

Unclassified

English text only

19 May 2024

**PUBLIC GOVERNANCE DIRECTORATE
COMMITTEE OF SENIOR BUDGET OFFICIALS**

From fiscal watchdogs to fiscal advocates: Creating champions of fiscal sustainability

46th Annual Meeting of Senior Budget Officials

Paris, 3-4 June 2024

This paper was prepared by Eddie Casey.

It looks at the role that Independent Fiscal Institutions (IFIs) can play in helping strengthen political will for action to help restore fiscal sustainability. This includes through playing a greater role as “fiscal advocates,” and being more vocal around the need for government action on major policy challenges that need to be addressed to put public finances on a more sustainable path.

It is one of three papers on **Empowering Public Understanding**.

For further information, please contact:
Scherie NICOL (scherie.nicol@oecd.org)

JT03544079

Table of contents

Executive summary	4
1 Introduction	5
1.1. What are fiscal advocates?	6
2 From fiscal watchdogs to fiscal advocates	7
2.1. IFIs can guide the way	7
2.2. This is the next step in their evolution	8
2.3. What can be done?	13
3 Effective fiscal advocates	14
3.1. Developing a vision	14
3.2. Developing their independent voice	14
3.3. Enabling action	16
4 Measuring fiscal advocacy	18
4.1. Creating the optimal conditions for fiscal advocates	18
4.2. Assessing Fiscal Advocacy — a Fiscal Advocacy Index	19
References	26
Annex A. IFIs' remits	28
Annex B. The Fiscal Advocacy Index	34

FIGURES

Figure 1.1. IFIs have proliferated in recent decades	5
Figure 2.1. It is in IFIs' remits to do the work of fiscal advocates	9
Figure 2.2. IFIs help fulfil some of the activities of fiscal advocates	10
Figure 3.1. The strength of IFI communications functions varies widely	15
Figure 3.2. More resources tend to mean stronger communications functions	16
Figure 4.1. An ecosystem approach to sustaining fiscal advocacy	19
Figure 4.2. The Outline of the Fiscal Advocacy Index	20
Figure 4.3. The Fiscal Advocacy Index	21
Figure 4.4. The Fiscal Advocacy Index (at the country level)	23
Figure 4.5. There are clear cases of IFIs acting as fiscal advocates	24

Figure B.1. The Fiscal Advocacy Index	35
Figure B.2. Sub-dimensions and variables of “Independence” dimension	38
Figure B.3. Sub-dimensions and variables of “Analytical Focus” dimension	39
Figure B.4. Sub-dimensions and variables of “Communications Apparatus” dimension	40
Figure B.5. Sub-dimensions and variables of “Communications Impact” dimension	41
Figure B.6. Overall index sensitivity to different weightings at dimensions level	52
Figure B.7. Dimension 1 Independence weighting sensitivity	53
Figure B.8. Dimension 2 Analytical Focus weighting sensitivity	54
Figure B.9. Dimension 3 Communications Apparatus weighting sensitivity	55
Figure B.10. Dimension 4 Communications Impact weighting sensitivity	56
Figure B.11. Groupings based on known institutional features	57
Figure B.12. Groupings of IFIs based on cluster analysis	59
Figure B.13. IFIs with greater independence tend to have a wider remit	60
Figure B.14. A stronger communications set-up can help impact	60
Figure B.15. Total coverage in top online news sites	66
Figure B.16. Media share	67
Figure B.17. Media share decomposed	68
Figure B.18. Search share	69
Figure B.19. Search regularity	70

TABLES

Table 1. Fiscal Advocacy is central to how IFIs were first envisaged	8
Table A.1. Details of IFIs remits and ability to do the work of fiscal advocates	28
Table B.1. Independence dimension — structure and weightings	42
Table B.2. Analytical focus dimension — structure and weightings	44
Table B.3. Communications apparatus dimension — structure and weightings	46
Table B.4. Communications impact dimension — structure and weightings	48
Table B.5. Correlation between dimensions	50
Table B.6. Principal components analysis	51
Table B.7. Cronbach’s alpha estimates (unstandardised)	51
Table B.8. Institutions by cluster	58
Table B.9. Search terms used to obtain news results for variables “total coverage” and “media share”	63

BOXES

Box 1. Are Independent Fiscal Institutions independent enough? Some case studies	12
--	----

Executive summary

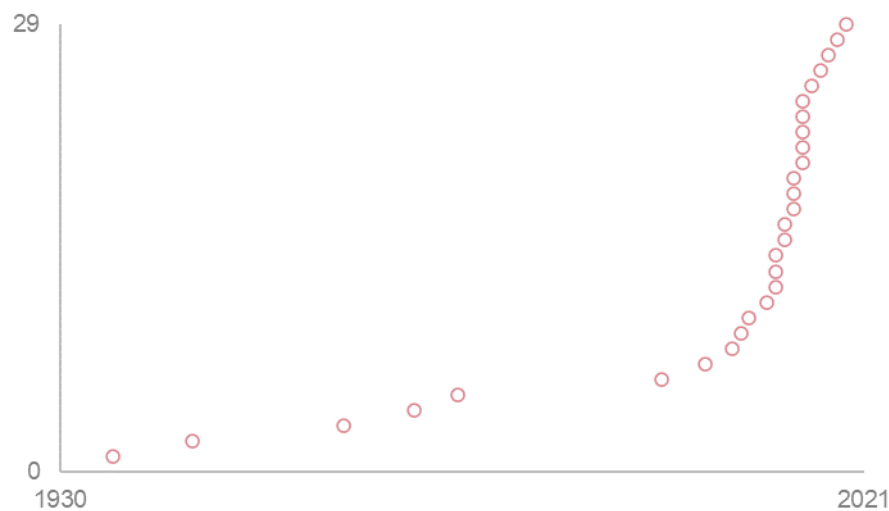
1. Budgetary decisions often put undue focus on short-term political goals at the expense of long-term needs. Measures that might sustainably address future ageing pressures or the costs of the green transition can often get sidelined in favour of more immediate concerns. This can lead to more painful adjustments being required in future.
2. Fiscal advocates play an important role in helping focus attention on the major fiscal challenges facing our countries. They can provide information on the trade-offs associated with different policies, while promoting long-term fiscal sustainability. Moreover, they can raise the political costs of inappropriate policy choices.
3. Independent fiscal institutions (IFIs) are well-placed to play the role of fiscal advocates. They have proliferated since the Global Financial Crisis to the point that just about every OECD country now has one, representing one of the most important institutional reforms to budgeting in recent history.
4. Perhaps the greatest achievement of IFIs thus far has been to foster improved transparency in budgeting. This has helped IFIs become a trusted and valued source of information.
5. Having achieved this, it is time to consider the next step in the evolution of IFIs — adopting a stronger voice in advocating for fiscal sustainability alongside decisive action.
6. In becoming fiscal advocates, IFIs need to pivot from short-sighted “watchdogs” that police fiscal rules to far-sighted ones that anticipate the major challenges ahead. They should lend their voice to the need for greater action. This should see IFIs promoting a wider culture change in budgeting. One where fiscal sustainability challenges are better understood as well as the consequences of inaction.
7. This paper explores how IFIs can best embody this role. It shows that while their specific features may differ, they nonetheless share an inherent responsibility to act as fiscal advocates, helping democracies tackle major fiscal challenges. It considers the elements IFIs need to become greater fiscal advocates. It also explores evidence of leading institutions, drawing on the findings of a new “Fiscal Advocacy Index”.

1 Introduction

8. The growth of IFIs has been one of the most important innovations in budgeting, helping strengthen fiscal oversight in the aftermath of the Global Financial Crisis. By 2021, 29 OECD countries had brought IFIs into existence (Figure 1.1).

Figure 1.1. IFIs have proliferated in recent decades

Number of OECD countries with IFIs, by year established



Sources: IFI mandates and OECD 2021 Independent Fiscal Institutions Database.

9. Thus far, the role of IFIs has focussed on fiscal oversight and monitoring compliance with fiscal rules. Many countries experienced severe recessions in the late 2000s. This was accompanied by widening deficits, lost creditworthiness, and a need to undertake painful austerity measures at an untimely point in the business cycle. Among the many lessons taken from the crisis was the benefit of having greater independent oversight — specifically bodies that could better monitor and communicate risks in the public finances.

10. Perhaps the greatest achievement of IFIs has been fostering greater transparency in budgeting. This has helped them become a trusted and valued source of information. Moreover, IFIs have developed strong analytical capacities while enhancing their outreach efforts.

11. However, the fiscal context in which IFIs operate has undergone a seismic shift. Multiple crises in recent years have brought public debt levels in OECD countries to record highs. This, together with impending spending pressures related to health, social care and the green transition mean that restoring fiscal sustainability will inevitably involve difficult choices and hard decisions.

12. These issues are not being addressed. Instead, there is an increasingly polarised political debate and a temptation to make “populist” policy choices. These entail short-term benefits but with long-term and far-reaching intergenerational consequences.

13. In this context, now is the appropriate time for IFIs to evolve and step up as stronger fiscal advocates. Some IFIs do mark themselves out as independent voices that have gained the public’s trust. They have evolved highly effective communications functions and an ability to focus policy debate on major fiscal challenges and risks. However, the scale of the challenge means that these efforts need to be redoubled and many more IFIs need to take the next step.

14. In pivoting to becoming stronger fiscal advocates, IFIs need to adopt a stronger voice in the public debate around the fiscal implications of different policy choices. This does not mean advocating for specific policies. Instead of just being short-sighted “watchdogs” enforcing fiscal rules, IFIs should become forward-looking advocates anticipating major challenges ahead and urging for some degree of action to address these. This should involve IFIs promoting a wider culture change in budgeting.

1.1. What are fiscal advocates?

"Fiscal advocates are independent institutions that vigorously promote both fiscal sustainability and the need for decisive action, illuminating the major policy trade-offs involved."

15. The idea here is two-fold.

16. First, it entails IFIs promoting more decisive and realistic planning. By constructively setting out scenarios, IFIs can help governments tackle major fiscal challenges. It means enhancing people’s understanding of the fiscal and economic implications of major policy choices. It can be grounded in terms of the obvious and uncontroversial broad policy choices. For example, meeting overarching fiscal targets as compared to leaving policies unchanged. It involves communicating the challenges actively in a way that a wide range of stakeholders can easily grasp.

17. Second, it is rooted in terms of supporting wider fiscal sustainability. That is, IFIs in their role as fiscal advocates can help generate political will for action that will help guide public finances towards a more sustainable long-run path.¹

18. The rest of this paper makes the case for why IFIs are best suited to play this role (section 2), how IFIs can enhance this role (section 3) and how it can be measured (section 4).

¹ Fiscal sustainability here can be taken here broadly to mean “debt sustainability” with a high probability. However, that may be too narrow a definition. It can of course involve more complex assessments of, for example, the sustainability of the revenue base, the interest burden, the structure of debt instruments, net worth, contingent liabilities and so on.

2 From fiscal watchdogs to fiscal advocates

Key findings

IFIs are uniquely well-placed to serve the role of fiscal advocates, championing fiscal sustainability alongside action on major fiscal challenges. There are three arguments: 1) this role is central to how IFIs were first envisaged, 2) it is evident in their mandates, and 3) there are leading examples illustrating how it can be done. This role is something that IFIs simply must embrace.

19. Policymakers across the OECD have demonstrated an understandable reluctance to address difficult policy choices. With public debt already high, governments are facing difficult reforms on healthcare, pensions, and climate policies. There can be little doubt that these are challenging times and that difficult choices lie ahead.

20. The role of IFIs as independent bodies with a focus on fiscal outcomes makes them natural candidates to bring greater attention to how fiscal policy can actively respond to today's challenges in a sustainable way.

2.1. IFIs can guide the way

21. IFIs can guide the way and help generate the will for political action on major fiscal challenges. Many IFIs already produce fiscal sustainability analysis. They demonstrate the costs of today's policies. They show the risks to fiscal sustainability. They are clear when warning of the consequences of inaction. They are the very institutions that can answer the big fiscal questions: do we keep the pension age unchanged; do we allow healthcare costs rise unabated; do we watch fossil fuel revenues dry up?

22. More than that, IFIs can be constructive in their analysis. IFIs can pave the way for action by highlighting the major policy trade-offs faced.

23. When communicated effectively and constructively, this is the type of analysis that can leave policymakers firmly aware of the choices confronting them. With their constituencies better informed, they can be left with little reason for inaction when the costs of inaction are made clear.

24. This is what an effective fiscal advocate brings to mind.

2.2. This is the next step in their evolution

25. IFIs are uniquely well-placed to fulfil the role of fiscal advocates. They can avail of their independence, their implicit mandates for fiscal sustainability, and a strengthening of their existing communications. IFIs can and should take on even greater importance.

26. However, to champion fiscal action and fiscal sustainability effectively, many IFIs need to make a leap forward. They need to pivot from more limited “watchdog” roles that focus primarily on policing fiscal rules. Instead, they need to evolve into institutions that lead the way on major fiscal challenges.

27. This shift in focus will provide IFIs with the space they need to promote a wider culture change in budgeting. One where IFIs highlight fiscal sustainability challenges and clearly communicate the implications of government action and inaction.

28. This means more analysis. It means different modelling. It means looking ahead to the major fiscal challenges and tracing a way forward with scenario analysis. More than that, it means stepping into the limelight and communicating with the public in tangible ways that many IFIs have not yet done so far.

29. This vision for how IFIs should evolve poses challenges, but there are no real reasons why IFIs cannot evolve in this direction. Why?

1. It is in their DNA

30. While the specific mandates of IFIs vary widely, the role of a forward-looking and outspoken fiscal advocate is arguably at their core. This is evident from the early literature contributing to the IFIs own post-financial crisis “Cambrian explosion” in the 2010s. IFIs emerged in large numbers, with disparate institutional frameworks. Yet they shared a common purpose.

31. IFIs were envisaged as being able to fulfil several key roles. Chief among these was 1) assessing the long-term sustainability of the public finances, 2) costing fiscal measures, and 3) informing the public about the outlook for the public finances. As the following extracts from formative papers show, the genesis of IFIs was one that envisaged independent, far-sighted, and forthright institutions (Table 1).

Table 1. Fiscal Advocacy is central to how IFIs were first envisaged

“...their influence on fiscal behavior arises from their capacity to “tie the hands” of policymakers tempted by deviations from socially optimal choices”	Debrun and Kumar (2007)
“Fiscal council assessments of long-run fiscal implications of tax and spending initiatives also can contribute to improving the transparency of budgetary decisions that are highly sensitive to demographic developments.”	(Hagemann, 2010 ^[1])
“...an independent fiscal institution performs real-time costing and forecasting to ascertain the macro-fiscal consequences of the budget bill, over a short and medium term to a long-term horizon. In essence, its principal raison d’être is to maintain discipline and transparency in public finances during the policy-making process, which in turn helps bolster the credibility of government.”	(Kopits, 2011 ^[2])
“...whereas the public audit institution discharges an indispensable backward-looking task, the independent fiscal institution has a forward-looking diagnostic task.”	
“A major issue that emerges in any discussion of independent fiscal institutions is their effectiveness in promoting transparency in public finances”	
“If the primary problem is thought to be over-optimism by governments in making fiscal projections, then these forecasts could be delegated to the fiscal council. If the main information problem instead is insufficient understanding of the government’s intertemporal budget constraint, i.e. of the future consequences of current deficits, providing fiscal sustainability calculations highlighting these consequences might alleviate the bias.”	(Calmfors and Wren-Lewis, 2011 ^[3])

“Long-run fiscal analysis should also be a core activity of a fiscal watchdog, since insufficient consideration of future consequences forms the core of the deficit bias problem.”

2. It is in their remits

32. It is absolutely clear that the role of fiscal advocate is inherent to the IFIs existence — it is in their shared genetic code. However, one might argue that specific remits do not permit them to play this role. In other words, individual IFIs might argue that their mandates, their outward features so to speak, do not permit this.

33. This argument does not hold up.

34. The remits of IFIs across the OECD either a) specifically call for them to assess these issues, or b) leave it open to them to decide if such work is required. Indeed, there are only five OECD countries with IFIs that have not already embarked on producing some of the work of fiscal advocates: long-term sustainability analysis, dedicated fiscal risks reports and election costings (Figure 2.1). In the case of four of these countries, the IFIs in question are open to interpreting their remits in such a way that it allows them to assess these areas. And, of these five, there is only one country with an IFI that appears to be prevented from doing this work outright.

Figure 2.1. It is in IFIs’ remits to do the work of fiscal advocates

Ability to publish on long-term fiscal sustainability, fiscal risks, election costings

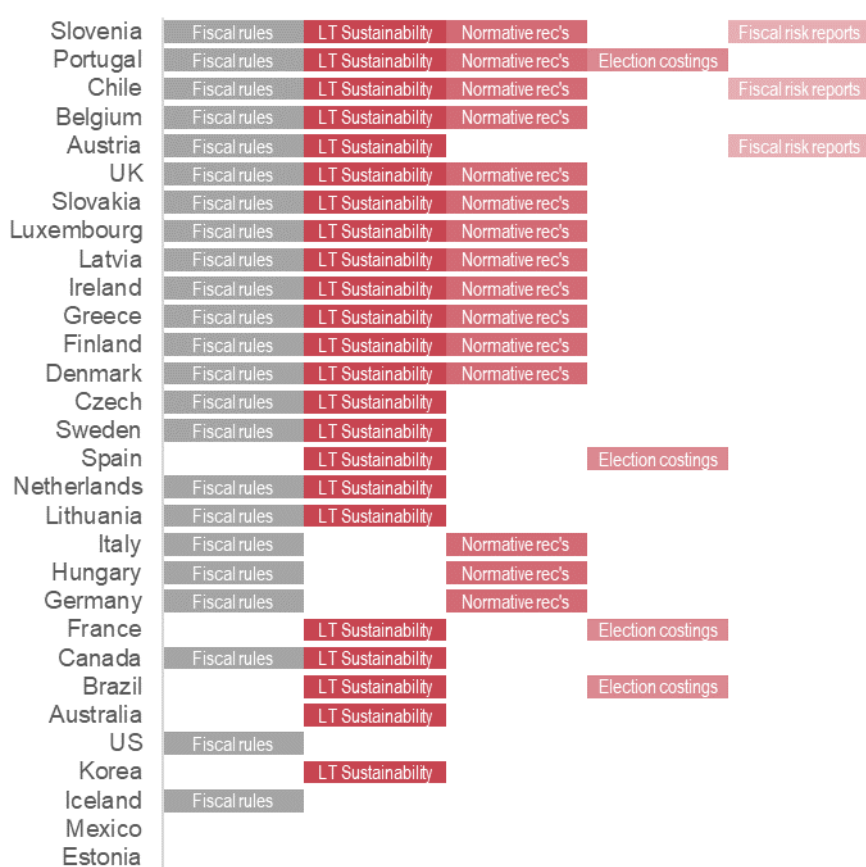
IFIs already doing some of this work	IFIs’ remits let them do this work in future	IFIs are prevented
Australia	Estonia	France
Austria	Germany	
Belgium	Hungary	
Canada	Mexico	
Chile		
Czech		
Denmark		
Finland		
Greece		
Ireland		
Italy		
Korea		
Latvia		
Lithuania		
Luxembourg		
Netherlands		
Portugal		
Slovakia		
Slovenia		
Spain		
Sweden		
UK		
US		

Sources: IFI mandates and OECD 2021 Independent Fiscal Institutions Database.

35. OECD countries tend to have at least one IFI that fulfils part of the roles of a fiscal advocate. Looking in more detail at the types of activities IFIs perform, it is clear that many countries have IFIs that have evolved beyond monitoring fiscal rules (Figure 2.2).

36. However, there is significant room for progress. For instance, there are only four countries where IFIs actively produce both election costings and long-term sustainability analysis. Furthermore, only a few countries have IFIs that produce dedicated reports on fiscal risks. This means that while many IFIs have embarked on workstreams with a focus on major fiscal challenges, substantial work remains.

Figure 2.2. IFIs help fulfil some of the activities of fiscal advocates



Source: OECD 2021 Independent Fiscal Institutions Database.

Notes: "Fiscal rules" refers to IFIs that have an official role in monitoring compliance with fiscal rules. "LT Sustainability" covers IFIs that produce long-term sustainability analysis. "Fiscal risks" covers those that produce dedicated fiscal risks reports. "Normative rec's" refers to IFIs that make normative policy recommendations as part of their work. "Election costings" refers to IFIs that cost election platforms.

37. This study of the origins, remit and work of IFIs yields three conclusions.

38. First, it can be said that the mandates of IFIs, when assessed at country level, is overwhelmingly consistent with that of fiscal advocates. The mandates require countries to have IFIs that produce independent, public pronouncements on matters of great fiscal responsibility. It may also be said that, given the rationale for their creation, the intent and general clauses call for this role even if it is not explicit in their mandates.

39. Second, there are numerous examples where aspects of this work is already being fulfilled. This is either through the IFIs' interpretations of their mandates or through an explicit requirement to fulfil the role.

40. Third, this work nonetheless remains patchy and incomplete. There is scope to build on areas of analysis such as election costings, fiscal risks, and long-term sustainability analysis. Moreover, this work can be deepened and made more impactful.

41. This leads us to our next argument.

3. Their independence demands it

42. The arguments explored thus far have been that the role of fiscal advocate is in the DNA of IFIs, and, with perhaps one exception, it falls within their remits.

43. Yet there remain several reasons why IFIs might resist playing the role of fiscal advocates. They might claim they cannot speak out; resources constrain them from the required shift in focus; they cannot openly consider policies other than official policy; or that they cannot decide their own workstreams.

44. These arguments hold some sway. But they beg the question, are these institutions really independent? If not, we might also ask what is the reason for having them if they cannot opt to fulfil this role? Box 1 considers some examples.

Box 1. Are Independent Fiscal Institutions independent enough? Some case studies

To play the role of fiscal advocates, IFIs need to be able to freely focus their work on major fiscal issues, speak openly and assess policy scenarios. In effect, they need to be granted sufficient independence.

There are several ways independence can be limited. Here we consider a few case studies.

The UK's Office for Budget Responsibility (OBR)

The OBR ranks as one of the OECD's most independent IFIs (Nicol and Von Trapp, 2018^[4]). However, even in this context, IFIs can experience conditions that challenge their independence. For instance, the OBR is legally obliged to produce its forecasts on the basis of what the government states as its policy. This can lead to several problems.

First, the OBR must use the Chancellor's numbers for future public spending in its forecast. If unrealistically low, this can create fiscal space for tax cuts that might realistically not be there. As former OBR Budget Responsibility Committee member Andy King (2024^[5]) notes, when the OBR is confronted with forecasts from the Chancellor that look "clearly inadequate...the OBR is legally required to say "OK" and type that into its spreadsheet."

