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The emergence of strategic budget initiatives: some preliminary observations

The growth of strategic budget initiatives – such as gender budgeting and green budgeting - has been a prominent trend in OECD countries. This is driven by a desire to use the budget to help deliver transformational change in relation to key policy priorities demanding a whole-of-government response. This paper outlines the emergence of strategic budget initiatives across OECD countries and offers some preliminary observations on how these initiatives are being designed and implemented.

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Delegates to the Committee of Senior Budget Officials are invited to approve this report for publication. Please provide any comments by 19 January 2024.

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Executive summary

1. The growth of strategic budget initiatives – such as gender budgeting and green budgeting - has been a prominent trend in OECD countries. This is driven by a desire to use the budget to help deliver transformational change in relation to key policy priorities demanding a whole-of-government response. Strategic budget initiatives allow governments to signal the importance of certain cross-cutting policy priorities, both externally to citizens, as well as internally to the administration. They provide the impetus for more inter-connected thinking, allowing governments to address key policy issues through a more systematic and clearly defined manner. In addition, they respond to pressures for increased transparency and accountability in government spending and a greater focus on evidence-based policy making.

2. Gender budgeting was the first strategic budget initiative in many OECD countries. It was introduced in Australia in the 1980's and is now practised by 61% of OECD countries. Green budgeting gained prominence more recently, particularly after the establishment of the OECD Paris Collaborative on Green Budgeting in 2017. Despite green budgeting being a more recent phenomenon, its prevalence across OECD countries is now on a par with gender budgeting. A few countries also practise SDG budgeting, well-being budgeting, and youth and child budgeting.

3. Four out of five OECD countries (79%) have one strategic budget initiative in place and a growing number of countries are also employing more than one type of strategic budget initiative. Five OECD countries implement three or more. Overall, countries are looking for public governance mechanisms that can help effect transformational change in relation to key policy priorities demanding a whole-of-government response.

4. This paper presents seven preliminary observations about the emergence of strategic budget initiatives, as well as their use and sustainability across OECD countries:

1. Gender budgeting has served as a 'trailblazer' for other strategic budget initiatives.
2. The implementation of strategic budget initiatives varies from superficial to deep-seated.
3. To effectively manage strategic budget initiatives, central budget authorities may need to take on new roles and acquire new competencies.
4. Strategic budget initiatives depend on diverse tools and methods to assess the impact of budgetary measures on policy priorities, with some tools being specific to each initiative and others being common across various initiatives.
5. The emergence of strategic budget initiatives has sparked a rise in themed budget statements.
6. Governments are exploring methods to align and interconnect multiple strategic budget initiatives and the role of digital tools.
7. As many strategic budget initiatives are still relatively new, it remains to be seen if they can achieve their intended outcomes and whether they will be able to withstand political change.

