the upfront cost of the liability created through the extension of credit, taking into account the risk of default. The primary goals were to:

- Measure more accurately the cost of federal loan and guarantee programmes.
- Place the cost of credit programmes on a budgetary basis equivalent to other federal spending.
- Encourage the delivery of benefits in the form most appropriate to beneficiaries (e.g. loans vs. grants).
- Improve the allocation of resources among credit programmes and between credit and spending programmes.

The Act mandates that the President's budget should show the "costs" – the "estimated long-term cost to the government" of direct loan and loan guarantee programmes as well as the planned level of new loan obligations or guarantee commitments. The Congress authorises and allocates funding for the "subsidy cost" of a credit programme. This cost is calculated on a net present value basis, excluding administrative expenses. The cost is also re-estimated annually throughout the life of the loan or guarantee based on actual loan performance, and forward-looking costs are adjusted based on this experience.

Box 11. United Kingdom Central Contingent Liabilities Capability

The Treasury has established a Central Contingent Liabilities Capability and instituted an updated policy framework for approving new contingent liabilities. This framework sets out the process for identifying and assessing new contingent liabilities and involves:

- Improved information and quantification of risk.
- Policy changes to reduce the risks to taxpayers.
- Building expertise in government to quantify and price risk.
- Improving compensation for risks assumed by taxpayers.
- Clarifying how any losses will be shared between the Treasury, line ministries and the private sector.

These measures provide the foundations for improving the management of contingent liabilities. Their application will be tailored on a case-by-case basis to reflect the specific circumstance of each contingent liability.

8. Lines Ministries as Partners

1. Budget reforms, such as top-down expenditure ceilings, involve a change in accountabilities and culture and a shift in how the Ministry of Finance and line ministries work together.
2. An effective budgeting and financial management function in line ministries is critical to allow them to carry out their role. Line Ministries should be viewed as partners in the budget process.
3. The Ministry of Finance should nurture this relationship at all stages. The finance function should be the principal interlocutor that the Ministry of Finance has with a line ministry, rather than engaging directly with policy units in line ministries.
4. The finance function should be responsible for the co-ordination of all budget-related matters in the line ministry. It has a fundamental role to play in identifying and co-ordinating the reallocation of resources in order to meet the ministry's expenditure ceiling and to fund new policy initiatives.
5. The finance function in a line ministry should have in place systems to ensure budget execution in line with a monthly disbursement schedule (apportionment plan) established by the Ministry of Finance.
6. Any unanticipated policy developments with spending implications should be highlighted in a timely manner and remedial action adopted as necessary.

Box 12. Finance Directorates in Line Ministries in the Netherlands

Each line ministry has a Finance Directorate reporting directly to the Secretary-General. Its director is appointed by the line minister. Experience with public financial management and good working relations with the Ministry of Finance are essential requirements. The Ministry of Finance needs to approve the appointment and the dismissal of the finance director.

A key task of the Finance Directorates relates to their role in reallocation. While sectoral directorates of the line ministries have the lead in the elaboration of policy initiatives, the Finance Directorates have to ensure financing. This implies first and foremost the formulation of a reallocation package within the ministerial budget. This requires close co-ordination with the minister about priorities and opportunities for savings. This task demands extensive knowledge of the spending programmes of the ministry and a sense of the political priorities of the minister. The finance director must also keep close contact with the directors of the ministry and be knowledgeable about each of their programmes.

Box 13. Finance Directorates in Line Ministries in Greece

As part of Greece's budget reforms, a new General Directorate of Financial Services (GDFS) was created in all line ministries. Each GDFS comprises at least four units:

- A budget unit in charge of budget preparation, appropriation monitoring and management, cash forecasts and fiscal reporting.
- An accounting unit in charge of processing payments after all necessary controls.
- An oversight unit supervising legal entities operating under the ministry´s umbrella.
- A procurement unit in charge of purchase and procurement.

This framework has created a clearer flow of information between line ministries and the Ministry of Finance, where the GDFSs serve as the central contact point. The specific responsibilities of the heads of GDFSs include providing accurate information to the Ministry of Finance on each entity's budget, compliance with the entity's spending ceilings, the management of the entity's resources and any compliance to instructions provided by the Ministry of Finance. Additionally, the GDFS of each ministry is responsible for the fiscal discipline of all General Government entities that are under its supervision, and timely and accurate reporting of fiscal data to the Ministry of Finance.

The creation of GDFS is considered as one of the main successes of the recent reform programme in Greece. The creation of the budget units, in particular, was a critical success factor in implementing the top-down approach to budgeting, in that it managed to change both practices and mind-sets in line ministries.