Second, the Chancellor can announce plans to raise taxes, not now, but in the distant future. In this way, it can artificially inflate future revenue projections. Again, this creates fiscal space that lacks credibility. Simply put, the tax increases might not be followed through on.

Third, and as recently demonstrated, the Chancellor can ask the OBR not to publish its forecasts alongside major budget changes. The so-called "Mini-Budget" in September 2022 in this manner eschewed the need for the OBR's independent forecasts and analysis. That is, the OBR, although it is required to publish at least two forecasts in any financial year, requires a decision from the Chancellor as to when it publishes its forecasts (OBR, 2023^[6]). Without that decision, its role can be sidelined.

These challenges suggest a common solution, which is to grant the OBR more discretion. That means allowing it to produce forecasts on the basis of what it expects to be a reasonable or a "most likely" modal scenario rather than solely on the basis of stated policy. It should also be free to explore alternative scenarios that it deems relevant. More broadly, it should be able to assess the consistency of government policy with overarching fiscal objectives, rather than just "the letter of specific rules" (Tetlow, Bartrum and Pope, 2024^[7]). This would bring it in line with best practices elsewhere.

The French *Haut Conseil des Finances Publiques*

The *Haut Conseil des Finances Publiques* is constrained from playing the role of fiscal advocate in two respects. First, it is mandated to focus its work on official macro-fiscal forecasts and compliance with fiscal rules within the context of the public finance programming law. This typically involves an overly narrow four-year horizon — far too short a time horizon in which to assess many major fiscal challenges such as the sustainability of a pensions system, future healthcare needs, and other demographic pressures. Second, it is limited in terms of how it can set its own work programme even within its mandate. Beyond that, its ability to play the role of an effective fiscal advocate is constrained by its lack of a clear identity and ability to communicate separately from the Court of Auditors with which it shares its leadership.

The *Haut Conseil's* challenges run deeper than the OBR's. Its work programme and its independent voice are both constrained. Yet the ultimate answer is once again to grant the institution more discretion. This would allow it to define its identity and its work programme more clearly.

The Slovenian Fiscal Council

The Slovenian Fiscal Council faces another form of resource constraint. The constitutional basis for its operation caps the number of employees it can have. Specifically, the Fiscal Rule Act states that “not more than four public employees may be employed by the Fiscal Council, performing expert support for members of the Fiscal Council. Administrative and technical tasks for the Fiscal Council shall be performed by the services of the Court of Audit of the Republic of Slovenia”. Thus, while its mandate allows it a wide focus and the ability to play the role of a fiscal advocate, the depth of its analysis is constrained by its cap on staff.

2.3. What can be done?

45. If IFIs feel that they are constrained from becoming fiscal advocates, it is imperative that they speak out. They ultimately may have to embrace the existential risks that come with this. However, not doing this can mean their effectiveness will be curtailed indefinitely, and the needs of citizens will not be best served.

46. In this respect, it is worth remembering whose interests IFIs are ultimately serving. It is not the interests of a finance ministry, a government, a parliament, nor any other institution.

47. IFIs are independent. They exist to serve citizens by informing them on fiscal matters in a clear manner. If they cannot for whatever reason do this, then it is time for the fiscal watchdog to bark. Governments might retaliate. They might reach for the muzzle. But that is the nature of the role and the risks that come with it.

48. Ultimately, it should not come to this. The existential risks facing IFIs may be overstated. It is easy to underestimate the importance of IFIs and the significant role that they have already come to play in modern democracies. The case of the OBR, explored in Box 1, should be telling in this context. In seeing its role and independence threatened, the importance and relevance of the OBR was reaffirmed.

49. Moreover, by not fulfilling the role of fiscal advocates, by not speaking out vigorously on the most important fiscal challenges, IFIs risk irrelevance. In this sense, taking the safe route and avoiding falling foul of careful, legalistic readings of their mandate, carries other risks. It can lessen IFIs effectiveness, limit the public’s desire to support them, and gradually undermine their existence.

50. IFIs have the ability to create immense public value. Embracing their evolution into fiscal advocates will see them continue to develop this.

3 Effective fiscal advocates

Key findings

IFIs will have to develop three key attributes to be effective fiscal advocates. Strong vision, with a focus on major fiscal issues ahead; an independent voice that engages the public; and impactful scenario analysis that can promote sustainable action on fiscal challenges.

51. For IFIs to continue to evolve from fiscal watchdogs to fiscal advocates, they will need to:
1. develop their vision,
 2. develop their independent voice, and
 3. enable action.

3.1. Developing a vision

52. IFIs should focus their vision on the major challenges facing the public finances. To stay relevant, they should look ahead to the key policy trade-offs and risks facing governments.

53. As Section 2 showed, IFIs were envisaged as institutions that would fulfil a number of analytical needs. At the core was a need to assess the overall sustainability of the public finances. In addition to that, IFIs were seen as bodies that could cost fiscal measures, inform the public about the outlook for the public finances, and make recommendations around policy plans.

54. The present challenges facing governments are such that only a far-sighted, coherent assessment will suffice. This is why dedicated long-term sustainability reports play such an important role. They serve as the backdrop against which all fiscal policies, challenges and risks can be gauged. Without this, isolated studies of fiscal risks, elections costings, and assessments of fiscal rules lose their sense of perspective.

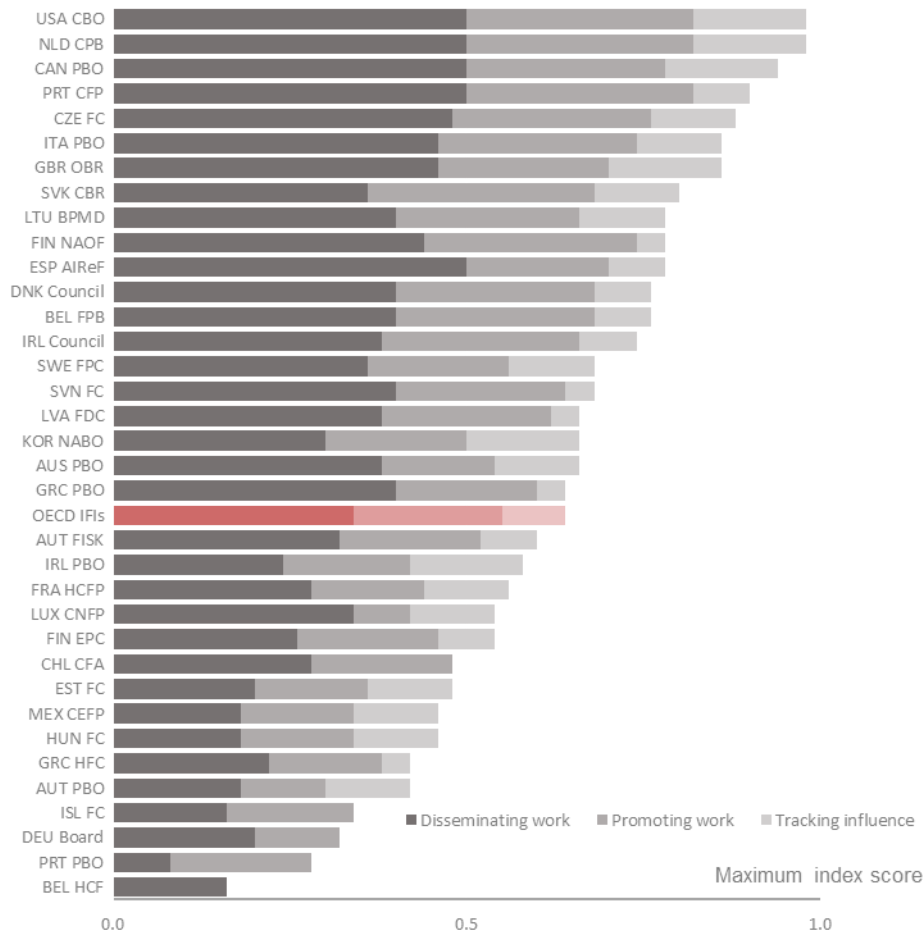
55. Developing a coherent vision therefore requires IFIs to do two things. First, they need to identify the broader long-term risks associated with fiscal sustainability. Second, they need to consider major challenges in this context, be it the costs of climate transition, healthcare reforms, specific election promises, and so on.

3.2. Developing their independent voice

56. IFIs exert their influence mainly through persuasion. That is, they do not have formal enforcement tools to enact their influence aside from certain comply-or-explain or endorsement provisions. These provisions can force governments to explain deviations from fiscal rules or present their forecasts in a more realistic manner. However, they cannot compel governments to plan and act on major fiscal challenges in a more forward-looking way. Instead, IFIs have to rely on their powers of persuasion.

Figure 3.1. The strength of IFI communications functions varies widely

2021 OECD IFI Communications Index



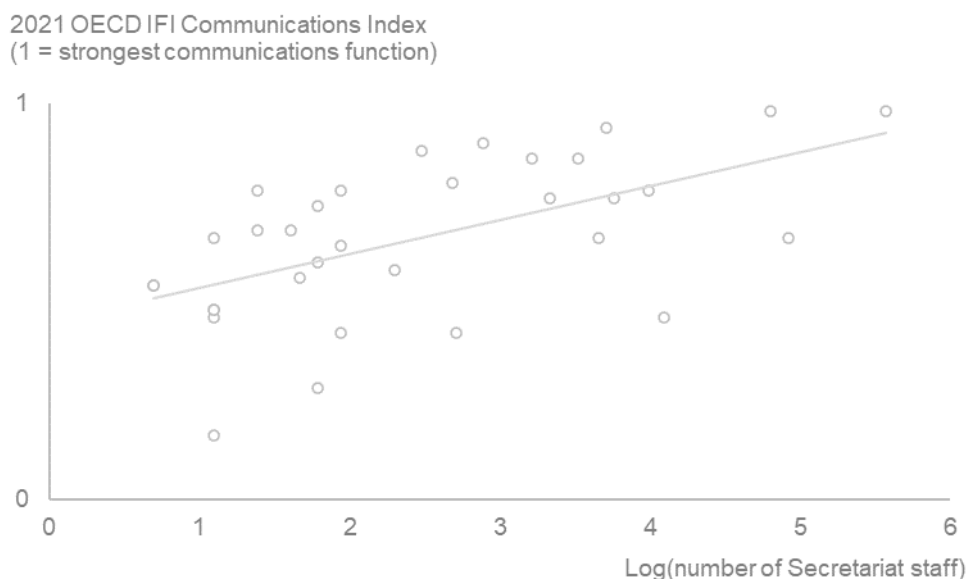
Source: 2021 OECD Independent Fiscal Institutions Database

57. A decade ago, the OECD established a set of “Principles for Independent Fiscal Institutions”. These called on IFIs to develop effective communication channels to sharpen their outreach, visibility, and impact (OECD, 2014). The goal was to develop effective independent institutions that could play a key role in guiding budgetary policy in a sensible direction by amplifying their powers of persuasion.

58. Through its ongoing interactions and in-depth reviews of IFIs, the OECD has seen substantial progress being made on IFIs communications channels. While some IFIs have developed an advanced apparatus for communications, there is wide variation and plenty of room for improvement.

59. Recent work by the OECD highlights the wide-ranging communications functions in IFIs across OECD countries. The 2021 OECD IFI Communications Index provides a measure of IFIs’ communications practices (Figure 3.1). The results show that many IFIs are active in disseminating and promoting their research. However, some are more effective than others and there is widespread scope to improve how IFIs track their media impact.

60. At the same time, there are many IFIs with very low visibility. These institutions still disseminate their work, but they are less strategic in terms of how they achieve wider impact and promote their work.

Figure 3.2. More resources tend to mean stronger communications functions

Source: 2021 OECD Independent Fiscal Institutions Database

61. Part of the reason for lower visibility is a question of resourcing. Larger IFIs tend to be the institutions with stronger communications functions (Figure 3.2). They have dedicated communications staff, and highly developed practices to engage with the media.

62. However, this does not preclude smaller IFIs from developing more rigorous public engagement. Smaller IFIs can leverage the skills of their larger counterparts in other OECD countries, and they can take the lead from other institutions, both small and large, that have had success in shaping national discussions.

63. Achieving impact is not simply a question of resourcing or having the right communications tools. For an IFI's work to have greater impact, it needs to be relevant and salient. That is, the IFI's vision for what matters needs to be appropriately focused and its delivery needs to engage the public with clear tangible illustrations.

64. To become fiscal advocates, IFIs will need to evolve their communications. If we are to expect these institutions to help policymakers move the policy needle in a direction that entails meaningful action, we should expect that IFIs can play a more prominent and vocal role in the national debate.

3.3. Enabling action

65. While the vision and communications skills of an IFI matter, they are not sufficient on their own. To truly engage citizens and promote fiscal action, their work needs to be constructive. It needs to identify clear courses of action.

66. IFIs can enable action by communicating trade-offs clearly. This can be achieved with scenario analysis that draws on the most obvious policy choices. It may often mean assessing the fiscal consequences of action (meeting targets, following through on wider policy objectives) and inaction (a "no policy change" scenario).

67. This final element, enabling action, can be tricky for IFIs to navigate. Indeed, one of the OECD's principles for Independent Fiscal Institutions (2.1) is that IFIs should be precluded from any normative policy-making responsibilities to avoid even the perception of partisanship.

68. It is worth clarifying here that, by fiscal advocacy, we do not mean advocating specific policies. Indeed, calling for specific policies based on value judgments and illustrating the implications of the most likely policies are quite distinct. In practice, there are standard policy alternatives to consider. This is a well understood convention, and one on which IFIs can be explicit in saying that they are refraining from expressing a preference for any given policy option.

69. It is the IFIs role to shed light on what key alternative scenarios entail. This can boost citizens' understanding and help democracies break the impasse on key decisions. It can empower citizens to express informed preferences, backed up by clear non-partisan analysis that spells out the trade-offs involved. In this sense, inaction is no longer the absence of another policy but is itself a very specific policy that has measurable consequences that can be compared.

4 Measuring fiscal advocacy

Key findings

Measuring fiscal advocacy is difficult. There are multiple dimensions to assess, both external to the IFI (the media and institutional environment) and internal to the IFI (its resourcing, independence, communication skills). A new OECD “Fiscal Advocacy Index” provides insights as to how IFIs and countries can yield better fiscal outcomes.

70. This section considers fiscal advocacy as it is currently practised. It looks at OECD countries and assesses how well placed they are in terms of ensuring IFIs have the scope and capacity to become greater fiscal advocates. As part of this, it considers the broader environment and develops a new Fiscal Advocacy Index.

4.1. Creating the optimal conditions for fiscal advocates

71. Fiscal advocacy requires certain conditions for it to succeed.

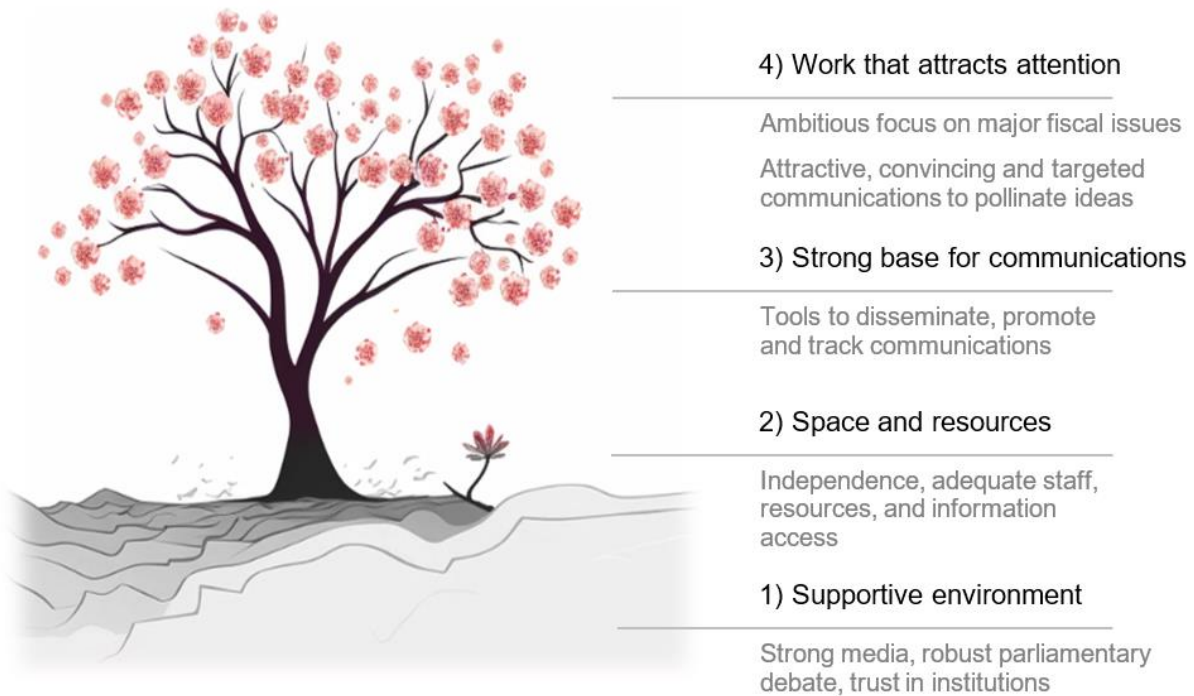
72. First, some pre-conditions are necessary. A strong media sector, robust parliamentary debate, trust in institutions and well-functioning research bodies provide a good bedrock. Weaknesses across any of these areas will hamper an IFI’s ability to act as a fiscal advocate.

73. Second, IFIs need to be truly independent to thrive. This means that they should have independent leadership, freedom to make operational decisions, and sufficient access to resources such as to staff and information. This can foster wider trust.

74. Third, for IFIs to be advocates, they need a strong communications approach. By this, we mean a well-designed communications set-up that lets them spread their messages: disseminating and promoting their work and obtaining feedback on its impact. This is both across traditional media and modern digital information networks.

75. Fourth, IFIs need to focus their work on major issues that attracts attention. The kind of fiscal advocacy envisaged is one where IFIs draw awareness to the major fiscal challenges facing our countries. To pollinate or spread their ideas effectively, IFIs must produce attractive, convincing and targeted communications.

Figure 4.1. An ecosystem approach to sustaining fiscal advocacy

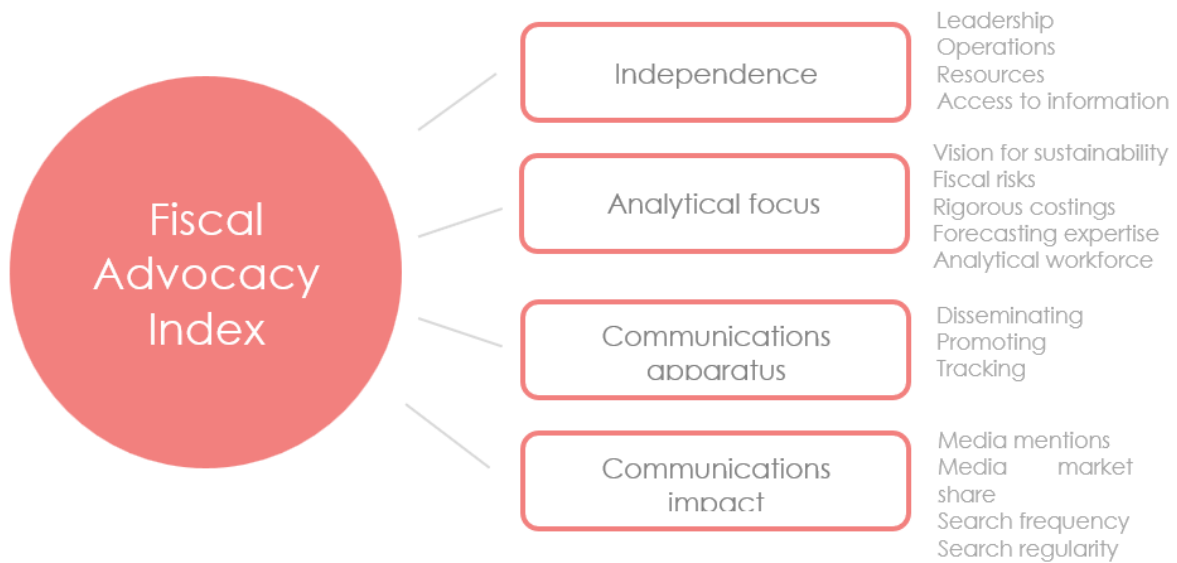


76. We can picture this as an ecosystem of sorts (Figure 4.1). The optimal conditions for fiscal advocates involve a balance of external and internal factors. Externally, the right environment conditions are needed to support IFIs as fiscal advocates. Internally, IFIs need to maintain strong and impactful communications along with ambitious work programmes.

4.2. Assessing Fiscal Advocacy — a Fiscal Advocacy Index

77. With these conditions in mind, the OECD has assessed the state of play across OECD countries by constructing a “Fiscal Advocacy Index”. The index provides a measure of fiscal advocacy across the OECD at the national level. It looks at the institutional arrangements enabling IFIs, their analytical focus, their communications apparatus, and their communications impact.

Figure 4.2. The Outline of the Fiscal Advocacy Index



78. The outline of the Fiscal Advocacy Index focuses on four of the key elements we identify (Figure 4.2). The index draws on the latest available data, and primarily relies on the OECD (2021^[8]) database on IFIs.