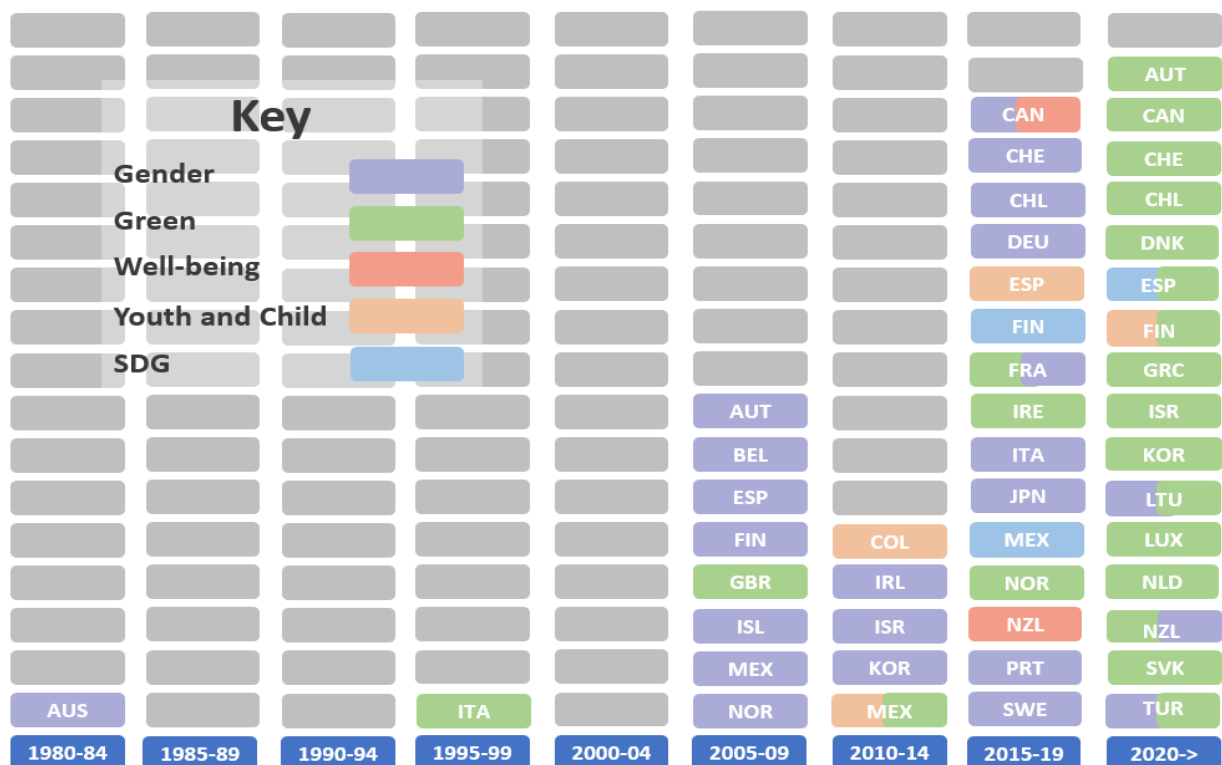
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1 The growing use of strategic budget initiatives in OECD countries

5. Budget practices have evolved in recent years, reflecting the growing complexity of public policy challenges and the need for more effective resource allocation. The challenges in linking resource allocation to overarching objectives, breaking down silos, and ensuring policy coherence across government agencies have led to the exploration of new approaches. Strategic budget initiatives have emerged as a prominent solution, aiming to enhance the effectiveness of government resources in achieving cross-cutting priorities and broader goals. In this way, they support governments in aligning budgets more closely with the medium-term strategic priorities of government. Although the first strategic budget initiatives were implemented by OECD countries in the 1980s and 1990s, their use has gathered pace in recent years. They are now a budgeting tool in place in 82% of OECD countries (31 out of 38 countries) (see Figure 1.1).

Figure 1.1. The emergence of strategic budgeting initiatives across OECD countries, 1980-2022



Source: Developed by the OECD (2023).

Note: There is no set of minimum practices that a country must adhere to in order to report that it has implemented a strategic budget initiative. This lack of standardisation makes it challenging to pinpoint the precise year when these initiatives emerged in various countries. As such, while all attempts for accuracy have been made, the above dates may change depending on interpretation.

6. Australia was the first OECD country to introduce a strategic budget initiative, pioneering gender budgeting in the 1980s. It published its first women's budget statement in 1984, tabled as a budget paper in parliament by the Prime Minister on budget night (Sharp, 1990^[1]). Publication of the women's budget statement ceased thirty years later in 2014. However, in the interim several OECD countries, including Austria, Belgium, Finland, Iceland, Mexico, Norway and Spain picked up on this new tool of budgeting. The 1995 Beijing Declaration and Platform for Action may have been influential in spurring OECD countries to put gender budgeting into practice, given its call to integrate a gender perspective into government budget processes. A further wave of OECD countries began implementing gender budgeting in the most recent decade, as gender equality and its potential economic and fiscal benefits became increasingly recognised (Nicol, 2022^[2]). Global social movements and initiatives, like #MeToo and #TimesUp, have increased pressure on policymakers to act. The COVID-19 pandemic also gave increasing recognition to the persistence of gender inequalities and the need for applying a gender lens in policy development (OECD, 2022^[3]). Gender budgeting is now practiced by 23 (61%) OECD countries (OECD, 2023^[4]). This includes Australia, where the women's budget statement has been reintroduced in recent years.