9. Budget Transparency

1. All revenues and expenditures, assets and liabilities should be reported in a comprehensive, timely, routine and reliable manner.
2. Financial report should be produced in accordance with generally accepted accounting practice and the annual financial statements of the government should be audited in accordance with generally accepted auditing practices.
3. The presentation of this information should take account of the needs of the users and be presented in an accessible format. In particular, machine-readable and open-source formats but also more sophisticated tools such as digital financial reporting facilitate access and analysis.
4. Digital technologies and advanced analytics allow users to delve into the detail of fiscal reports, to structure their own queries, and to generate their own reports and infographics.
5. The Ministry of Finance should actively engage in activities to promote greater budget understanding by key stakeholders and the public.
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Box 14. Accrual Accounting in New Zealand

New Zealand was a pioneer in the move to accrual financial reporting. According to the New Zealand Treasury and a number of independent evaluations, the move to accrual accounting and budgeting has increased fiscal transparency. It made it easier to compare reports as they are prepared using consistent rules and principles.

The accrual basis of accounting was introduced to provide a more comprehensive set of information than cash accounting. For example, accrual financial statements include information on: assets, including physical and tangible assets; liabilities, including amounts owed to suppliers and long-term obligations such as unfunded pension liabilities; and the full cost of goods and services used or consumed within a given period, regardless of when ordered, received or paid for.

Accrual information is less likely to be subject to manipulation. For example, the accrual basis recognises expenses when they are incurred rather than when they are paid, so there are limited incentives to shift payments between periods, which helps to improve transparency and integrity.

Box 15. Access to open budget data in Canada

The Federal Government of Canada, through its online Open Data Portal, has made government financial data accessible to everyone. Data is generally available under various formats (.csv and .xls) to increase accessibility, as well as being transparent about when the data was released and updated.

The information provided through the portal is comprehensive: the data underlying multiple budget reports and financial documents is available. Besides federal budget data and in-year budget reports, the portal also makes available the Federal Department of Finance's monthly budget execution reports. These documents contain visuals, including charts and tables, to make the data more accessible to the general public. Data from the Survey of Private Sector Economic Forecasters is also available, so users can compare how forecasts have evolved over time.

10. Effective Budget Oversight

1. Oversight of the budget process by parliaments and the public is fundamental to democratic governance and trust in government.
2. Parliaments should provide for an inclusive, participative and realistic debate on budgetary choices by offering key opportunities for the parliament and its committees to engage with the budget process at all key stages of the budget cycle.
3. The legislature must have timely access to all the budget information it needs to be able to properly scrutinise and review government spending.
4. Engagement of citizens in the budgetary decision processes should be actively encouraged, facilitating feedback and debate on key policy priorities and trade-offs.
5. Independent fiscal institutions (independent parliamentary budget offices and fiscal councils) can play a significant role in enhancing parliamentary oversight, and raising the quality of debate, by providing objective assessments of the government's proposals and promoting greater transparency and accountability.

Box 16. The Role of Committees in the Norwegian Parliament

The committees of the Storting play a key role in budget deliberations, and much of the fundamental work in reviewing the budget proposal takes place in committees. In this respect, there is a strong division of labour between the Standing Committee on Finance and Economic Affairs ("Finance Committee") and the sectoral committees. The Finance Committee will recommend 22 spending limits covering the totality of government expenditures. The different sectoral committees will then submit recommendations concerning appropriations within the spending programmes allocated to them. For example, the Finance Committee will recommend the total level of expenditure for agriculture whereas the Agriculture Committee will recommend how that total should be allocated to individual appropriations within the agriculture spending limit. The sectoral committees may only make reallocations within the limits that have been decided. This means that any increases in expenditure must be matched by equivalent decreases in expenditure under the same spending limit, or an increase in own resources (such as user charges). The recommendations of the Finance Committee and individual sectoral committees are approved in plenary sessions. The leaders of political parties may also play a key role separately in the discussions.

The Committee will hold hearings for the purpose of obtaining information to scrutinise the budget and will generally see representatives from ministries, agencies, non-governmental organisations, and private individuals. These hearings must be held in public unless otherwise decided.

Box 17. Austrian Parliamentary Budget Office

The Austrian Parliamentary Budget Office (PBO) was established in 2012 to provide Parliament, in particular the Budget Committee, with immediate and independent budgetary expertise and to strengthen its position in relation to the government. The objective analysis and reports it produces are available to the public.

The mandate of the PBO is to support Parliament in the budgetary process, in enacting budget laws and exercising its oversight role. Its key tasks are to:

- Support the Budget Committee in the form of written expertise, analysis and short studies on budgetary matters presented by the government according to budget law.
- Support other parliamentary committees regarding impact assessment of new legislation.
- Prepare brief information pieces and short studies upon request of Members of the Budget Committee.

When completing these tasks, all aspects of performance and gender budgeting are taken into account.