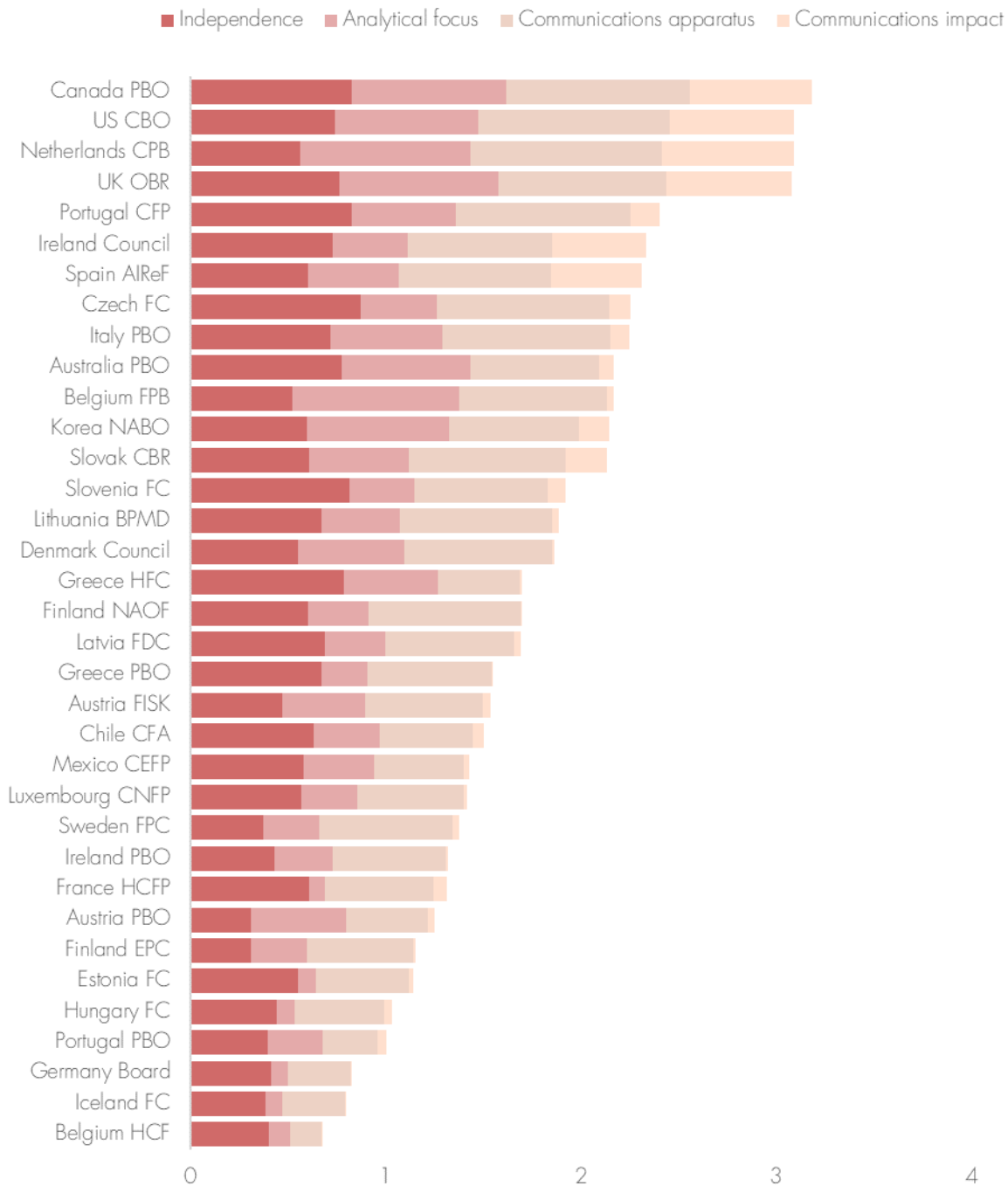
79. First, it looks at the IFI’s level of independence, with this dimension based on an update of earlier OECD work on measuring IFI independence (Nicol and Von Trapp, 2018^[4]). The original index is updated to include latest available data from the OECD (2021^[8]) database on IFIs.

80. Second, the index looks at the ability of IFIs to focus their analysis on areas of importance. Specifically, it looks at an IFI’s ability to produce long-term sustainability reports, forecasts, dedicated assessments of fiscal risks, and election costings. It also considers how well resourced their analytical functions are.

81. Third, the index evaluates the apparatus that OECD IFIs have put in place for disseminating, promoting, and tracking communications. It mirrors the approach used in the OECD IFI Communications Index (OECD, 2023^[9]). The index considers the institutional arrangements that an IFI has in place, with a view to underpinning its impact in terms of outreach.

82. Fourth, the index assesses the communications impact that an IFI has managed to have. The index draws on new indicators of communications impact produced by the OECD. These indicators use a combination of data on media coverage, developed using tailored Google searches within its “news” search tool, plus Google Trends data based on user data. These are intended to assess the extent to which IFIs have entered the national debate and public consciousness. Annex B sets out the full design of the index.

Figure 4.3. The Fiscal Advocacy Index



Sources: OECD Independent Fiscal Institutions Database (2021); and latest available data on communications impact.

83. In general, those institutions ranking the highest in the index tend to have a high level of independence and a wide analytical focus (Figure 4.3). In addition, they have developed a mature communications apparatus, with substantial impact to show for it. This includes the Canadian Parliamentary Budget Office (PBO), the United States Congressional Budget Office (CBO), the Netherlands Central Planning Bureau (CPB), and the UK Office for Budget Responsibility (OBR).

84. Bigger institutions have an advantage. They can develop dedicated communications functions and they have the resources to widen their analytical focus to key areas such as long-term sustainability analysis, election costings, and dedicated fiscal risks assessments.

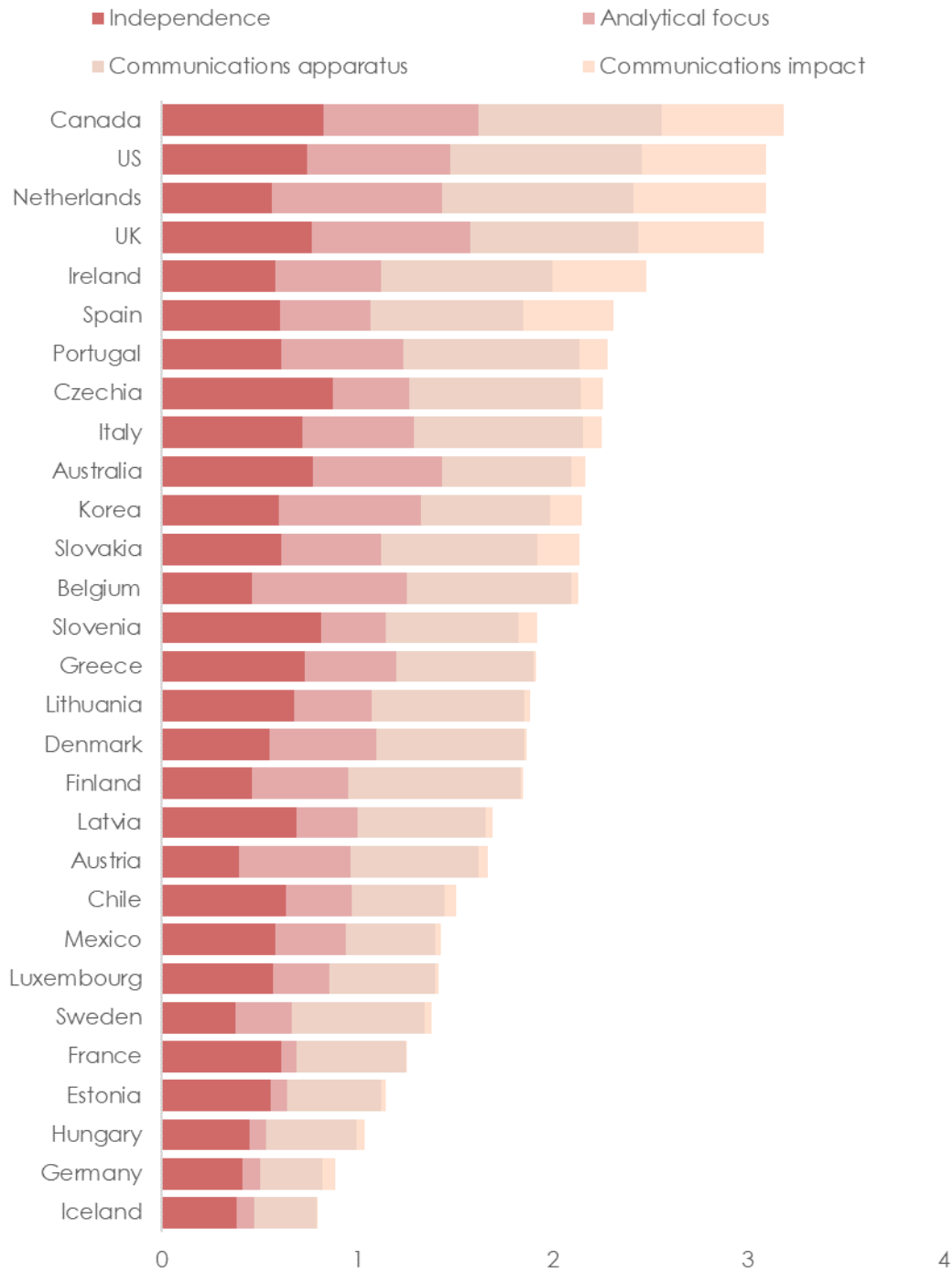
85. Yet smaller IFIs can have a significant impact too. The Irish Fiscal Advisory Council has managed to have a substantial communications impact, despite its small size, while also focusing its analytical work on longer term fiscal challenges such as climate and ageing. Portugal's Public Finance Council has positioned itself strongly too, with a highly developed communications function that includes a dedicated communications staff member. With its wide analytical focus, it is primed to make a much more substantial communications impact.

86. Given that there are OECD countries with more than one IFI, it is worth considering outcomes at a country level too. That is, a country may have one IFI producing long-term sustainability analysis and developing a more public role in assessing fiscal policy. At the same time, it may have another IFI that is less prominent in the public debate, but is nonetheless playing a vital role. This may include enhancing parliamentarians' knowledge on fiscal issues, and developing costings.

87. Recognising this delineation of responsibilities, the Index can be aggregated carefully to national level. It can combine the analytical focus of separate IFIs, the best-placed IFI on the communications front, and their combined levels of independence.

88. At the country level, we can see fairly similar results except for a few changes (Figure 4.4). First, Ireland benefits from the costings work done by its Parliamentary Budget Office, which helps to flesh out its analytical focus when aggregated to the country level. Second, Portugal sees a slightly lower independence ranking on average, pulling it down the rankings slightly. Third, countries such as France and Germany that have only one IFI show up relatively low at a country level when countries with two IFIs benefit from the relative strength of one of their institutions.

Figure 4.4. The Fiscal Advocacy Index (at the country level)



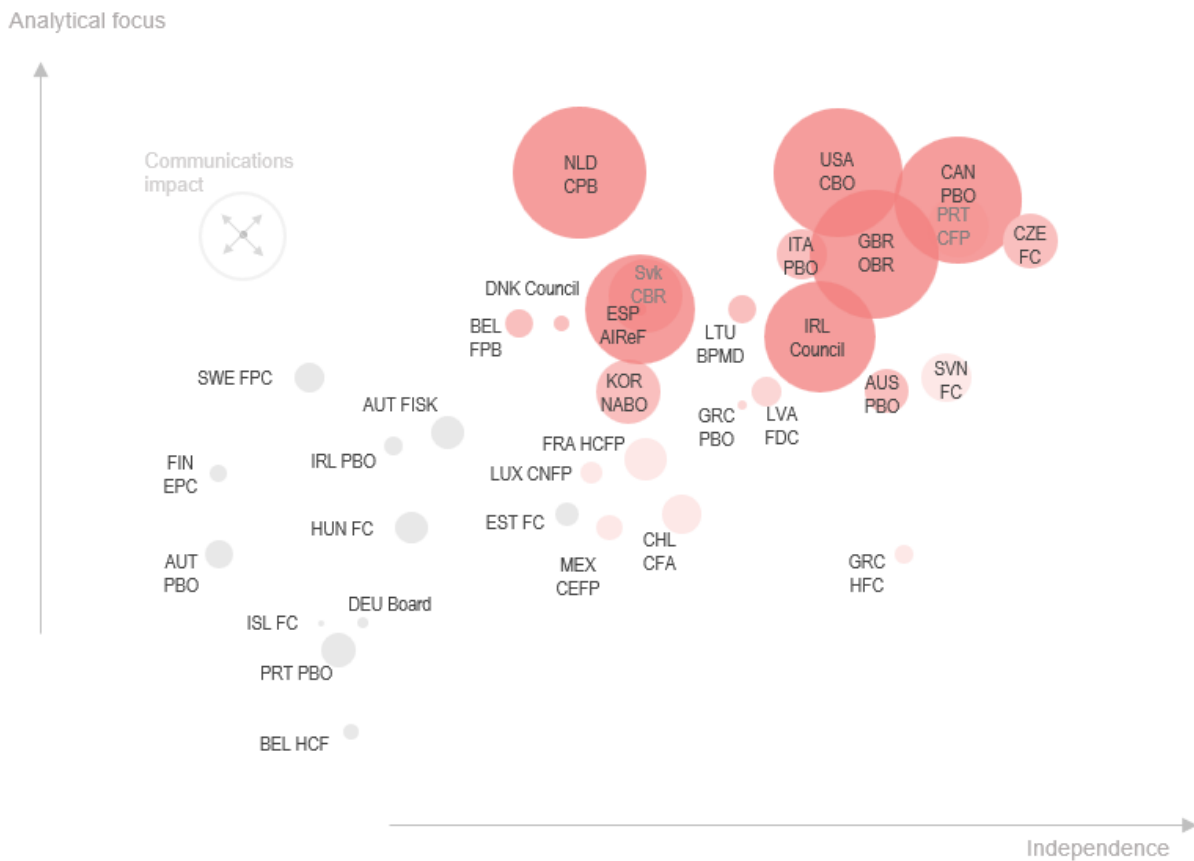
Sources: OECD Independent Fiscal Institutions Database (2021); and latest available data on communications impact.

89. There are some natural groupings we can identify in terms of the results. Through a cluster analysis (Annex B), we can establish how the institutions cluster together across the four key dimensions considered.

90. Four distinct groups emerge from this analysis. The first is notable for having relatively low levels of independence compared to other IFIs as well as more narrow analysis and negligible communications

impact (Figure 4.5). The second group achieves a similar level of independence to the next two groups, but, unlike those, it is marked out by a relatively narrower breadth of analysis. The third cluster comes with a wider analytical focus and a slightly stronger communications apparatus. However, it is notable for having very limited communications impact despite the communications functions being reasonably well developed. By contrast, the final cluster has a pronounced level of communications impact in addition to the other attributes seen in the third cluster.

Figure 4.5. There are clear cases of IFIs acting as fiscal advocates



Sources: OECD Independent Fiscal Institutions Database (2021); and latest available data on communications impact. The size of the bubbles indicates the relative communications impact, with larger bubbles indicating more impact.

91. This offers some important insights. Some institutions may have put in place robust communications functions. For example, they may have a reasonable communications strategy and employ press releases, press conferences, and other tools to get their message out there. But media coverage of their work may still be relatively limited. The index suggests that fostering informed constituencies, which can in turn encourage governments to take responsible actions requires more than public releases alone. IFIs need to have a credible level of independence as an important pre-condition for its views to become influential. In addition, it is important that IFIs have a steady media presence and ensure that their messaging is convincing, focused and provided when it matters most during the budget process.

92. Overall, these results serve to highlight the scope for improvement that remains across many OECD countries in terms of developing fiscal advocates. There are countries with IFIs that are making a substantial impact on the public debate, with analysis that can generate the political will for action on major

fiscal challenges. However, there are also countries marked by IFIs with weaker levels of independence, a narrow analytical focus, and relatively undeveloped communications practices.

93. Fostering informed citizens will be an essential steppingstone to addressing major fiscal challenges. Generating the political will to tackle challenges such as ageing populations, the climate transition and increased spending in priority areas will not be easy.

94. IFIs can help foster the will for political action. Ensuring their success means certain standards will have to be maintained. This means ensuring credible levels of independence, adequate discretion for IFIs to focus their work on major fiscal challenges, sufficient analytical capacity, and the ability to develop their own public voice. Without this, IFIs will not be able to flourish as the natural candidates to be fiscal advocates. Their work will wither on the vine, and they will struggle to bring greater attention to how fiscal policy can respond to today's challenges, while ensuring a sustainable future.

References

- Arndt, C. et al. (2015), "2015 Indicators of Regulatory Policy and Governance: Design, Methodology and Key Results", *OECD Regulatory Policy Working Papers*, No. 1, OECD Publishing, Paris, <https://doi.org/10.1787/5jrnwqm3zp43-en>. [14]
- Calmfors, L. and S. Wren-Lewis (2011), "What should fiscal councils do?", *Economic Policy*, Vol. 26/68, pp. 649-695, <https://doi.org/10.1111/j.1468-0327.2011.00273.x>. [3]
- Cukierman, A., S. Web and B. Neyapti (1992), "Measuring the Independence of Central Banks and Its Effect on Policy Outcomes", *The World Bank Economic Review*, Vol. 6/3, pp. 353-398, <https://doi.org/10.1093/wber/6.3.353>. [13]
- Debrun, R. (ed.) (2018), *Measuring IFI independence: A first pass using the OECD IFI*, CEPR Press. [4]
- Gilardi, F. (2002), "Policy credibility and delegation to independent regulatory agencies: a comparative empirical analysis", *European Journal of Public Policy*, Vol. 9/6, <https://doi.org/10.1080/1350176022000046409>. [12]
- Hagemann, R. (2010), "Improving Fiscal Performance Through Fiscal Councils", *OECD Economics Department Working Papers*, No. 829, OECD Publishing, Paris, <https://doi.org/10.1787/5km33sqsqq9v-en>. [1]
- King, A. (2024), "How the OBR can help people understand the implications of government's stated spending plans", *Institute for Government*, <https://www.instituteforgovernment.org.uk/comment/obr-government-spending-plans> (accessed on 3 May 2024). [5]
- Kopits, G. (2011), "Independent Fiscal Institutions: Developing Good Practices", *OECD Journal on Budgeting*, <https://doi.org/10.1787/budget-11-5kg3pdgcpn42>. [2]
- Nardo, M. et al. (2005), *Tools for Composite Indicators Building*, European Commission, <https://publications.jrc.ec.europa.eu/repository/handle/JRC31473>. [15]
- Newman, N. et al. (2023), *Digital news report 2023*, Reuters Institute for the Study of Journalism., https://reutersinstitute.politics.ox.ac.uk/sites/default/files/2023-06/Digital_News_Report_2023.pdf. [17]
- OBR (2023), "OBR", in *FOI: Information on preparatory work for the mini budget*, OBR, https://obr.uk/docs/dlm_uploads/FOI-Information-on-preparatory-work-for-the-mini-budget.pdf. [6]

- OECD (2023), *Government at a Glance 2023*, OECD Publishing, Paris, [9]
<https://doi.org/10.1787/3d5c5d31-en>.
- OECD (2023), "Government at a Glance 2023", *OECD Publishing, Paris*, [10]
<https://doi.org/10.1787/3d5c5d31-en>.
- OECD (2021), *Independent Fiscal Institutions Database, Version 2.0*, [8]
<http://www.oecd.org/gov/budgeting/OECD-Independent-Fiscal-Institutions-Database.xlsx>
(accessed on 2021).
- OECD (2014), "Recommendation of the Council on Principles for Independent Fiscal [11]
Institutions", <https://www.oecd.org/gov/budgeting/OECD-Recommendation-on-Principles-for-Independent-Fiscal-Institutions.pdf> (accessed on 12 August 2021).
- OECD/EU/JRC (2008), *Handbook on Constructing Composite Indicators and User Guide*, OECD [16]
Publishing, Paris, <https://doi.org/10.1787/9789264043466-en>.
- Tetlow, G., O. Bartrum and T. Pope (2024), *Strengthening the UK's - Putting fiscal rules in their [7]
place*.

Annex A. IFIs' remits

Table A.1. Details of IFIs remits and ability to do the work of fiscal advocates

IFI	Key aspects of mandate	Assess Fiscal Rules	Assess Long-term fiscal sustainability	Produce election costings	Produce normative rec's	Can publish analysis on own initiative?	Can set own work within mandate without approval?	Can set own work within mandate with approval?
Australia PBO	Inform parliament with policy proposal costings and budget analysis to enrich Australia's democracy through independent fiscal analysis.		✓	✓		✓		✓
Austria FISK	Provide fiscal analysis based on fiscal policy objectives and economic developments, with analysis considering sustainability, economic effects and indebtedness.	✓	✓		✓	✓	✓	
Austria PBO	To support parliamentary committees with analysis of budgetary matters, including assessments of the impact of new legislation.		✓			✓		✓
Belgium FPB	The Federal Planning Bureau is responsible for supporting the Study Committee on Ageing and the Center of Expertise on Pensions with sustainability assessments, including long-term population, debt, pension, healthcare, and ageing pressure projections.		✓	✓		✓	✓	
Belgium HCF	The High Council of Finance analyses fundamental fiscal issues and suggests reforms on their own initiative or at the request of the Federal Minister of Finance or the Minister of Budget.	✓			✓	✓	✓	
Canada PBO	The PBO is mandated to analyse macro and fiscal policy to raise the quality of parliamentary debate and promote greater budget transparency and accountability. If requested, it analyses the financial cost of any proposal over which Parliament has jurisdiction. Prior to general elections, it provides political parties, on request, with election costings.		✓	✓		✓	✓	

IFI	Key aspects of mandate	Assess Fiscal Rules	Assess Long-term fiscal sustainability	Produce election costings	Produce normative rec's	Can publish analysis on own initiative?	Can set own work within mandate without approval?	Can set own work within mandate with approval?
Chile CFA	The CFA is required to evaluate the medium- and long-term sustainability of Chile's public finances and make the results of its evaluations available to the public.	✓	✓		✓	✓	✓	
Czech FC	The Czech Fiscal Council is required to prepare and submit to the Chamber of Deputies a report on the long-term sustainability of the public finances, including assessments of the direct long-term effects of planned government policies.	✓	✓		✓	✓	✓	
Denmark Council	The Danish Economic Council is required to assess the public finances annually, including whether fiscal policy is on a long-term sustainable path.	✓	✓		✓	✓	✓	
Estonia FC	The Estonian Fiscal Council is required to assess macro-fiscal forecasts, budget strategy, and structural balance objectives.					✓	✓	
Finland EPC	The Finnish Economic Policy Council is required to evaluate economic policy with respect to economic growth and stability, employment and the long-term sustainability of public finances.	✓	✓		✓	✓	✓	
Finland NAOF	The Fiscal Policy Monitoring and Audit group in the National Audit Office of Finland (NAOF) is required to monitor fiscal targets and compliance with fiscal rules.	✓	✓		✓	✓		✓
France HCFP	The High Council of Public Finances (HCFP) is responsible for assessing official macro-fiscal forecasts and for monitoring compliance with fiscal rules, within the context of the public finance programming law, which typically involves a 4-year horizon. It must also verify the consistency of the trajectory of returning to balanced public finances with France's European commitments.	✓			✓	✓		
Germany Board	The Stability Council is required to monitor potential budget emergencies at an early stage and compliance with the Fiscal Compact, the EU Stability and Growth Pact, and Germany's debt brake.	✓			✓	✓	✓	
Greece HFC	The Hellenic Fiscal Council is required to assess official forecasts and monitor	✓	✓		✓	✓	✓	