7. Following gender budgeting has been the emergence of green budgeting. While countries like Italy and the United Kingdom have had green budgeting methods in place for many years now, the launch of the OECD's Paris Collaborative for Green Budgeting at the One Planet Summit in 2017 marked the beginning of a new growth era for the novel budgeting initiative. Against the backdrop of a growing recognition of the risks posed by climate change, many additional OECD countries have since introduced green budgeting, bringing the prevalence of green budgeting on a par with gender budgeting (OECD, 2023^[5]).

8. In parallel with the widespread adoption of gender budgeting and green budgeting, a small number of OECD countries have also pioneered other strategic budget initiatives, such as well-being budgeting, SDG (Sustainable Development Goal) budgeting and youth budgeting.

9. Well-being budgeting, spearheaded in New Zealand, prioritises the improvement of social, environmental and economic goals through the budget. This approach has gained momentum in recent years as governments look for ways to create more sustainable and equitable economic growth. SDG budgeting aims to help government implement commitments made under Agenda 2030. Youth and child budgeting have emerged in response to growing concerns about child poverty and intergenerational equity.

10. Overall, the growing interest is being driven by a desire to use the budget to help deliver transformational change in relation to key policy priorities demanding a whole-of-government response. Strategic budget initiatives allow governments to signal the importance of certain cross-cutting policy priorities, both externally to citizens, as well as internally to the administration. They provide the impetus for more inter-connected thinking, allowing governments to address key policy issues through a more systematic and clearly defined manner. In addition, they respond to pressures for increased transparency and accountability in government spending and a greater focus on evidence-based policy making. They do this by providing an improved evidence base upon which resource allocation decisions can be made. The publication of this information also provides greater transparency on the impact of the budget on different policy objectives. This enables stakeholders, such as parliament and citizens, to hold the government to account on whether resources have been allocated in a way which aligns with government objectives and political promises.

11. As interest in strategic budget initiatives has grown, it has become increasingly common for OECD countries to implement multiple strategic budget initiatives (see Table 1.1). Of the 30 OECD countries that currently practice some type of strategic budget initiative, 13 countries (43%) practice one initiative, while 17 countries (57%) practise two or more. Five countries implement three or more strategic budget initiatives (Canada, Finland, Mexico, New Zealand and Spain).

Table 1.1. Mapping the use of strategic budget initiatives in OECD countries, 2023

Country	Gender budgeting	Green budgeting	Well-being budgeting	Youth and child budgeting	SDG budgeting	Notes
Australia	✓	✗	⊙	✗	✗	Developing approach to well-being budgeting
Austria	✓	✓	✗	✗	⊙	Ministries can voluntarily include SDG indicators as part of performance budgeting.
Belgium	✓	✗	✗	✗	✗	
Canada	✓	✓	✓	⊙	✗	Canada's approach to well-being budgeting is "Quality of Life budgeting". Canada also presents expected inter-generational impacts of budget decisions
Chile	✓	✓	✗	✗	✗	
Colombia	✓	✓	✗	⊙	✗	Uses markers in the budget to track child related spending
Costa Rica	⊙	✗	✗	✗	✗	Developing approach to gender budgeting
Czechia	✗	✗	✗	✗	✗	
Denmark	✗	✓	✗	✗	✗	
Estonia	✗	✗	✗	✗	✗	
Finland	✓	✓	✗	✓	✓	SDG budgeting is referred to as phenomenon budgeting
France	✓	✓	✗	✗	✗	
Germany	✓	✗	✗	✗	⊙	Developing approach for SDG budget tagging
Greece	✗	✓	✗	✗	✗	
Hungary	✗	⊙	✗	✗	✗	Developing approach for green budgeting
Iceland	✓	✗	⊙	✗	⊙	
Ireland	✓	✓	⊙	✗	⊙	Developing approach for well-being budgeting and SDG budgeting
Israel	✓	✓	✗	✗	✗	
Italy	✓	✓	⊙	✗	✗	Link well-being indicators to economic and budgetary programming
Japan	✓	✗	✗	✗	✗	
Korea	✓	✓	✗	✗	✗	