IFI	Key aspects of mandate	Assess Fiscal Rules	Assess Long-term fiscal sustainability	Produce election costings	Produce normative rec's	Can publish analysis on own initiative?	Can set own work within mandate without approval?	Can set own work within mandate with approval?
	compliance with EU fiscal rules.							
Greece PBO	The Parliamentary Budget Office monitors fiscal outcomes, including Greece's medium-term fiscal strategy.	✓			✓	✓		✓
Hungary FC	The Hungarian Fiscal Council can prepare macro-fiscal forecasts, recommendations on fiscal plans, and estimates of fiscal effects of legislation. This is with a view to promoting fiscal discipline, transparency and long-term sustainability.	✓			✓	✓	✓	
Iceland FC	The Icelandic Fiscal Council is independent in its work and its legislated role is to assess whether fiscal policy complies with basic values such as short- and long-term sustainability, stability and prudence.	✓				✓	✓	
Ireland Council	The Irish Fiscal Council is required to assess whether the fiscal stance of the Government is conducive to prudent economic and budgetary management.	✓	✓		✓	✓	✓	
Ireland PBO	The PBO provides parliament and committees with macro-fiscal information, including analysis of how the public finances are being managed and the financial implications of proposals that affect the public finances.					✓		✓
Italy PBO	The PBO is mandated to perform analyses of the long-term sustainability of public finances.	✓	✓			✓	✓	
Korea NABO	NABO is mandated to provide analysis of the national budget and fiscal management. It fulfils this by producing analysis of budget bills, fiscal plans, costings, macro-fiscal forecasts, major state programs and their mid- to long-term fiscal elements.		✓			✓		✓
Latvia FDC	The Fiscal Discipline Council is required to "assess and analyse the sustainability of the State fiscal policy."	✓	✓		✓	✓	✓	
Lithuania BPMD	The BPMD may undertake work at its own initiative. In 2016 and 2017, it published an assessment of long-term fiscal sustainability in line with its	✓	✓			✓		✓

IFI	Key aspects of mandate	Assess Fiscal Rules	Assess Long-term fiscal sustainability	Produce election costings	Produce normative rec's	Can publish analysis on own initiative?	Can set own work within mandate without approval?	Can set own work within mandate with approval?
	broad mandate to promote sustainable public finances.							
Luxembourg CNFP	The CNFP is mandated to assess macroeconomic and budgetary forecasts "for the benefit of financial budgetary programming of the general government" and it shall publish its findings and evaluations.	✓	✓		✓	✓	✓	
Mexico CEFPP	The CEFPP costs legislation that originates in the legislature, produces briefing notes and/or longer studies on topics related to the public finances, and analyses official forecasts as well as producing its own.					✓		✓
Netherlands CPB	CPB research is carried out on its own initiative and involves it analysing the effects of current and future government policies as well as producing the forecasts that underpin the government budget. At the beginning of each general election cycle, the CPB publishes its 4-year Medium Term Outlook as a starting point for policies of political parties, used during coalition negotiations after general elections. On request, the CPB calculates measures proposed in parties' election manifestos. It has self initiated work on long-term fiscal sustainability, climate impacts and other areas.		✓	✓		✓	✓	
Portugal CFP	The CFP's statutes assign it the task of analysing the dynamics of public debt and its sustainability, and the dynamics of existing commitments, with special emphasis on the pensions and health systems and on public-private partnerships and concessions.	✓	✓		✓	✓	✓	
Portugal PBO	The UTAO supports the Budget Committee with analysis on the executive's budget proposals, budgetary matters, and the Stability and Growth Programme.				✓	✓		✓

IFI	Key aspects of mandate	Assess Fiscal Rules	Assess Long-term fiscal sustainability	Produce election costings	Produce normative rec's	Can publish analysis on own initiative?	Can set own work within mandate without approval?	Can set own work within mandate with approval?
Slovak CBR	The CBR is mandated to report on long-term fiscal sustainability, transparency, and compliance with fiscal rules. It can also publish, on its own initiative, opinions on fiscal risks and various legislative proposals submitted to the National Council.	✓	✓		✓	✓	✓	
Slovenia FC	The Slovenian Fiscal Council is mandated to assess fiscal sustainability. In legislation, this is on the basis of the draft Stability Programme. It is also required to regularly monitor health and pensions budgets as well as the government budget overall.	✓	✓	✓	✓	✓	✓	
Spain AIReF	AIReF is required to ensure "strict compliance with the principles of budgetary stability and financial sustainability through a continuous assessment of the budgetary cycle, the public indebtedness and the analysis of economic forecasts." It can issue opinions on its own initiative on the various subjects covered by the Organic Law 6/2013.	✓	✓			✓	✓	
Sweden FPC	The Swedish Fiscal Policy Council is required to assess fiscal policy in terms of official objectives, targets and long-term fiscal sustainability. It is also required to evaluate official forecasts, assessments of fiscal sustainability, and costs of proposed reforms. It may assess the consistency of official plans with long-term sustainable growth, and long-term sustainable high employment. It may also assess the clarity of official plans. Finally, its work is intended to increase public discussion on economic policy issues throughout society.	✓	✓		✓	✓	✓	
UK OBR	The OBR's is required "to examine and report on the sustainability of the public finances". It must prepare at least two fiscal and economic forecasts, an assessment of the fiscal mandate and an analysis of the sustainability of the public finances each year. The Office has complete discretion how it	✓	✓			✓	✓	

IFI	Key aspects of mandate	Assess Fiscal Rules	Assess Long-term fiscal sustainability	Produce election costings	Produce normative rec's	Can publish analysis on own initiative?	Can set own work within mandate without approval?	Can set own work within mandate with approval?
	<p>does this. However, it must do so objectively, transparently and impartially, while having regard to any Government policies that are relevant to these duties, and it may not consider the effect of any alternative policies.</p>							
US CBO	<p>The CBO is mandated to provide information assisting the Committees on Budget on all fiscal matters, including information on the budget, bills, revenues, outlays, budget priorities, and allocations that may meet major national needs and affect balanced growth.</p>		✓			✓	✓	

Annex B. The Fiscal Advocacy Index

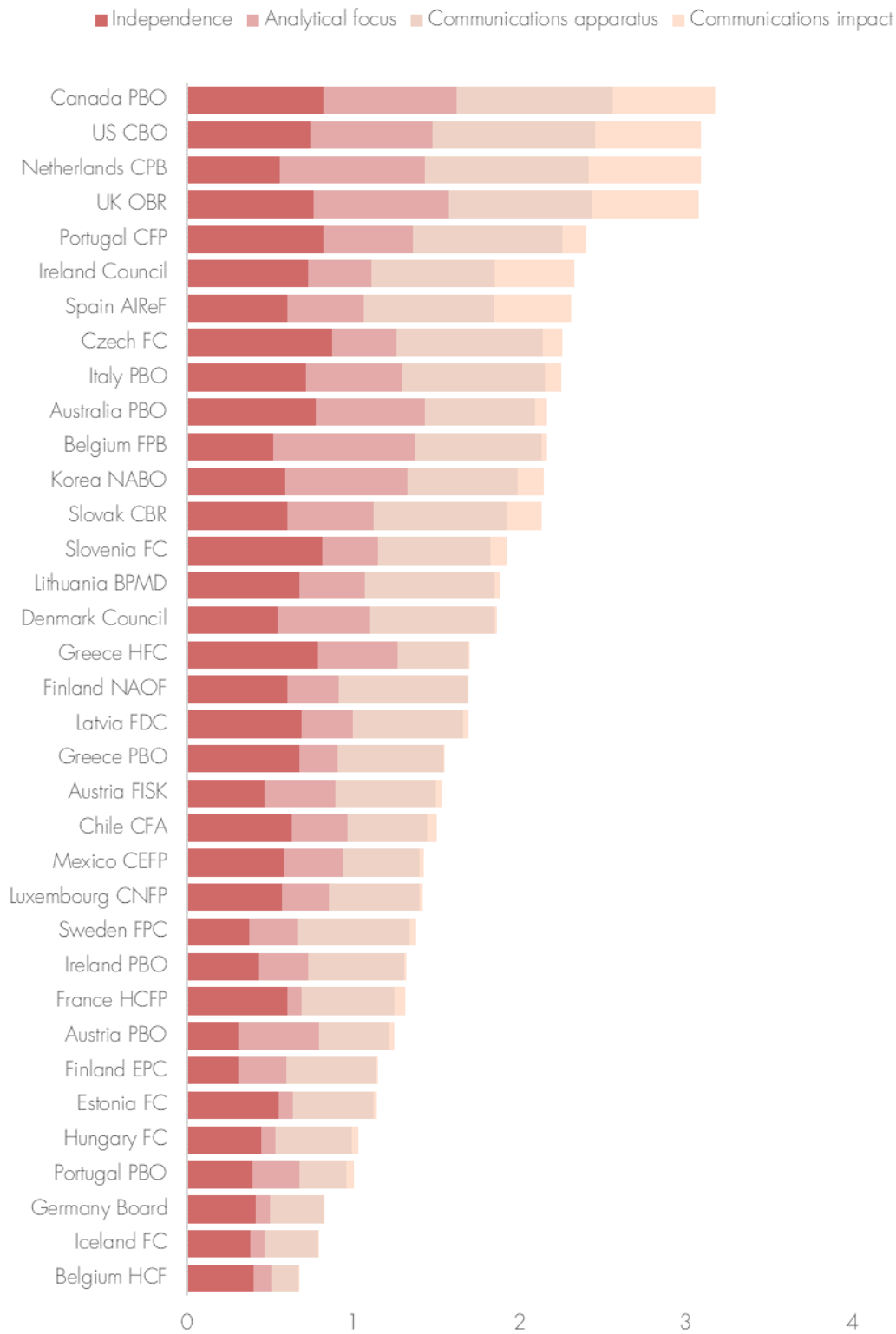
95. The Fiscal Advocacy Index is designed to assess the extent to which IFIs play the role of fiscal advocates. It is a multidimensional analysis that draws, focusing on four key dimensions. For the first three dimensions, it primarily draws on comparative indicators from the expanded OECD 2021 database on IFIs. For the fourth dimension, the analysis draws on communications impact data, which is developed through tailored Google searches and Google trends results.

96. The highest-ranking institutions tend to have a high level of independence and a wide analytical focus (Figure B.1). In addition, they have developed a mature communications apparatus, with substantial impact to show for it. This includes the Canadian Parliamentary Budget Office, the United States Congressional Budget Office, the Netherlands Central Planning Bureau, and the UK Office for Budget Responsibility.

97. Bigger institutions have an advantage. They can develop dedicated communications functions and they have the resources to widen their analytical focus to key areas such as long-term sustainability analysis, election costings, and dedicated fiscal risks assessments.

98. Yet smaller IFIs can have a significant impact too. The Irish Fiscal Council has managed to have a substantial communications impact, despite its small size, while also focusing its analytical work on longer term fiscal challenges such as climate and ageing. Portugal's Public Finance Council has positioned itself strongly too, with a highly developed communications function that includes a dedicated communications staff member. With its wide analytical focus, it is primed to make a much more substantial communications impact.

Figure B.1. The Fiscal Advocacy Index



Sources: OECD Independent Fiscal Institutions Database (2021); and latest available data on communications impact.

Four key dimensions

99. The index considers four key dimensions:

1. Independence — this measures the extent to which IFIs are effective in providing impartial advice to policymakers and the public. Leadership and operations should be free from outside interference and funding should be multiannual in nature, preferably with direct approval of funding from the legislature. This dimension is based on an update of earlier OECD work measuring IFI independence (Nicol and Von Trapp, 2018^[4]).
2. Analysis — as fiscal advocates, IFIs should be able to focus their work on major aspects of fiscal policy. IFIs should be able to explore long-term sustainability challenges and major fiscal risks facing the public finances. Those that focus on costings should be able to promote citizens' interests by bringing greater transparency to government or legislative proposals as well as election platforms. At the same time, they should have the capacity to generate and deliver macroeconomic and fiscal forecasts to support their analysis, with an adequate number of analytical staff.
3. Communications Apparatus — the ability of an IFI to communicate directly with the public and engage with the media separates it from other non-partisan research services. To do this effectively, IFIs should have robust tools in place to disseminate, promote and track the impact of their work. This dimension incorporates previous OECD work (OECD, 2023^[10]).
4. Communications Impact — having a robust communications function can help generate an impact on the national debate and promote the IFIs analysis. However, it does not guarantee it. The impact of an IFI's work may rely on the clarity and cogency of its analysis, rather than the methods it uses to promote that work. This dimension gauges the final impact an IFI has by considering its prevalence in media discussions and the public's interest in the institution.

100. The four dimensions have been informed by the OECD Council Recommendation on Principles for Independent Fiscal Institutions (OECD, 2014^[11]). The Recommendation contains 22 principles across nine areas related to local ownership, independence and on partisanship, scope of the mandate, resources, relation with the legislature, access to information, transparency, communication and evaluation. The aggregation of the indicators into four dimensions simplifies the empirical analysis and is comparable with other studies of independent central banks and regulatory bodies from the political science literature (Gilardi, 2002^[12]; Cukierman, Web and Neyapti, 1992^[13]).

101. Analysis performed on the index suggests that the four dimensions are mutually supportive, correlated, and statistically consistent.

102. Institutional scores, at the IFI level, were determined by adding together the weighted scores of each dimension. The variables and weightings that make up the index were selected by OECD experts based on their relevance to the overarching concept. They have been reviewed by country delegates to the Working Party of Parliamentary Budget Officials and Independent Fiscal Institutions.

Structure and weights of the index

103. The Index assesses fiscal advocacy across OECD countries by attempting to quantify the four key dimensions identified.

104. Each of the Index's four dimensions carries an equal (25%) weight. Variables within a dimension are weighted based on 1) the number of indicators making up each variable, and 2) and the relative importance of each variable.

105. The sum of the weights assigned to all of the variables included in each dimension is 1. For instance, considering the independence dimension and given the number of indicators within it, each indicator has a maximum combined index score of 0.025 under the "leadership independence" sub-dimension, 0.05 under both the "operational independence" and "resource independence" sub-dimensions, and 0.083 under the "access to information" sub-dimension. A linear aggregation method is applied to first aggregate the indicators into variables, the variables into sub-dimensions and then the sub-dimensions into an overall dimension or composite indicator. To obtain overall index scores, the weighted scores for each indicator are totalled.

106. The index score ranges from 0 to 4, with a score of 1 for each of the four index dimensions. A score of 0 would indicate no meaningful level of institutional independence, extremely limited analytical focus in terms of areas relevant to fiscal advocacy and no communications apparatus or impact. A score of 4, by contrast, would mean the highest level of independence, wide-ranging analysis on areas deemed to be essential to advocating for fiscal sustainability, a highly evolved communications apparatus and substantial communications impact.

107. Institutional scores, at the IFI level, were determined by adding together the weighted scores of each dimension. The variables and weightings that make up the index were selected by OECD experts based on their relevance to the overarching concept. They have been reviewed by country delegates to the Working Party of Parliamentary Budget Officials and Independent Fiscal Institutions.

108. Communications, in terms of apparatus and impact, make up half the overall index. This reflects its centrality to the role of an IFI. As noted in Kopits (2011; 2023), an IFI's primary tool of enforcement is often the communication and dissemination of its views, whether it means promoting openness around fiscal issues or wider debate on its views. Similarly, Hagemann (2010) notes the key role IFIs have in terms of improving transparency and helping to highlight the true cost of fiscal decisions. Robust communications can also reinforce other dimensions in the index (Calmfors and Wren-Lewis, 2011). Namely, an IFI's influence on policy via public debate can also strengthen its credibility for independent analysis.

109. Figure B.2 to B5 show the broad structure of the index in terms of the sub-dimensions and variables that form each of the four equally-weighted dimensions.

Figure B.2. Sub-dimensions and variables of “Independence” dimension

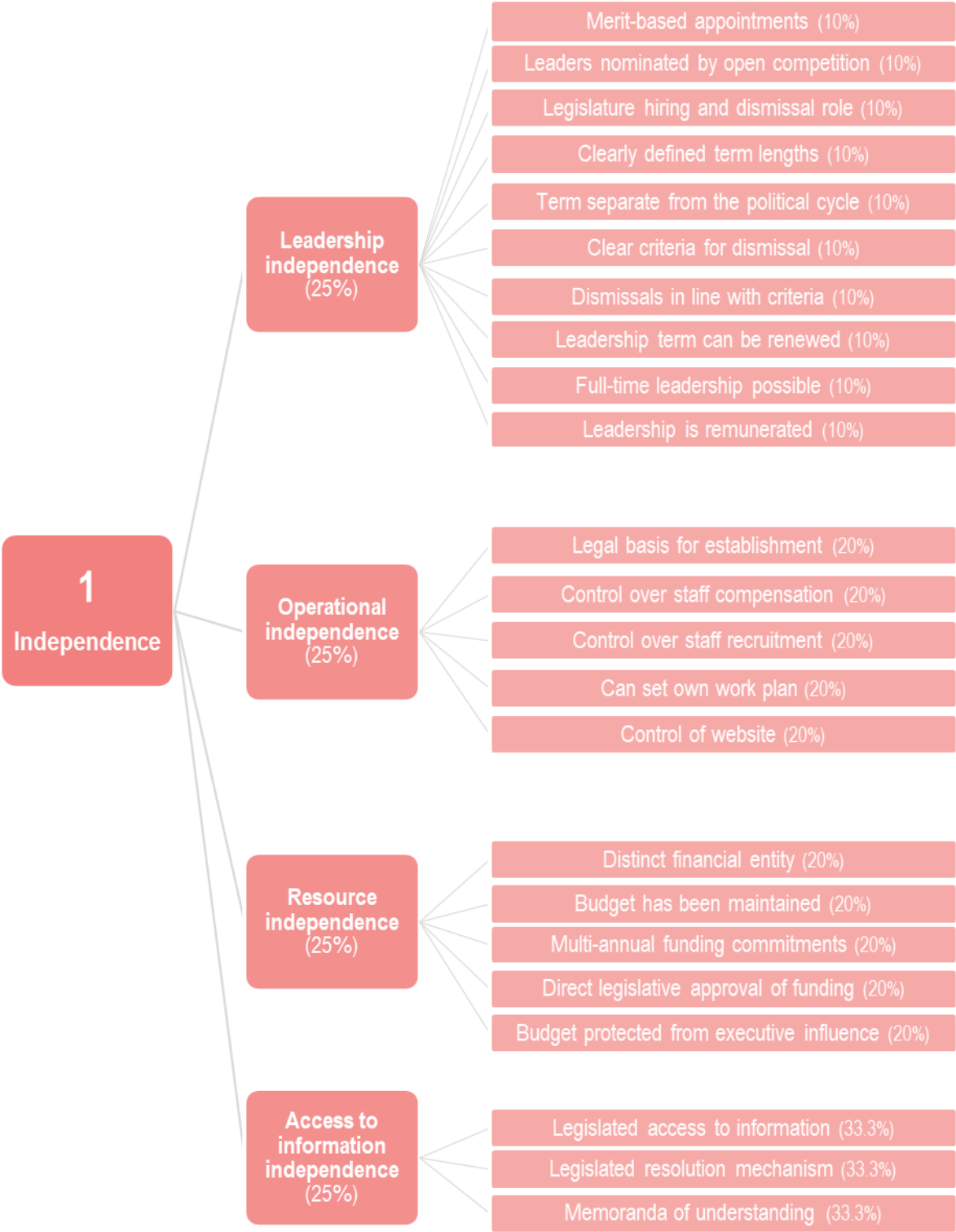


Figure B.3. Sub-dimensions and variables of “Analytical Focus” dimension

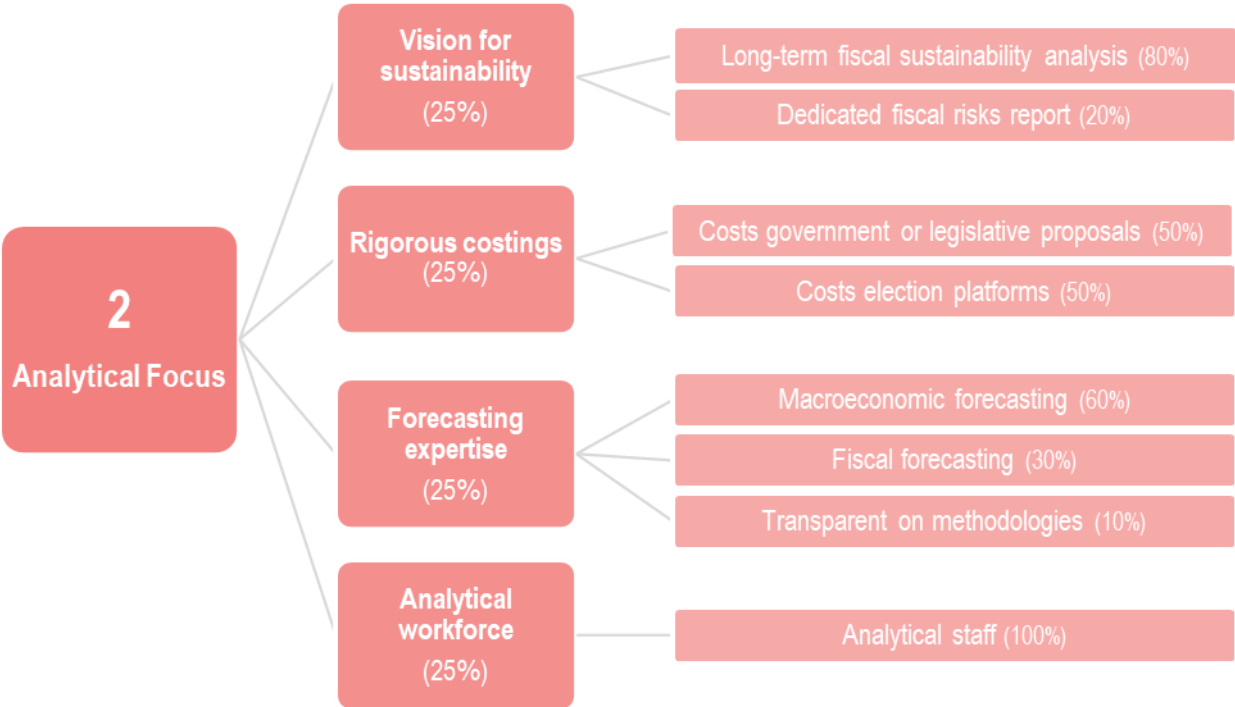


Figure B.4. Sub-dimensions and variables of “Communications Apparatus” dimension

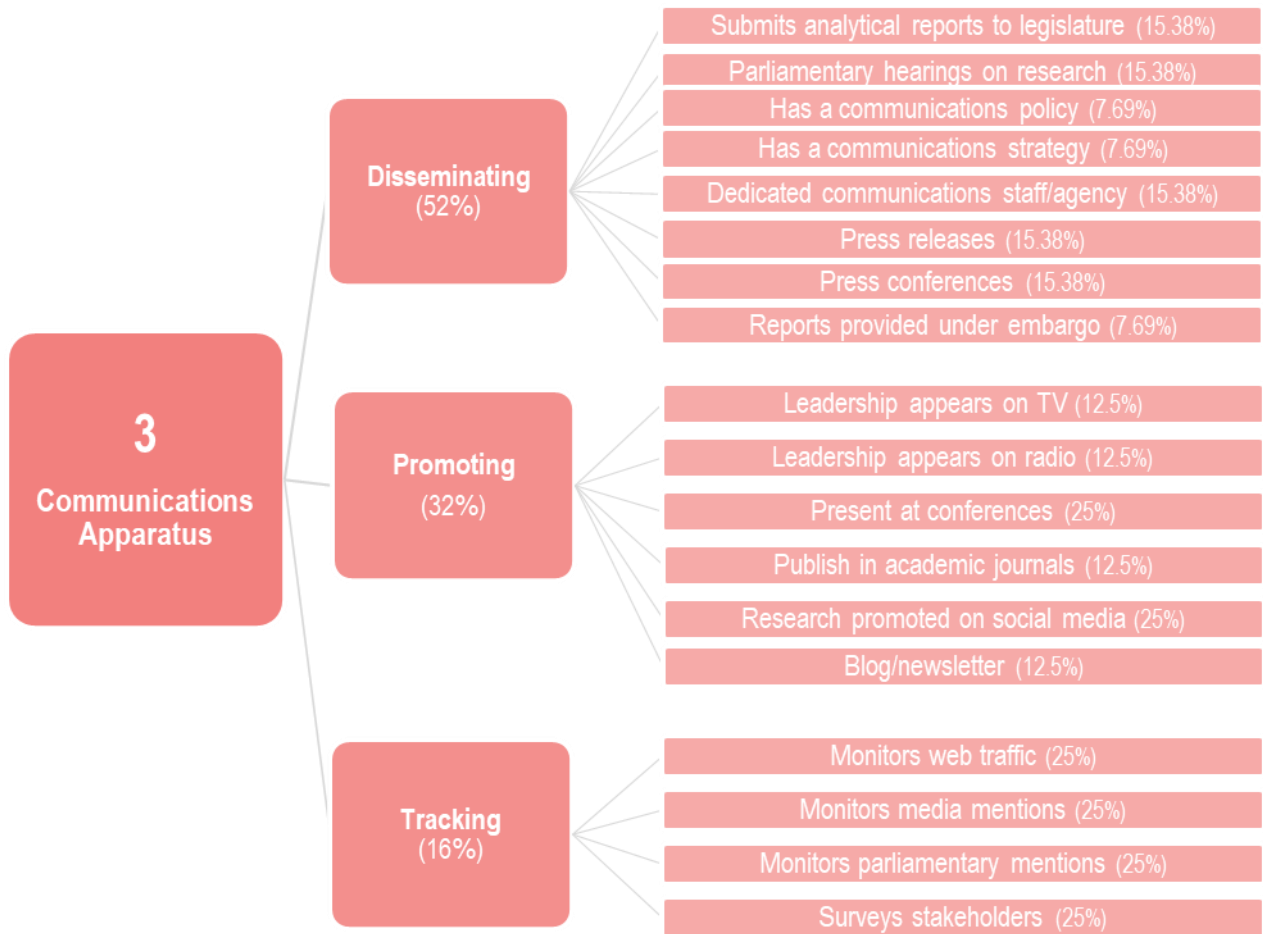
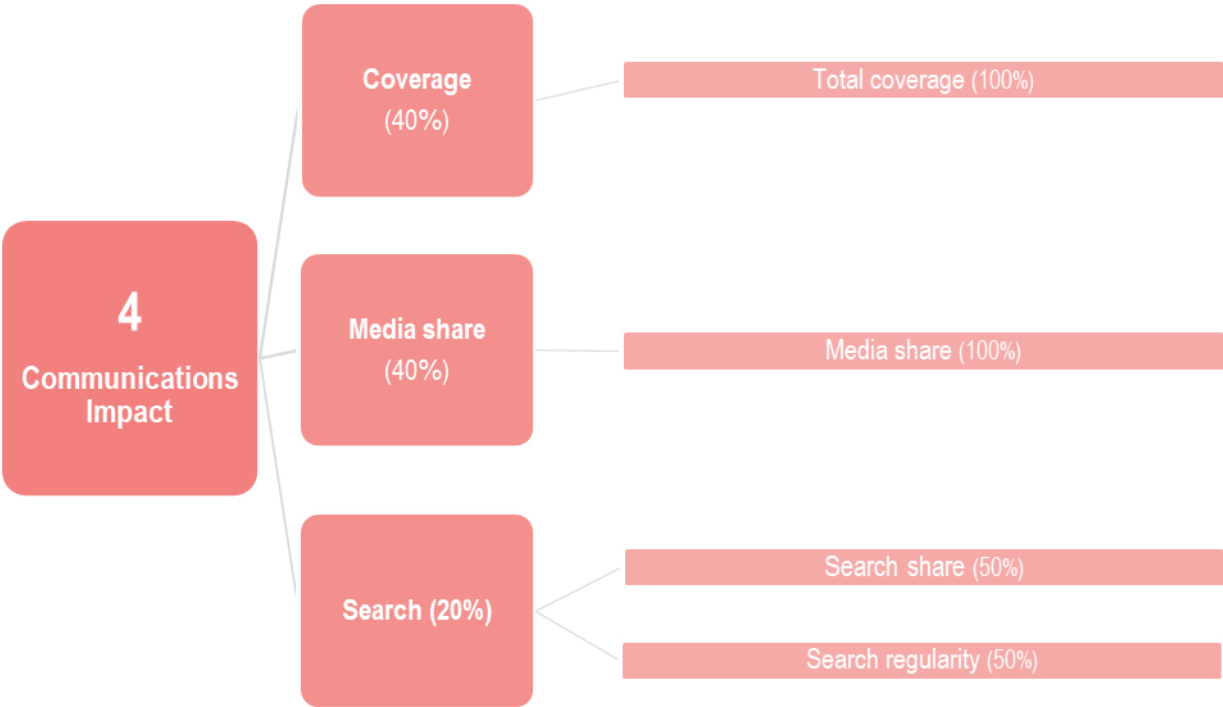


Figure B.5. Sub-dimensions and variables of “Communications Impact” dimension



110. Table B.1 to A B.4 present a more detailed breakdown of the structure and weight for each of the four dimensions that form the Index. The tables include the sub-dimensions, variables and indicators used. It also shows how the 2021 survey questions were used across the first three dimensions, including the scoring system and the maximum combined index score that could be achieved when weighted.

Table B.1. Independence dimension — structure and weightings

Dimension	Sub-dimension	Variables	Survey question	Answers (scores)	Max combined score
Dimension 1 Independence	a) Leadership independence (25%)	Merit-based appointments (10%)	2.1 Leaders are appointed based on merit and technical competence	Yes, required by legislation (1) Yes, in practice (0.5) Appointed for political reasons (0) Other (0)	0.025
		Leaders nominated by open competition (10%)	2.4 How is the nomination list or short list of potential leaders decided?	Open competition (1) Other (0)	0.025
		Legislature hiring and dismissal role (10%)	5.7 The legislature plays a role in the appointment or dismissal process for leadership	Yes (1) No (0)	0.025
		Clearly defined term lengths (10%)	2.8 Clearly defined term lengths for leadership	Yes (1) No (0)	0.025
		Term separate from political cycle (10%)	2.9 Leadership term length (years) 2.10 Lower house political cycle length (years) 2.11 If leadership term length is the same as the political cycle length, are they staggered?	Yes (1) No (0) Answer is "Yes" if terms differ (answer to question 2.9 ≠ 2.10) or if terms are staggered and 2.11 is = "Yes".	0.025
		Clear criteria for dismissal (10%)	2.13 Clearly defined criteria for dismissal of leadership	Yes (1) No (0)	0.025
		Dismissals in line with criteria (10%)	Based on 2018 OECD database and updated to reflect latest knowledge	Yes (1) No (0)	0.025
		Leadership term can be renewed (10%)	2.12 Is there a term limit?	Never (0) Once (1) Twice (1) Indefinite (0) Not specified (0)	0.025
		Full-time leadership possible (10%)	2.14 Leaders are full time, part time, or both	Full (1) Part (0) Both (1)	0.025
	Leadership is remunerated (10%)	2.15 Leaders are remunerated	Yes, leader/chair (1) Yes leader/chair and all council members (1) No (0)	0.025	
	b) Operational independence (25%)	Legal basis for establishment (20%)	1.6 Legal basis for establishment	Constitutional legislation (1) Primary legislation (1) Other (0)	0.050
		Control over staff compensation (20%)	2.17 Leaders have control over staff compensation within budget limits	Yes (1) No (0)	0.050
		Control over staff recruitment (20%)	2.16 Leaders have control over staff recruitment within budget limits	Yes, complete control (1) Yes, within (other) non-budget constraints (0.75) No (0)	0.050

Dimension	Sub-dimension	Variables	Survey question	Answers (scores)	Max combined score
		Can set own work plan (20%)	3.1 Able to set its own work programme within bounds of its mandate	Yes, without approval (1) Yes, approval required (0.5) No (0)	0.050
		Control of website (20%)	8.4 Has a website	Standalone (1) Official network (0.5) Section (0.25) No site (0)	0.050
	c) Resource independence (25%)	Distinct financial entity (20%)	4.8 The IFI is a distinct financial entity in appropriations bills	Yes (1) No (0)	0.050
		Budget has been maintained (20%)	Based on previous OECD database and updated to reflect latest knowledge	Yes (1) No (0)	0.050
		Multi-annual funding commitments (20%)	4.13 Has multi-annual funding commitments	Yes, secured (1) Yes, but not guaranteed (0.5) No (0)	0.050
		Direct legislative approval of funding (20%)	4.11 The IFI submits its budget directly to the legislature for voted approval	Yes (1) No (0)	0.050
		Budget protected from executive influence (20%)	4.9 The IFI submits its budget to the central budget authority and it is included in the executive government's budget proposal outside of typical negotiation/amendment procedures	Yes (1) No (0)	0.050
	d) Access to information independence (25%)	Legislated access to information (33%)	6.1 Legislated access to information	Yes, with specific procedure (1) Yes, broad powers (1) No (0)	0.083
		Legislated resolution mechanism (33%)	6.3 Legislated enforcement or grievance mechanism if requests for information are not fulfilled	Yes, legislated (1) Yes, other (1) No (0)	0.083
		Memoranda of understanding (33%)	6.2 Memoranda of understanding or other non-legislated agreement to exchange information	Yes (1) No (0)	0.083

Sources: Own workings.

Notes: The maximum combined index score shows the maximum weight within a dimension, including weightings for variables and sub-dimensions. The maximum score per variable is 1. For survey questions with multiple answer possibilities, only the highest indicator score applies.

Table B.2. Analytical focus dimension — structure and weightings

Dimension	Sub-dimension	Variables	Survey question	Answers (scores)	Max combined score		
Dimension 2 Analytical focus	a) Vision for Sustainability (25%)	Long-term fiscal sustainability analysis (80%)	3.23 Analysis of long-term fiscal sustainability beyond the medium-term framework	Yes, required under mandate (1) Yes, self-initiated (1) No (0)	0.200		
		Dedicated fiscal risks report (20%)	3.14 Publishes a report dedicated to fiscal risks	Yes, required under mandate (1) Yes, self-initiated (1) No (0)	0.050		
	b) Rigorous costings (25%)	Costs government or legislative proposals (50%)	3.24 Official role in costing government policies outside of elections 3.25 Official role in costing legislative proposals outside of elections 3.26 Independently costs policies as part of broader fiscal or macroeconomic analysis	Yes to 3.24 (1) Yes to 3.25 (1) Yes to 3.26 (0.25) No to any (0)	0.125		
			Costs election platforms (50%)	3.27 Costs election platforms		Yes (1) No (0)	
		c) Forecasting expertise (25%)	Macroeconomic forecasting (60%)	3.3 Produces the official macroeconomic forecast underlying the budget 3.4 Formally endorses the official macroeconomic forecast 3.5 Assesses the reasonableness of the official macroeconomic forecast and provides a public opinion, but there is no legislated requirement for the budget or financial update to receive a formal endorsement (or lack thereof) from the institution 3.7 Publishes an alternative macroeconomic forecast		Yes to 3.3 (1) Yes to 3.7 (0.6) Yes to 3.4 or 3.5 (0.1) No to any (0)	0.150
	Fiscal forecasting (30%)			3.8 Produces the official fiscal forecast 3.9 Formally endorses the official fiscal forecast 3.10 Assesses the reasonableness of the official fiscal forecast and provides a public opinion, but there is no legislated requirement for the budget or financial update to receive a formal endorsement (or lack thereof) from the institution 3.12 Publishes an alternative fiscal forecast	Yes to 3.8 (1) Yes to 3.12 (0.6) Yes to 3.9 or 3.10 (0.1) No to any (0)		
				Transparent on methodologies (10%)	7.2 Proactive methodology transparency	(a) Model code published (1) (b) Data sources cited (0.1) (c) Data inputs published (0.9) (d) Data outputs published (0.9) (e) Equations published (0.4) (f) Equations and estimated coefficients published (0.6) (g) Broad overview, key	

Dimension	Sub-dimension	Variables	Survey question	Answers (scores)	Max combined score
				assumptions published (0.1) (h) Fiscal rule calculations published (0.6) (i) Forecast performance of own in-house models published (0.75) None of above (0)	
	d) Analytical workforce (25%)	Analytical staff (100%)	4.4.1 Number of secretariat staff of which are analytical (FTE)	0-5 (0.25) 6-15 (0.5) 16-60 (0.75) 60+ (1)	0.250

Sources: Own workings.

Notes: The maximum combined index score shows the maximum weight within a dimension, including weightings for variables and sub-dimensions. The maximum score per variable is 1. For survey questions with multiple answer possibilities, only the highest indicator score applies.

Table B.3. Communications apparatus dimension — structure and weightings

Dimension	Sub-dimension	Variables	Survey question	Answers (scores)	Max combined score
Dimension 3 - Communications apparatus	a) Disseminating research (52%)	Submits analytical reports to legislature (15.38%)	5.1 Key analytical reports officially submitted to the legislative record	Yes (1) No (0)	0.080
		Gives evidence at parliamentary hearings (15.38%)	5.3 Leaders or staff participate in legislative hearings to discuss the institution's economic and fiscal research	Yes (1) No (0)	0.080
		Comm's policy (7.69%)	8.1 Has a communications policy	Yes, published (1) Internal (0.5) No (0)	0.040
		Comm's strategy (7.69%)	8.2 Has a communications strategy	Yes, published (1) Internal (1) No (0)	0.040
		Comm's staff or agency (15.38%)	8.3 Has a dedicated communications staff or agency	Yes (1) No (0)	0.080
		Press releases (15.38%)	8.5 Publications accompanied by press release	Yes (1) No (0)	0.080
		Press conferences (15.38%)	8.6 Holds press conferences for key reports	Yes (1) No (0)	0.080
	b) Promoting research (32%)	Reports under embargo (7.69%)	8.7 Holds early access briefings or releases reports under embargo before they are officially published	Yes, lockups (1) Yes, embargo (1) Yes, both (1) No (0)	0.040
		Leadership appears on TV (12.5%)	8.10 Leadership appears on TV	Yes (1) No (0)	0.040
		Leadership appears on radio (12.5%)	8.11 Leadership appears on radio	Yes (1) No (0)	0.040
		Conferences (25%)	8.12 Leadership or staff present at conferences	Yes (1) No (0)	0.080
		Academic journals (12.5%)	8.13 Staff publish in academic journals	Yes (1) No (0)	0.040
		Social media (25%)	8.9 Distributes research with social media (Facebook, LinkedIn, Twitter)	Yes, under its own account (1) Yes, under the account of its parent organisation (0.75) No (0)	0.080
		Blog/newsletter (12.5%)	8.8 Has a blog or newsletter	Yes (1) No (0)	0.040
c) Tracking influence (16%)	Monitors web traffic (25%)	8.14 Tracks IFI website activity	Yes (1) No (0)	0.040	

Dimension	Sub-dimension	Variables	Survey question	Answers (scores)	Max combined score
		Monitors media mentions (25%)	8.15 Tracks IFI media mentions	Yes (1) No (0)	0.040
		Monitors parliamentary mentions (25%)	8.16 Tracks IFI parliamentary mentions	Yes (1) No (0)	0.040
		Surveys stakeholders (25%)	8.17 Has conducted a survey on stakeholder perceptions	Yes (1) No (0)	0.040

Sources: Own workings.

Notes: The maximum combined index score shows the maximum weight within a dimension, including weightings for variables and sub-dimensions. The maximum score per variable is 1. For survey questions with multiple answer possibilities, only the highest indicator score applies.

Table B.4. Communications impact dimension — structure and weightings

Dimension	Sub-dimension	Variables	Data source	Indicators (scores)	Max combined score
Dimension 4 - Communications impact	a) Total coverage (40%)	Total articles (100%)	Google News (see data section)	Min-max normalisation (Highest = 1)	0.400
	b) Media share (40%)	Media share (100%)	Google News (see data section)	Min-max normalisation (Highest = 1)	0.400
	c) User searching (20%)	Search share (50%)	Google Trends (see data section)	Min-max normalisation (Highest = 1)	0.100
		Search regularity (50%)	Google Trends (see data section)	Min-max normalisation (Highest = 1)	0.100

Sources: Own workings.

Notes: The max combined index score shows the maximum weight within a dimension, including weightings for variables and sub-dimensions. The maximum score per variable is 1. For survey questions with multiple answer possibilities, only the highest indicator score applies. Min-max normalisation rescales the data to be in a range [0, 1], with the formula: $x' = \frac{x - \min(x)}{\max(x) - \min(x)}$ where x is an original value and x' is the normalised value.

Aggregating the IFI results to country level

111. In terms of assessing fiscal advocates, it is also interesting to look at the results at country level. In some cases, countries will have two IFIs.² It might be expected that a PBO for instance could fulfil the role of costings and supporting the legislature on specific requests. Whereas the Fiscal Council might play a more public role, including by monitoring fiscal rules and producing long-term fiscal sustainability assessments.

112. This delineation of responsibilities can carry with it different expectations regarding the extent of public outreach that might be required. Supporting the legislature might entail the IFI being less vocal in terms of its assessments of fiscal policy. As such, when aggregating to the country level, care needs to be taken.

113. To aggregate the index to country level we make two calls in the case of two IFIs existing in a given country: 1) the average of the maximum combined index score of each institution indicator or 2) the maximum combined index score of each institution indicator.

114. For the Independence dimension, we take an average of the individual IFI results for each indicator. This reflects the view that independence is a key feature of IFIs regardless of their mandate.

115. For the Analysis dimension, we take the maximum combined index score for each indicator. This is to reflect the fact that while one IFI might perform election costings, another might do long-term sustainability analysis. In a case like that, we are mostly interested in whether this work is being produced at all within a given country rather than the specific IFI that is responsible for it. By taking the maximum value, the index recognises the work that is done regardless of which IFI does it. Not doing this, and taking an average instead, would lead to a country being punished in cases where one IFI performs each task, effectively halving its score. There is one exception: the transparency on methodologies sub-dimension. In this case, both IFIs should ideally be transparent in terms of their methods and so we take an average of the indicator results.

116. For both the Communications Apparatus and Communications Impact dimensions we take the maximum score for countries that have two IFIs. The reasoning here is that — as with the Analysis dimension — we are interested in having a strong fiscal advocate in a given country. We can be reasonably agnostic about which specific IFI establishes the associated communications function this role involves and its success in terms of impact. What we are interested in is that this is evident in at least one of the IFIs.

² This includes Austria, Belgium, Finland, Greece, Ireland, and Portugal.

Internal consistency

117. Several statistical tests were used to how robust and valid the index is. The tests seek to show how reliable the index is in terms of measuring a coherent underlying concept — fiscal advocacy. They also assess how valid the choices of individual parameters and variables are. Note that the statistical analyses produced here refer to individual institutions rather than the country-level results.

Correlation analysis

118. All four dimensions are strongly correlated with the overall index (0.7 or above), which validate the framework. The dimensions also exhibit positive correlations among themselves (Table B.5), which suggests they measure the same underlying concept and serve as valid components of the Index.

Table B.5. Correlation between dimensions

Dimension	Independence	Analytical focus	Communications apparatus	Communications impact
Independence	1.0	0.4	0.6	0.4
Analytical focus	0.4	1.0	0.7	0.6
Communications apparatus	0.6	0.7	1.0	0.6
Communications impact	0.4	0.6	0.6	1.0
Index	0.70	0.86	0.90	0.82

Source: Own workings.

Notes: Table shows the correlation of dimensions with other dimensions. All values are above 0.4 showing positive correlation.

119. Additional tests were conducted on the internal coherence of sub-dimensions. In general, positive correlations were above the threshold limit of 0.3 indicating that the dimensions are internally coherent and that they are measuring the same underlying concept. All parameters are positively correlated, demonstrating the validity of the chosen parameters. In updating the analysis of the Independence dimension, which was previously published based on earlier data (Nicol and Von Trapp, 2018^[41]), it was noted that some of the correlations within the dimension, that is, between indicators, were relatively weak. This suggests scope for future work to update the index such that some indicators included in the original Independence analysis be modified, moved to different sub-dimensions, or potentially even removed.

Principal component analysis

120. Another approach to verifying the overall coherence of the framework is to use principal component analysis. This statistical technique is often referred to as a dimensionality reduction technique. The idea being to reduce a set of variables to a smaller number of linear combinations. At the same time, the technique ensures that the new combinations preserve the maximum proportion of the total variation, or “information”, contained in the original data. As well as being useful for reducing a large set of variables to a smaller number of combinations (or “dimensions”), the technique is useful for revealing the associations between different variables.

121. Applying this technique to the overall index, we find that the dimensions can converge to a single component that explains most of their variance (68%), with an Eigenvalue of 2.7 (Table B.6). Again, these results confirm that the index is constructed in a valid way.

Table B.6. Principal components analysis

	Variance explained by first principal component	Eigenvalue
Index	68%	2.7

Sources: Own workings.

Notes: The table shows the proportion of the total variance that is explained by the first principal components of dimensions and sub-dimensions.

Cronbach’s alpha

122. The following table displays the Cronbach’s alpha estimate for the Index and each dimension.

123. Cronbach’s Alpha is a measure often used to check the internal reliability of items in a model or survey, specifically that they are measuring the same underlying construct. It is based on the degree of correlation between a set of variables. A value equal to zero means that the variables are independent, while a value equal to one means that the variables are perfectly correlated. In general, a value above 0.7 is an acceptable indication that the variables are measuring the same underlying construct.