Country	Gender budgeting	Green budgeting	Well-being budgeting	Youth and child budgeting	SDG budgeting	Notes
Latvia	✗	⊙	✗	✗	✗	Developing approach to green budgeting
Lithuania	✓	✓	✗	✗	✗	
Luxemburg	✗	✓	✗	✗	✗	
Mexico	✓	✓	✗	⊙	✓	Uses markers in the budget to track child related spending
Netherlands	✗	✓	✗	✗	✗	
New Zealand	✓	✓	✓	✗	✗	
Norway	✓	✓	✗	✗	✗	
Poland	✗	✗	✗	✗	✗	
Portugal	✓	⊙	✗	✗	✗	Developing approach to green budgeting
Slovak Republic	✗	✓	✗	✗	✗	
Slovenia	✗	✗	✗	✗	✗	
Spain	✓	✓	✗	✓	✓	
Sweden	✓	✓	✗	✗	✗	
Switzerland	✗	✓	✗	✗	✗	
Türkiye	✓	✓	✗	✗	✗	
United Kingdom	✗	✓	✗	✗	✗	
United States	✗	✗	✗	✗	✗	

Symbol	Meaning
✓	Implemented
⊙	Currently developing or in the process of implementing
✗	Not implemented

Source: Developed by the OECD (2023).

Note: Information on gender budgeting is sourced from the 2022 OECD Survey on Gender Budgeting and information on green budgeting is sourced from the 2022 OECD Survey on Green Budgeting. Information regarding other strategic budget initiatives is sourced from personal correspondence with senior budget officials in OECD member countries.

12. Although the implementation of strategic budget initiatives is becoming increasingly common across OECD countries, there is still a handful of countries which do not have any in place (Costa Rica, Czechia, Estonia, Hungary, Latvia, Poland, Slovenia and the United States). Some of these countries are considering the introduction of strategic budget initiatives and are in the process of developing an approach

(e.g. Costa Rica, Latvia, Slovenia and Hungary). Others may have budgeting practices that have similar objectives to strategic budget initiatives, but that they do not define as such. For example, in the United States the President's Budget has become an important tool of the equality agenda, with the most recent President's Budget in March 2023 including several strategic policies for advancing the position of women nationally and internationally (The White House, 2023^[6]).

2 Preliminary observations regarding strategic budget initiatives

13. With the increasing prevalence of strategic budget initiatives as a budgeting tool, this chapter presents some preliminary observations related to their introduction, application, and sustainability across OECD countries. These observations are based on the work of the OECD Network on Gender Budgeting, a series of interviews with countries that employ multiple strategic budget initiatives, and data from recent surveys, including the 2022 OECD Survey on Gender Budgeting and the 2022 OECD Survey on Green Budgeting.

Gender budgeting has served as a 'trailblazer' for other strategic budget initiatives

14. Gender budgeting often served as the pioneering strategic budget initiative for OECD countries. This paved the way for the adoption of other strategic budget initiatives, both within individual countries and across the broader OECD community. This trend is evident in countries like Austria, Canada, Ireland, and Spain, where gender budgeting preceded the introduction of other initiatives like green budgeting and well-being budgeting. In essence, gender budgeting has been a 'trailblazer', laying the groundwork for the introduction of these other initiatives (as illustrated in Box 2.1 for Ireland). It has achieved this by demonstrating the effectiveness of a new tool that can be utilised to foster a whole-of-government approach to addressing specific cross-cutting priorities. Moreover, given that gender budgeting gained prominence during a period of growing recognition for the need for comprehensive policy responses to climate change, green budgeting emerged as a natural successor.