124. In terms of the overall Index, the estimated Cronbach’s Alpha is 0.89. This indicates that it is measuring a consistent underlying construct. Similarly, each of the individual dimensions measure above 0.7, indicating that there is also a strong level of internal consistency among the variables contained within each dimension (Table B.7).

Table B.7. Cronbach’s alpha estimates (unstandardised)

Overall	0.89
Dimension 1 - Independence	0.72
Dimension 2 – Analytical focus	0.76
Dimension 3 – Communications apparatus	0.79
Dimension 4 – Communications impact	0.89

Sources: Own workings.

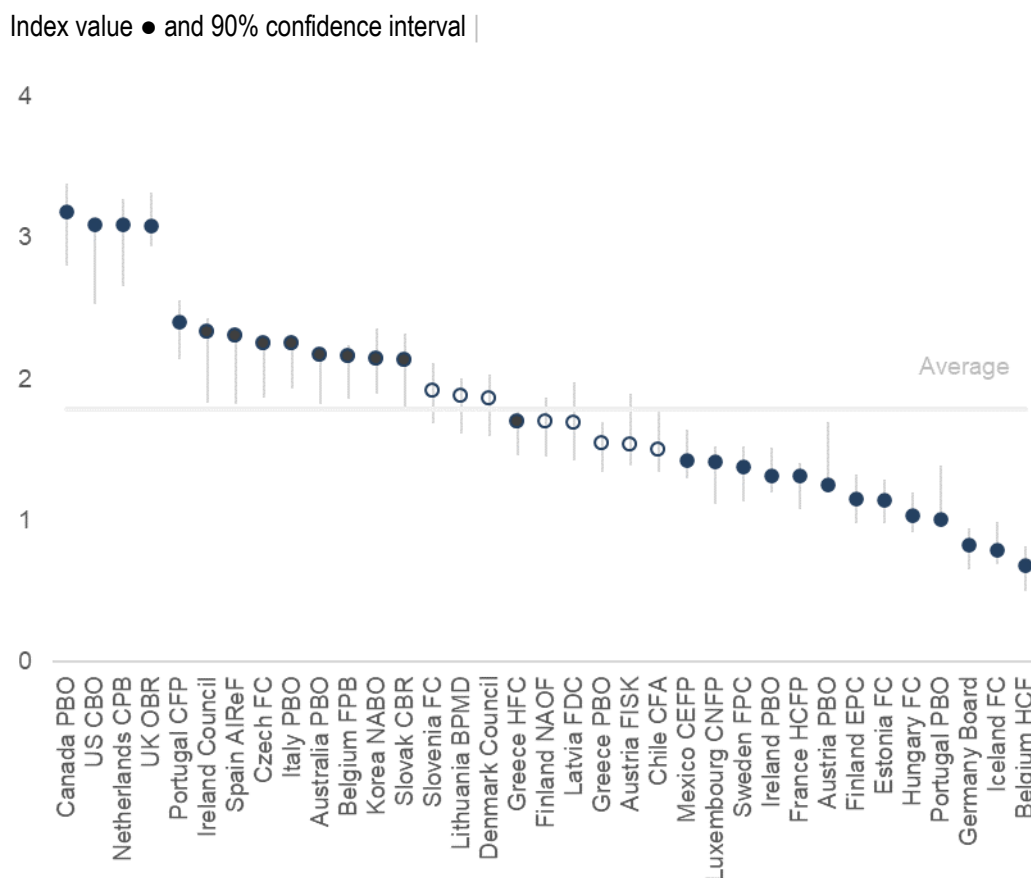
Notes: The table shows the Cronbach’s alpha estimates, with results generally above 0.7.

Sensitivity testing: Monte Carlo simulations

125. A useful test is to check the sensitivity of the index to different choices of weightings for each variable included. We consider this using a run of 10,000 Monte Carlo simulations that assign random weights from a uniform distribution to each variable. The results of the simulations are intended to show which institution would have been presented differently if the dimensions or variables within the dimensions were based on a different combination of weights.

126. Figure B.6 shows the results presented with a 90% confidence interval for each IFI. The upper bound of the interval is the 95th percentile of the simulation results and the lower bound is the 5th percentile of the simulation results. For most institutions, the overall index score is not very sensitive to the choice of weightings at dimensions level. It is important to note that not all the combinations of weights used to create these intervals can be viewed as realistic outcomes (Arndt et al., 2015_[14]). It is also possible to explore the sensitivity to different weights at the dimension level (Figure B.7 to Figure B.10).

Figure B.6. Overall index sensitivity to different weightings at dimensions level



Source: Own analysis based on index.

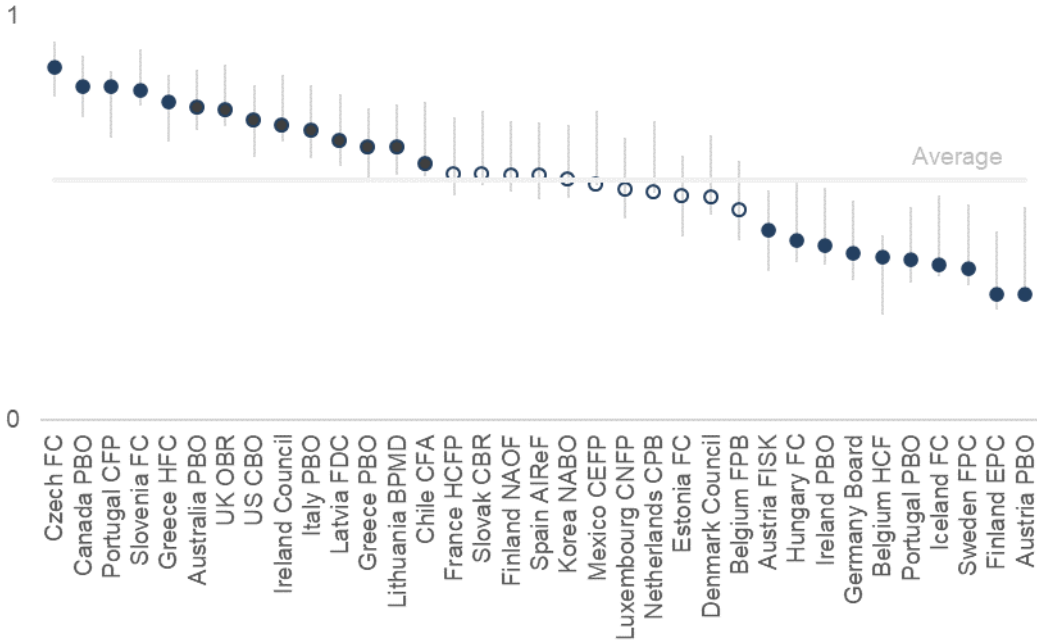
Notes: Figure presents the sensitivity of the index to various weighting assumptions (results from the Monte Carlo simulation where 10,000 different weights were assigned). Circles represent the indicator scores, and vertical lines represent the 90% confidence intervals derived from the random weights analysis. The index score ranges from 0 to 4, with a score of 1 for each of the four index dimensions. Values where the 90% interval for the index overlaps the average for all IFIs are shown as empty circles: o.

127. One practical takeaway from this analysis is how reasonably we might identify groupings of institutions with a strong degree of confidence (Arndt et al., 2015_[14]). Those with filled circles on the left-

hand side of each figure not only have a value that is above the average, but that is also above the average for 90% of random weighting combinations. Conversely, on the right-hand side of the figure, institutions with filled circles rank below the average for 90% of random weighting combinations. By extension, these two groups at opposing ends of the figure can be said to have index values which are significantly different from each other independent of the weighting scheme.

Figure B.7. Dimension 1 Independence weighting sensitivity

Dimension value ● and 90% confidence interval |

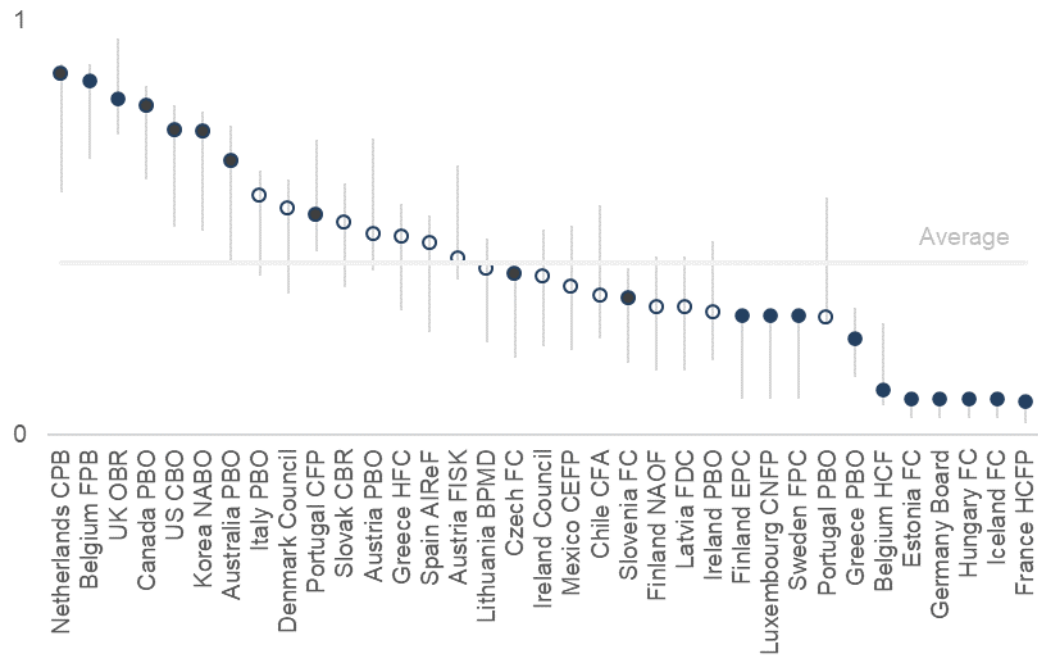


Source: Own analysis based on index.

Notes: Figure presents the sensitivity of the dimension to various weighting assumptions (results from Monte Carlo simulations with 10,000 different weights assigned). Circles represent the dimension scores, and vertical lines the 90% confidence intervals derived from the random weights analysis. The maximum score is 1 for each of the four index dimensions. Values where the 90% interval for the index overlaps the average for all IFIs are shown as empty circles: ○.

Figure B.8. Dimension 2 Analytical Focus weighting sensitivity

Dimension value ● and 90% confidence interval |

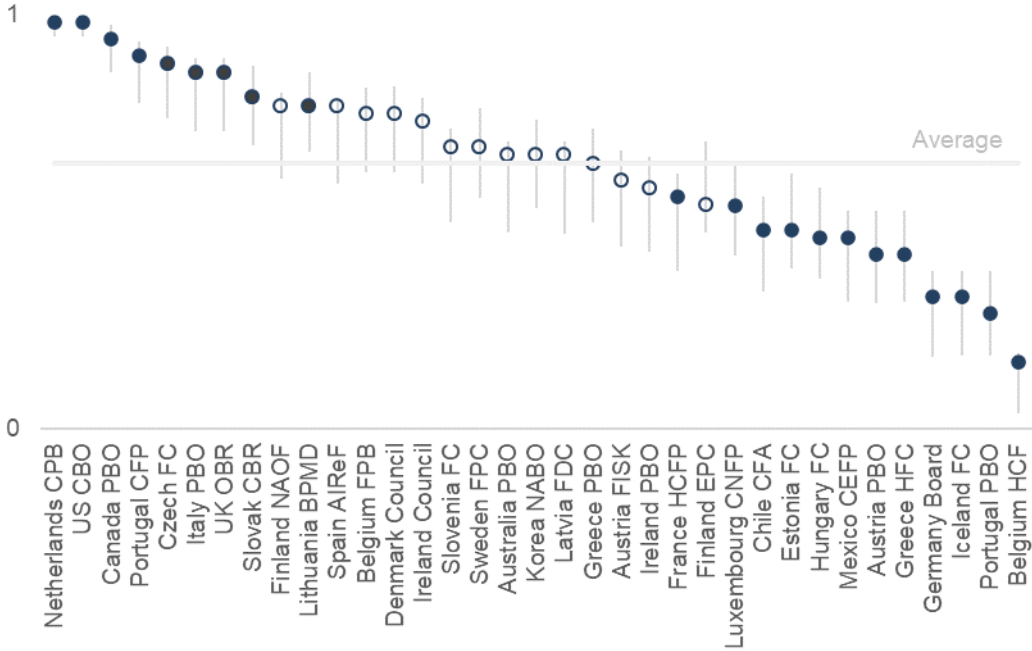


Source: Own analysis based on index.

Notes: Figure presents the sensitivity of the dimension to various weighting assumptions (results from Monte Carlo simulations with 10,000 different weights assigned). Circles represent the dimension scores, and vertical lines the 90% confidence intervals derived from the random weights analysis. The maximum score is 1 for each of the four index dimensions. Values where the 90% interval for the index overlaps the average for all IFIs are shown as empty circles: o.

Figure B.9. Dimension 3 Communications Apparatus weighting sensitivity

Dimension value ● and 90% confidence interval |

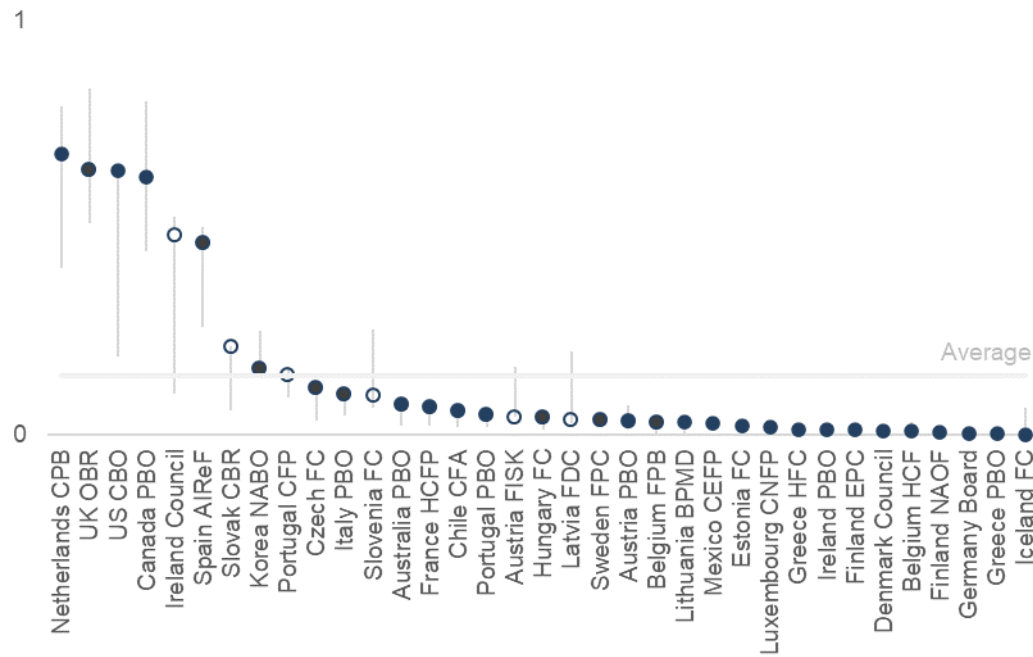


Source: Own analysis based on index.

Notes: Figure presents the sensitivity of the dimension to various weighting assumptions (results from Monte Carlo simulations with 10,000 different weights assigned). Circles represent the dimension scores, and vertical lines the 90% confidence intervals derived from the random weights analysis. The maximum score is 1 for each of the four index dimensions. Values where the 90% interval for the index overlaps the average for all IFIs are shown as empty circles: o.

Figure B.10. Dimension 4 Communications Impact weighting sensitivity

Dimension value ● and 90% confidence interval |



Source: Own analysis based on index.

Notes: Figure presents the sensitivity of the dimension to various weighting assumptions (results from Monte Carlo simulations with 10,000 different weights assigned). Circles represent the dimension scores, and vertical lines the 90% confidence intervals derived from the random weights analysis. The maximum score is 1 for each of the four index dimensions. Values where the 90% interval for the index overlaps the average for all IFIs are shown as empty circles: o.

Identifying natural groupings of IFIs

128. A useful way to identify consistent patterns in the sample of IFIs is to consider various groupings. There are several ways to do this. It can be based on known features, such as institutional form and date of origin. We may also consider cluster analysis to statistically identify groupings based on our four key dimensions.

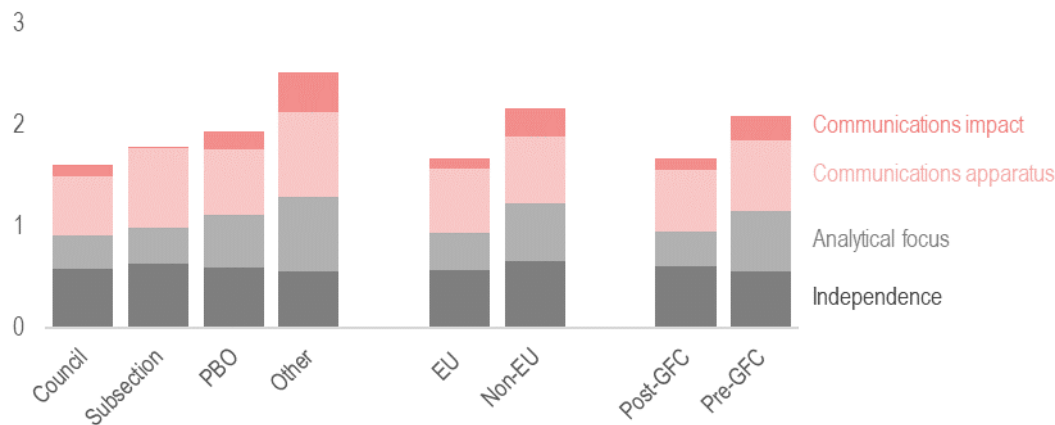
Known features

129. The first thing we can consider is the “institutional form”, including whether the institution is a fiscal council, a parliamentary budget office, or part of a national audit office. Here, we can see that there is a slight tendency for PBOs to have broader analytical workloads while other institutional structures (AIREF, CPB and the Belgian FPB) tend to both broader analysis and wider communications impact (Figure B.11).

130. We can also see that non-EU institutions tend to have broader analytical workloads. This reflects their tendency to have larger staff numbers, and the relatively tighter focus of EU institutions, many of which were formed after the global financial crisis (GFC).

131. We can also assess institutions in terms of those formed after the global financial crisis and those before. The pre-GFC institutions tend to have broader analytical focus, as well as a more developed level of communications apparatus and communications impact.

Figure B.11. Groupings based on known institutional features



Sources: Own workings.

Notes: The index score ranges from 0 to 4, with a score of 1 for each of the four index dimensions. Subsection includes IFIs that are subsections of other institutions such as think tanks or national audit offices. GFC = global financial crisis.

Cluster analysis

132. One useful approach to assessing natural groupings of IFIs is cluster analysis. This statistical approach can be used to establish how the institutions cluster together across the four key dimensions we consider.

133. The clustering algorithm we use for this analysis is “k-means” clustering. This is an unsupervised machine learning algorithm used for clustering data points into groups based on similarity. It starts by randomly selecting “k” initial cluster centerpoints, then iteratively assigning each data point to the nearest centerpoint and updating the centerpoint locations based on the mean of the points in each cluster. This process continues until the centerpoints stabilise or a predetermined number of iterations is reached. The

goal is to minimise the within-cluster sum of squares, with a view to creating homogeneous clusters. At the same time, it seeks to create the greatest possible distinction between clusters. In a nutshell, the algorithm minimises the within-cluster variance, while maximising the between-cluster variance. An important choice is the initial specification of the number of clusters to start with.³

134. The cluster analysis leads us to identify four groupings among the IFIs (Table B.8). The first cluster is notable for having a low level of independence relative to other groupings (Figure B.12). While the second cluster attains a similar level of independence to other groups, it is marked out by a relatively narrower breadth of analysis relative to the next two clusters. The third cluster comes with wider analytical focus and a slightly stronger communications apparatus but is notable for having very limited communications impact despite this capacity being in place. By contrast, the final cluster has a pronounced level of communications impact on top of the other attributes visible in the third cluster.

Table B.8. Institutions by cluster

Averages for each dimension are shown

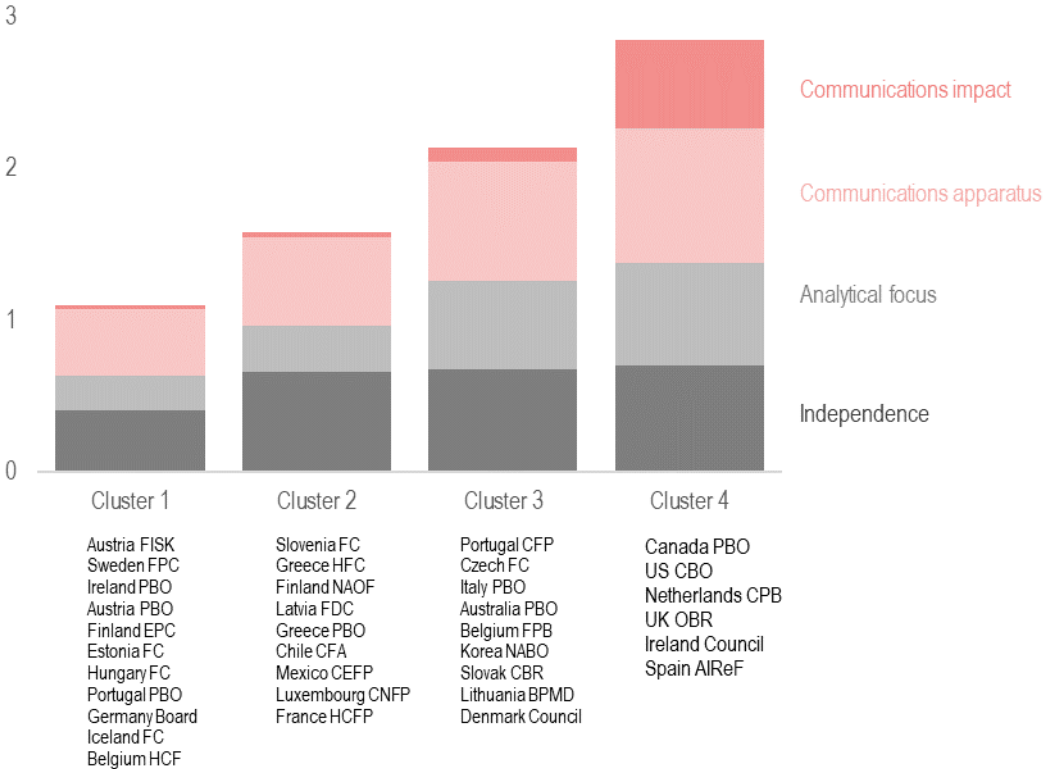
	Cluster 1	Cluster 2	Cluster 3	Cluster 4
Independence	0.41	0.66	0.68	0.71
Analysis	0.23	0.30	0.58	0.68
Communications Apparatus	0.44	0.58	0.78	0.88
Communications Impact	0.02	0.04	0.10	0.59
	Austria FISK	Slovenia FC	Portugal CFP	Canada PBO
	Sweden FPC	Greece HFC	Czech FC	US CBO
	Ireland PBO	Finland NAOF	Italy PBO	Netherlands CPB
	Austria PBO	Latvia FDC	Australia PBO	UK OBR
	Finland EPC	Greece PBO	Belgium FPB	Ireland Council
	Estonia FC	Chile CFA	Korea NABO	Spain AIReF
	Hungary FC	Mexico CEFP	Slovak CBR	
	Portugal PBO	Luxembourg CNFP	Lithuania BPMD	
	Germany Board	France HCFP	Denmark Council	
	Iceland FC			
	Belgium HCF			

Sources: Own workings.

Notes: The table shows the results of a k-means cluster analysis, with four clusters identified drawing on the information from the four dimensions considered in the overall index.

³ This decision is informed using the “gap-statistic”: a method used to estimate the optimal number of k clusters by comparing the within-cluster dispersion to that of a reference null distribution generated from a random dataset with the same size and range as the original data.

Figure B.12. Groupings of IFIs based on cluster analysis



Sources: Own workings.

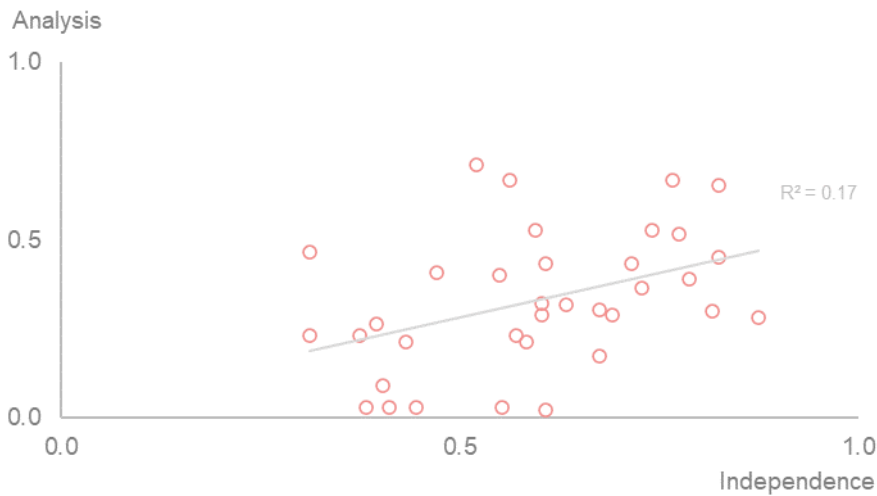
Notes: The figure shows the results of a k-means cluster analysis, with four clusters identified drawing on the information from the four dimensions considered in the overall index.

Some other useful takeaways

135. There are a few other interesting aspects borne out by the Fiscal Advocacy Index.

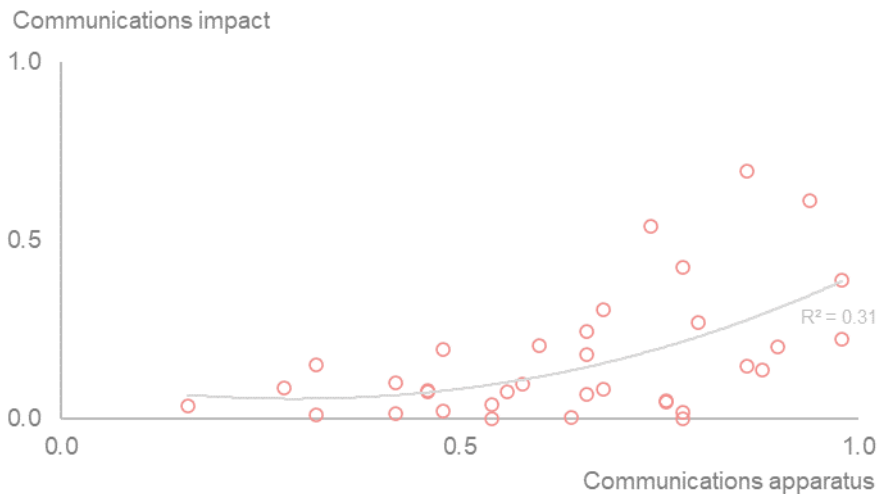
136. We can see that IFIs that have greater independence also tend to have wider analytical focus (Figure B.13). In addition, we can see that IFIs with strong communications apparatus tend to see much greater communications impact, though this is far from guaranteed with a wider dispersion at higher levels (Figure B.14).

Figure B.13. IFIs with greater independence tend to have a wider remit



Source: Own workings.

Figure B.14. A stronger communications set-up can help impact



Source: Own workings.

Limitations of composite indexes

137. Composite indexes are useful to summarise large amounts of discrete, qualitative information. As Nardo et al. (2005^[15]) note, they “are much easier to interpret than trying to find a common trend in many separate indicators”.

138. However, composite indexes have their limitations. They are easily and often misinterpreted by users due to a lack of transparency as to how they are generated. This can present difficulties in terms of unpacking an index and understanding what it is actually measuring.

139. The Fiscal Advocacy Index provides a cross-institution and cross-country comparison, yet it should not be seen as a measure of quality or as a ranking. It is not context-specific, nor can it fully capture the complex realities fiscal institutions encounter in terms of the quality of their output, their real-world practices, and their impact.

140. It shows that IFIs have adopted multi-dimensional approaches to fulfilling their respective mandates across each of the four dimensions we assess. It should also be noted that IFIs and/or countries with the same or similar index scores may have very different profiles. They may, for instance, have balanced scores or an uneven score across dimensions. Examining the results at the dimension level is therefore important when identifying areas for further improvement.

141. Composite indexes should be seen as a means of initiating discussion and stimulating public interest (OECD/EU/JRC, 2008^[16]). To help with interpreting the findings and to provide a more detailed analysis of the strengths and weaknesses of practices across IFIs and countries, the results should be complemented with in-depth assessments. These assessments can provide a more detailed analysis of the quality of institutional practices in the context of diverse and country-specific governance structures, administrative cultures, institutional set-ups and priorities.

Data

1) OECD IFI Database

142. For the first three dimensions of the index (1. Independence, 2. Analysis and 3. Communications Apparatus), the indicators were mainly constructed using the 2021 OECD IFI Database (OECD, 2021^[8]). The database provides information on the key features and practices of independent fiscal institutions. It covers 35 national IFIs in 30 OECD countries, along with Brazil's IFI as an OECD partner country, four subnational IFIs and one regional IFI (the European Fiscal Board). The database comprises 139 variables. Seventy-five variables have been added compared to the 2018 database, providing richer coverage of IFI functions, transparency, and communications practices.

143. The information in the database comes primarily from the 2021 OECD's IFI survey. Respondents are predominantly senior officials in IFIs. Survey responses are for the IFI's operational year that most closely aligns with the 2020 calendar year. For some IFIs, this includes information for an operating year that ends in the first quarter of 2021. Responses have been harmonised across institutions according to OECD definitions and the survey's guidance.

2) Measures of communications impact

144. For the fourth dimension of the index on communications impact, the index also draws on new indicators produced by the OECD. These indicators use a combination of data on media coverage, developed using tailored Google searches within its "news" search tool, plus Google Trends data. Both are intended to assess the extent to which IFIs have entered the national media debate.

145. The dimension "Communications impact" consists of the three sub-dimensions:

146. **Total coverage** — this measures the total number of articles mentioning the IFI in the top-three national news media sites.⁴ The Google "news" search tool was used to identify articles within these news sites that mention the IFI by name, allowing for alternative names (example: "OBR" or "Office for Budget Responsibility"). A total count of articles mentioning the IFI serves as the raw measure. Latest available full-year data are used, with the assessment based on 2023 media coverage. Note that while the focus on the latest available data leads to a mismatch in timing relative to the 2021 survey data used elsewhere, robustness checks suggest that the annual results do not vary substantially. In any case, the general approach to producing the Index was to use latest available data wherever possible.

147. **Media share** — this draws on a variable that is constructed over two steps:

148. First, it looks at an overall "market" measure based on the number of articles in the same top-three national online news sources as before that specifically mention fiscal topics. The search terms used to identify fiscal topics are based on a mention of the words "budget" and "fiscal" or some regional variant that is reasonably common and that narrows the overall number of articles referenced down sufficiently to a discussion of the public finances. To ensure that the results are not overly niche or wide-ranging, a minimum of 80 articles and a maximum of 1,000 articles in a given year of coverage is imposed as a requirement.

149. Second, having identified the overall market, the next step is to assess the percentage of those articles that specifically reference the IFI. This step proceeds by adding the IFI's name(s) as an additional search requirement. Example: "OBR" OR "office for budget responsibility" AND "budget" AND "fiscal".

⁴ The Reuters Institute Digital News Report 2023 (Newman et al., 2023^[17]) identifies the main online news sources for each country, with the exception of Iceland, Estonia, Latvia, Lithuania, Luxembourg, and Slovenia. For these countries, the main news sites were separately identified. All Google news search data for 2023 were collected on the first week of March 2024.

Again, the latest available full-year data are used, with the assessment based on 2023 media coverage. Table B.9

150. sets out the full list of search terms used for the total number of articles covering the IFIs, and for identifying their respective media share. Note that the second measure, the media share, involves the two-step process whereby the first search omits the IFI name to arrive at a denominator, whereas the second search includes the IFI name to arrive at a numerator.

151. **User searching** — this combines two equally weighted variables.

152. The first variable is “search share”. It uses Google Trends data to assess Google searches for the IFI within the country of relevance. Specifically, this measure assesses the relative search frequency for the name of the IFI, which is scaled against a relevant “topic” — in this case the topic “National Debt” is used. Unlike a “search term”, which only includes the specific word or phrase, a “topic” captures a group of terms that share the same concept. Topics are agnostic as regards language. As in, they identify results in the national language or in any other language based on searches within the region. Data are taken over the most recent three-year period, 2021–2023. To account for outliers, a minimum of three weeks with non-zero results are required.⁵

153. The second variable under the “user searching” dimension is “search regularity” — this captures the % of weeks where Google searches for the IFI register greater than zero, meaning that its search volume is sufficiently high to be more than just a niche or highly specific request by a small number of people. A value of 1 or 100% would be equivalent to an IFI that registers a substantive, non-zero volume of searches every week of the year. Again, data are for the most recent three-year period, 2021–2023.

154. For all of the variables produced under the communications impact dimension, the data are normalised with min-max normalization. This rescales the data to be in the range [0, 1], with the formula: $x' = \frac{x - \min(x)}{\max(x) - \min(x)}$ where x is the original value and x' is the normalised value.

Table B.9. Search terms used to obtain news results for variables ‘total coverage’ and ‘media share’

Institution	Total coverage search term	Media share search term
Australia PBO	"PBO" OR "parliamentary budget office" site:https://www.abc.net.au/news/ OR site:https://www.news.com.au/ OR site:https://www.9news.com.au/online	"PBO" OR "parliamentary budget office" AND "budget" AND "fiscal" site:https://www.abc.net.au/news/ OR site:https://www.news.com.au/ OR site:https://www.9news.com.au/online
Austria FISK	"Fiskalrat" site:https://orf.at/ OR site:https://www.krone.at/ OR site:https://www.derstandard.at/	"Fiskalrat" AND "budget" AND "Regierung" site:https://orf.at/ OR site:https://www.krone.at/ OR site:https://www.derstandard.at/
Austria PBO	"Budgetdienst" site:https://orf.at/ OR https://www.krone.at/ OR https://www.derstandard.at/	"Budgetdienst" AND "budget" AND "Regierung" site:https://orf.at/ OR site:https://www.krone.at/ OR site:https://www.derstandard.at/
Belgium FPB	1) "FPB" OR "Federaal Planbureau" site:https://www.hln.be/ OR site:https://www.vrt.be/vrtnews/ 2) "Bureau fédéral du Plan" site:https://www.rtl.be/	1) "FPB" OR "Federaal Planbureau" AND "lasten" site:https://www.hln.be/ OR site:https://www.vrt.be/vrtnews/ 2) "Bureau fédéral du Plan" AND "Finances publiques" site:https://www.rtl.be/
Belgium HCF	"Hohe Rat für Finanzen" OR "Conseil Supérieur des Finances" OR "High Council of Finance" OR "Hoge Raad van Financiën" OR "HCF" site:https://www.hln.be/ OR https://www.vrt.be/vrtnews/ OR https://www.rtl.be/	1) "Hohe Rat für Finanzen" OR "Conseil Supérieur des Finances" OR "High Council of Finance" OR "Hoge Raad van Financiën" OR "HCF" AND "lasten" site:https://www.hln.be/ OR site:https://www.vrt.be/vrtnews/ 2) "Conseil Supérieur des Finances" OR "High Council of Finance" AND "Finances publiques" site:https://www.rtl.be/

⁵ This is to prevent unusual scaling whereby one large outturn might produce an outsized average if the search frequency for the more general topic is not very large.

Institution	Total coverage search term	Media share search term
Canada PBO	"PBO" OR "Parliamentary Budget Officer" site:https://www.cbc.ca/news OR site:https://www.ctvnews.ca/ OR site:https://globalnews.ca/	"PBO" OR "Parliamentary Budget Officer" AND "budget" AND "fiscal" site:https://www.cbc.ca/news OR site:https://www.ctvnews.ca/ OR site:https://globalnews.ca/
Chile CFA	"CFA" OR "Consejo Fiscal Autónomo" OR "Consejo Fiscal" site:https://www.meganoticias.cl/senal-en-vivo/meganoticias/ OR site:https://www.24horas.cl/ OR site:https://www.biobiochile.cl/	"CFA" OR "Consejo Fiscal Autónomo" OR "Consejo Fiscal" AND "presupuesto" AND "fiscal" site:https://www.meganoticias.cl/senal-en- vivo/meganoticias/ OR site:https://www.24horas.cl/ OR site:https://www.biobiochile.cl/
Czech FC	Národní rozpočtová rada OR "NRR" site:https://www.seznamzpravy.cz/ OR site:https://www.idnes.cz/ OR site:https://www.novinky.cz/	"Národní rozpočtová rada" OR "NRR" AND "fiskální" site:https://www.seznamzpravy.cz/ OR site:https://www.idnes.cz/ OR site:https://www.novinky.cz/
Denmark Council	"De Økonomiske Råd" site:https://nyheder.tv2.dk/ OR site:https://www.dr.dk/ OR site:https://ekstrabladet.dk/	"budget" AND "De Økonomiske Råd" site:https://nyheder.tv2.dk/ OR site:https://www.dr.dk/ OR site:https://ekstrabladet.dk/
Estonia FC	"Eelarvenõukogu" site:https://epl.delfi.ee/ OR site:https://www.postimees.ee/ OR site:https://www.ohuleht.ee/	"Eelarvenõukogu" AND "eelarve" site:https://epl.delfi.ee/ OR site:https://www.postimees.ee/ OR site:https://www.ohuleht.ee/
Finland EPC	"Talouspolitiikan arviointineuvosto" site:https://www.is.fi/ OR site:https://www.iltalehti.fi/ OR site:https://yle.fi/	Talouspolitiikan arviointineuvosto AND "budjetti" AND "hallituksen" site:https://www.is.fi/ OR site:https://www.iltalehti.fi/ OR site:https://yle.fi/
Finland NAOF	"Finanssipolitiikan valvonta" site:https://www.is.fi/ OR site:https://www.iltalehti.fi/ OR site:https://yle.fi/	"Finanssipolitiikan valvonta" AND "budjetti" AND "hallituksen" site:https://www.is.fi/ OR site:https://www.iltalehti.fi/ OR site:https://yle.fi/
France HCFP	"Haut Conseil des Finances Publiques" OR "HCFP" site:https://www.20minutes.fr/ OR site:https://www.tf1info.fr/ OR site:https://www.francetvinfo.fr/	Haut Conseil des Finances Publiques OR "HCFP" AND "Finances publiques" site:https://www.20minutes.fr/ OR site:https://www.tf1info.fr/ OR site:https://www.lemonde.fr/
Germany Board	"Stabilitätsrat" site:https://www.bild.de/ OR site:tagesschau.de/ OR site:https://www.spiegel.de/	"Stabilitätsrat" AND "Bundshaushalt" site:https://www.bild.de/ OR site:tagesschau.de/ OR site:https://www.spiegel.de/
Greece HFC	"Ελληνικό Δημοσιονομικό Συμβούλιο" site:https://www.dnews.gr/ OR site:https://www.in.gr/ OR site:https://www.newsbomb.gr/	"Ελληνικό Δημοσιονομικό Συμβούλιο" AND "προϋπολογισμός" site:https://www.dnews.gr/ OR site:https://www.in.gr/ OR site:https://www.newsbomb.gr/
Greece PBO	"Γραφείο Προϋπολογισμού του Κράτους στη Βουλή" OR "ΓΠΚΒ" site:https://www.dnews.gr/ OR site:https://www.in.gr/ OR site:https://www.newsbomb.gr/	"Γραφείο Προϋπολογισμού του Κράτους στη Βουλή" OR "ΓΠΚΒ" AND "προϋπολογισμός" site:https://www.dnews.gr/ OR site:https://www.in.gr/ OR site:https://www.newsbomb.gr/
Hungary FC	"KFIB" OR "Költségvetési Tanács" site:https://www.origo.hu/index.html OR site:https://24.hu/ OR site:https://index.hu/	"KFIB" OR "Költségvetési Tanács" AND "fiskális" site:https://www.origo.hu/index.html OR site:https://24.hu/ OR site:https://index.hu/
Iceland FC	Fjármálaráð OR "Fjármálaráð Íslands" AND site:https://www.icenews.is/ OR site:https://www.mbl.is/frettir/ OR site:https://www.visir.is/	Fjármálaráð OR "Fjármálaráð Íslands" AND "Fjármálin" site:https://www.icenews.is/ OR site:https://www.mbl.is/frettir/ OR site:https://www.visir.is/
Ireland Council	fiscal council OR "fiscal advisory council" site:https://www.rte.ie/news/ OR site:https://www.thejournal.ie/ OR site:https://www.independent.ie/	"fiscal council" OR "fiscal advisory council" AND "budget" AND "fiscal" site:https://www.rte.ie/news/ OR site:https://www.thejournal.ie/ OR site:https://www.independent.ie/
Ireland PBO	"PBO" OR "parliamentary budget office" site:https://www.rte.ie/news/ OR site:https://www.thejournal.ie/ OR site:https://www.independent.ie/	"PBO" OR "parliamentary budget office" AND "budget" AND "fiscal" site:https://www.rte.ie/news/ OR site:https://www.thejournal.ie/ OR site:https://www.independent.ie/
Italy PBO	Ufficio parlamentare di bilancio OR "UPB" site:https://www.tgcom24.mediaset.it/ OR site:https://www.ansa.it/ OR site:https://tg24.sky.it/	"Ufficio parlamentare di bilancio" OR "UPB" AND "bilancio" AND "fiscale" site:https://www.tgcom24.mediaset.it/ OR site:https://tg24.sky.it/ OR site:https://www.ansa.it/
Korea NABO	국회예산정책처 논의 site:https://imnews.imbc.com/ OR site:https://www.ytn.co.kr/ OR site:https://news.kbs.co.kr/	국회예산정책처 AND 예산 AND 정부의 site:https://imnews.imbc.com/ OR site:https://www.ytn.co.kr/ OR site:https://news.kbs.co.kr/
Latvia FDC	fdp OR "Fiskālās disciplīnas padome" site:https://www.delfi.lv/ OR site:https://www.tvnet.lv/ OR site:https://www.diena.lv/	fdp OR "Fiskālās disciplīnas padome" AND "budžetu" AND "valdība" site:https://www.delfi.lv/ OR site:https://www.tvnet.lv/ OR site:https://www.diena.lv/

Institution	Total coverage search term	Media share search term
Lithuania BPMD	"Biudžeto politikos stebėsenos" OR "Valstybės kontrolė" OR "aukščiausioji audito institucija" site:https://www.delfi.lt/en/ OR site:http://www.elta.lt/ OR http://www.bns.lt/ OR https://www.15min.lt/	"Biudžeto politikos stebėsenos" OR "Valstybės kontrolė" OR "aukščiausioji audito institucija" AND "valstybės biudžetas" site:https://www.delfi.lt/ OR site:http://www.bns.lt/ OR site:https://www.15min.lt/
Luxembourg CNFP	"Conseil national des finances publiques" OR "CNFP" AND "Finances publiques" site:https://www.virgule.lu/ OR https://www.lessentiel.lu/ OR https://lequotidien.lu/	Conseil national des finances publiques OR "CNFP" AND "Finances publiques" site:https://www.virgule.lu/ OR site:https://www.lessentiel.lu/ OR site:https://lequotidien.lu/
Mexico CEFP	"Centro de Estudios de las Finanzas Públicas" OR "CEFP" site:https://www.tvazteca.com/ OR site:https://www.eluniversal.com.mx/ OR site:https://www.unotv.com/	"Centro de Estudios de las Finanzas Públicas" OR "CEFP" AND "presupuesto" AND "fiscal" site:https://www.tvazteca.com/ OR site:https://www.eluniversal.com.mx/ OR site:https://www.unotv.com/
Netherlands CPB	Centraal Planbureau OR "CPB" site:https://www.nu.nl/ OR site:https://nos.nl/ OR site:https://www.ad.nl/	"Centraal Planbureau" OR "CPB" AND "lasten" site:https://www.nu.nl/ OR site:https://nos.nl/ OR site:https://www.ad.nl/
Portugal CFP	"CFP" OR "Conselho das Finanças Públicas" site:https://sicnoticias.pt/ OR site:https://www.noticiasaoiminuto.com/ OR site:https://www.cmjornal.pt/	"CFP" OR "Conselho das Finanças Públicas" AND "orçamento" AND "fiscal" site:https://sicnoticias.pt/ OR site:https://www.noticiasaoiminuto.com/ OR site:https://www.cmjornal.pt/
Portugal PBO	"UTAO" OR "UNIDADE TÉCNICA DE APOIO ORÇAMENTAL" site:https://sicnoticias.pt/ OR site:https://www.noticiasaoiminuto.com/ OR site:https://www.cmjornal.pt/	"UTAO" OR "UNIDADE TÉCNICA DE APOIO ORÇAMENTAL" AND "orçamento" AND "fiscal" site:https://sicnoticias.pt/ OR site:https://www.noticiasaoiminuto.com/ OR site:https://www.cmjornal.pt/
Slovak CBR	"Rada pre rozpočtovú zodpovednosť" OR "RRZ" site:https://www.aktuality.sk/ OR site:https://www.topky.sk/ OR https://tvnoviny.sk/	"Rada pre rozpočtovú zodpovednosť" OR "RRZ" AND "štátny rozpočet" site:https://www.aktuality.sk/ OR site:https://www.topky.sk/ OR site:https://tvnoviny.sk/
Slovenia FC	Fiskalni svet site:https://www.delo.si/ OR site:https://www.dnevnik.si/ OR site:https://www.slovenskenovice.si/	"Fiskalni svet" AND "Državni proračun" site:https://www.delo.si/ OR site:https://www.dnevnik.si/ OR site:https://www.slovenskenovice.si/
Spain AIReF	"AIReF" OR "Autoridad Independiente de Responsabilidad Fiscal" site:https://www.20minutos.es/ OR site:https://elpais.com/ OR site:https://www.elmundo.es/	"AIReF" OR "Autoridad Independiente de Responsabilidad Fiscal" AND "presupuesto" AND "fiscal" site:https://www.20minutos.es/ OR site:https://elpais.com/ OR site:https://www.elmundo.es/
Sweden FPC	"Finanspolitiska rådet" site:https://www.aftonbladet.se/ OR site:https://www.svt.se/ OR site:https://www.expressen.se/	"Finanspolitiska rådet" AND "statsbudgeten" site:https://www.aftonbladet.se/ OR site:https://www.svt.se/ OR site:https://www.expressen.se/
UK OBR	"OBR" OR "office for budget responsibility" site:https://www.bbc.com/news OR site:https://www.theguardian.com/uk OR site:https://www.dailymail.co.uk/	"OBR" OR "office for budget responsibility" AND "budget" AND "fiscal" site:https://www.bbc.com/ OR site:https://www.theguardian.com OR site:https://www.dailymail.co.uk/
US CBO	"CBO" OR "Congressional Budget Office" -"Criminal Behaviour Orders" site:www.nytimes.com OR site:www.cnn.com OR site:www.foxnews.com	CBO OR "Congressional Budget Office" AND "budget" AND "fiscal" site:www.nytimes.com OR site:www.cnn.com OR site:https://www.foxnews.com/

155. The results for the fourth dimension of the index, the communications impact measures, are shown below.

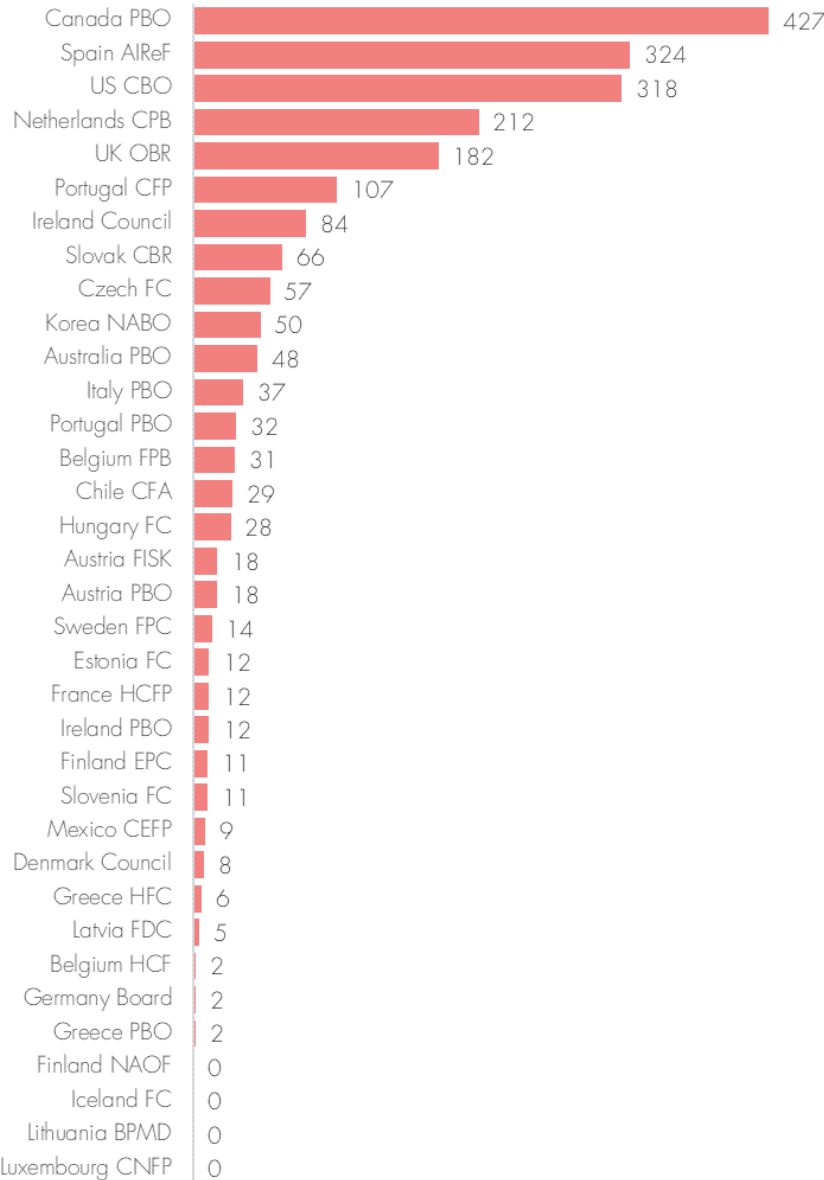
156. In terms of "total coverage", there is substantial media coverage for the Canadian Parliamentary Budget Officer, with over 400 articles in the top-three news sites mentioning the institution in 2023 (Figure B.15). Spain's AIReF and the United States Congressional Budget Office also enjoy high media coverage. By contrast, many institutions register very limited coverage over the course of 2023 in the indexed news media searches considered.

157. The second variable "media share" narrows the analysis to coverage specific to articles on the budget and fiscal topics. The results show substantial coverage in this field for the Irish Fiscal Advisory Council, the UK OBR, and the Netherlands CPB — all of which attract coverage in more than one-in-five articles on the topic (Figure B.16). Again, by contrast, many institutions appear seldom if at all in coverage of this domain. Figure B.17 shows the breakdown of these results into the total number of articles referencing these areas and the number specifically referencing the IFI in question.

158. The results for “search share” and “search regularity” tend to favour larger, well-established institutions (Figure B.18 and Figure B.19). The CPB is searched almost as much as the entire topic of “national debt” in the Netherlands, with the UK OBR and Canadian Parliamentary Budget Officer about one-third as much. In terms of regularity, not a week goes by where the US Congressional Budget Office is not searched for in a substantial volume.

Figure B.15. Total coverage in top online news sites

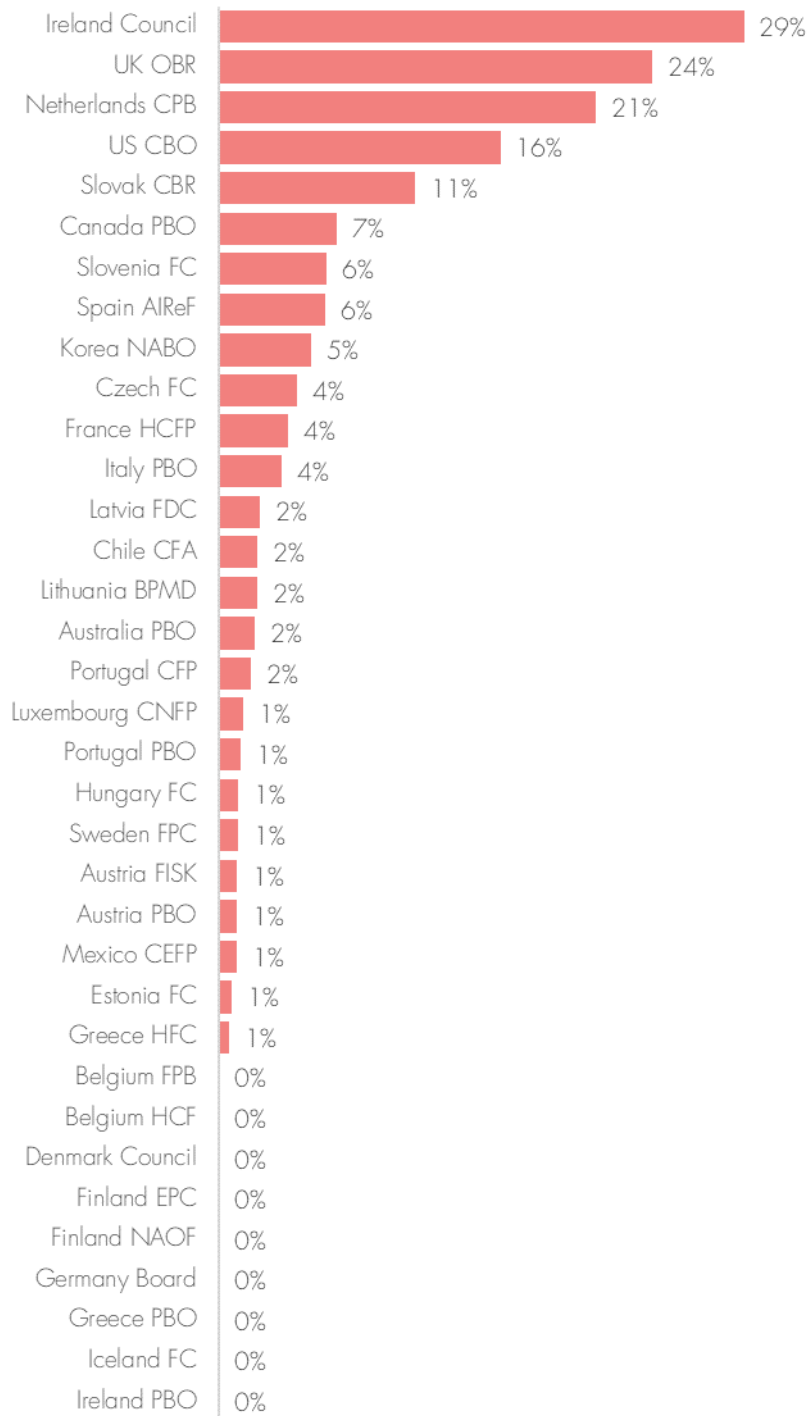
Total number of news articles that refer to IFI, top-three online news sites, 2023



Notes: The results are based on Google news search results for the top-three online national news websites. They show the total number of articles for each IFI where the searches are for references to the IFI, allowing for alternative IFI names (example: "OBR" or "Office for Budget Responsibility").

Figure B.16. Media share

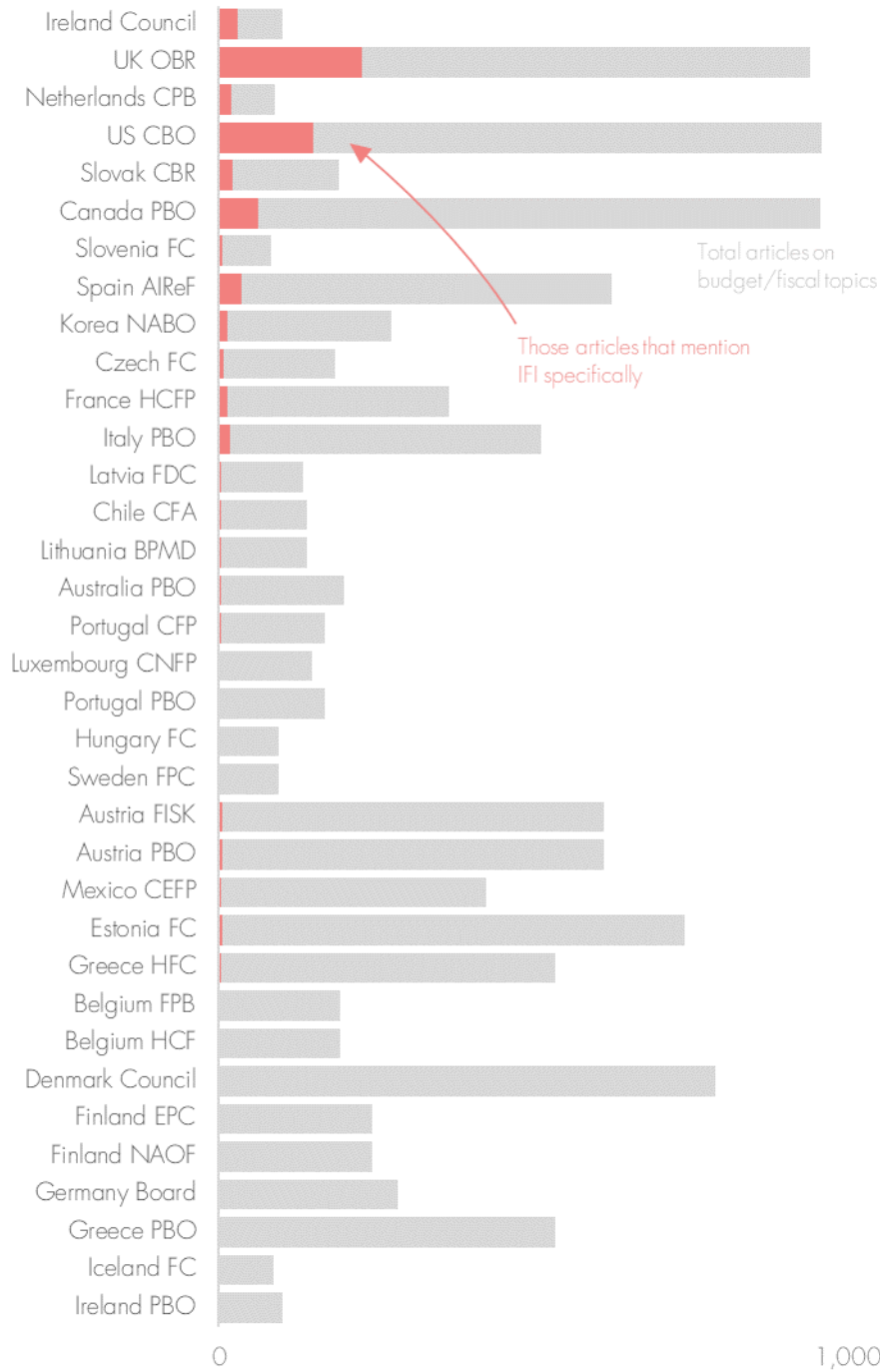
% online news articles on budget topics that refer to IFI, 2023



Notes: The results are based on Google news searches of the top-three online national news websites for articles that mention both "budget" and "fiscal" or some regional variant that narrows content down sufficiently to discussion of the public finances (imposing a minimum of 80 articles and a maximum of 1,000 for the year). It considers what % of those articles specifically reference the IFI, allowing for alternative IFI names (example: "OBR" or "Office for Budget Responsibility").

Figure B.17. Media share decomposed

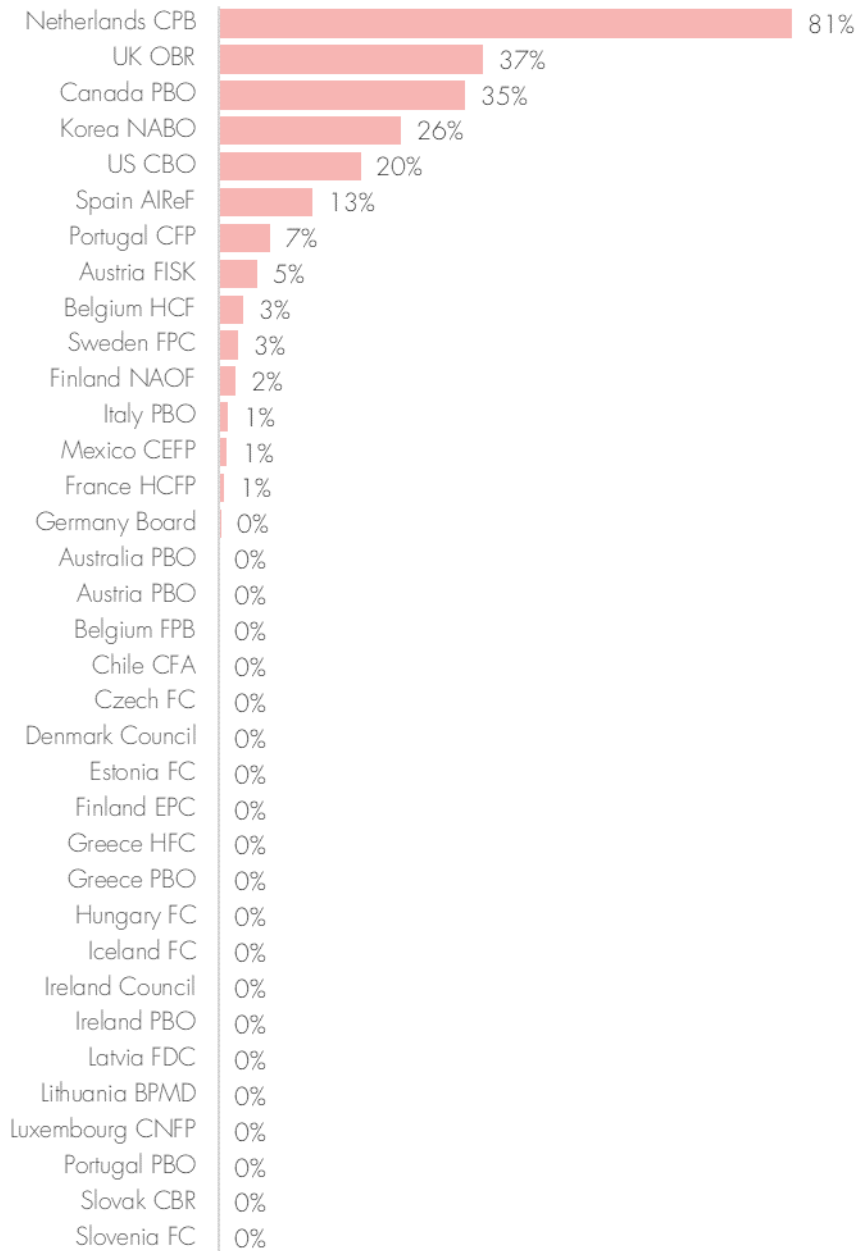
News articles on budget topics and those that refer to IFI, 2023



Notes: The results are based on Google news searches of the top-three online national news websites for articles that mention both "budget" and "fiscal" or some regional variant that narrows content down sufficiently to discussion of the public finances (imposing a minimum of 80 articles and a maximum of 1,000 for the year). It considers how many of those articles specifically reference the IFI, allowing for alternative IFI names (example: "OBR" or "Office for Budget Responsibility").

Figure B.18. Search share

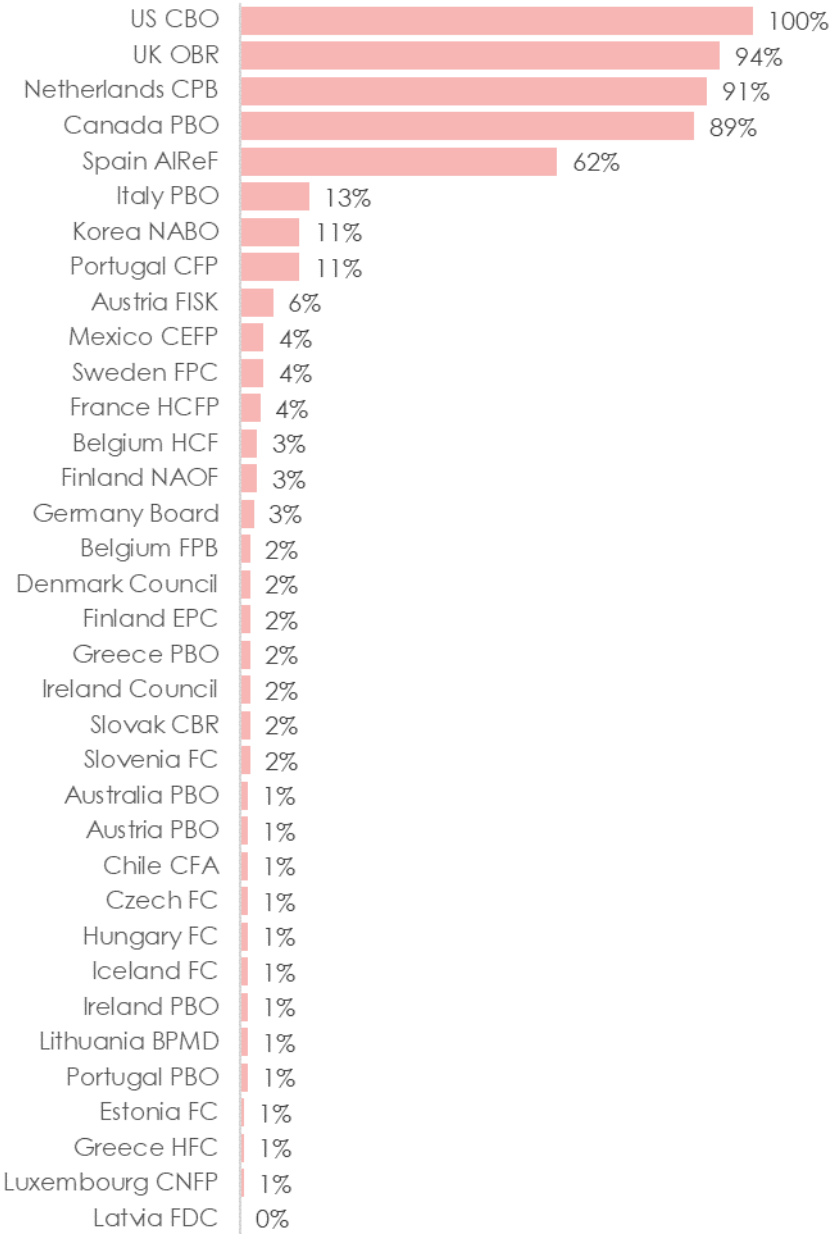
% ratio of searches for specific IFI relative to searches for “national debt” topic



Notes: We use Google Trends to assess the frequency of national searches for a specific IFI relative to searches for budget-related topics in general. In this case, the topic used for context in each country is searches for the “National Debt” topic.

Figure B.19. Search regularity

% weeks where Google searches register greater than zero for IFI, 2021–2023



Notes: Google Trends is used to assess the frequency of national searches for a specific IFI relative to searches for budget-related topics in general (using the “National Debt” topic to scale the searches). The measure then assesses the percentage of weeks that register substantive or non-zero searches in terms of Google Trends data.