15. Although gender budgeting has been the forerunner strategic budget initiative in many OECD countries until now, there is no necessity to introduce it before others. However, introducing a single strategic budget initiative at time can be beneficial in developing knowledge and capacity over time, and preventing government officials involved in implementing these initiatives from becoming overwhelmed.

Box 2.1. Example of gender budgeting paving the way for other strategic budget initiatives in Ireland

The Government of Ireland announced that it would introduce equality budgeting on a pilot basis as part of a commitment in the 2016 Programme for a Partnership Government to “develop the process of budget and policy proofing as a means of advancing equality, reducing poverty and strengthening economic and social rights”. Initially, gender was the primary axis of the equality budgeting effort, but the initiative has been incrementally extended to include other equality dimensions. In 2018, the government committed to the progressive introduction of green budgeting. Its introduction was a recognition of the need to reform policy frameworks and financial flows to achieve a low carbon transition. The goal of green budgeting in Ireland is to promote and achieve improved environmental outcomes through the budgetary and estimates process. The 2020 Programme for Government outlined the intention to develop new measures of well-being and included a dashboard designed to inform the budget process.

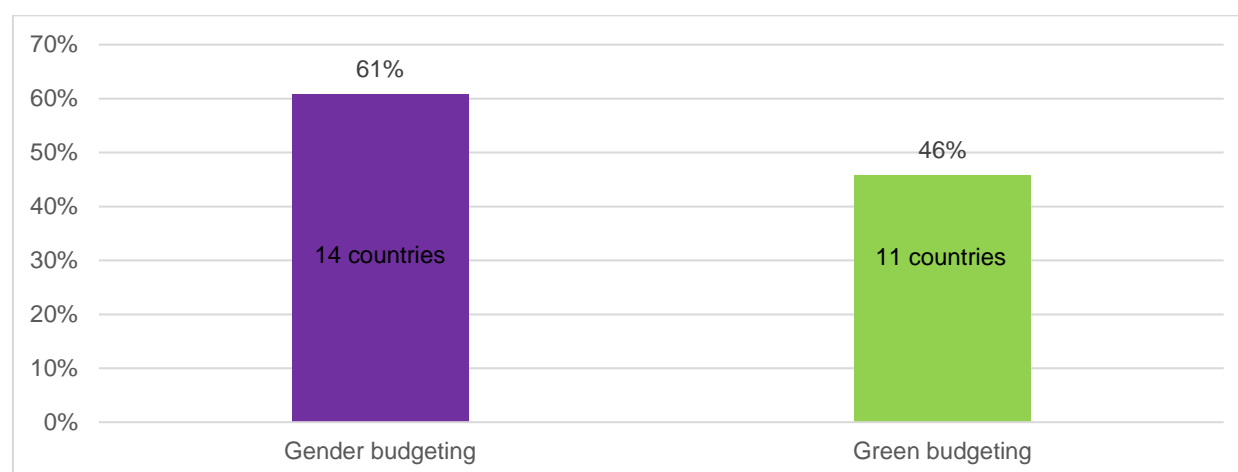
Source: OECD, Integrated Performance Budgeting Framework: Technical Note, 2022.

The implementation of strategic budget initiatives varies from superficial to deep-seated

16. The depth of implementation of strategic budget initiatives varies considerably, ranging from superficial to deeply ingrained. Given limited administrative resources, governments inevitably prioritise certain initiatives over others, leading to disparities in implementation speed, resource allocation, and overall commitment. Political backing, legal underpinning and strong leadership from the central budget authority are all elements that are key to more successful and in-depth implementation.

17. The influence of political backing on the implementation and relative prioritisation of strategic budget initiatives is demonstrated in France’s experience. Strong political support for green budgeting under President Macron has helped fast-track its implementation in recent years relative to gender budgeting. When political backing is weak, the implementation of strategic budget initiatives becomes challenging.

18. Given the importance of legal underpinning in facilitating more in-depth implementation of strategic budget initiatives, it is interesting to note that legal footing is more prevalent for gender budgeting relative to green budgeting (see Figure 2.1). This may reflect the relative maturity of gender budgeting and gender equality as a policy priority compared to climate action. Consequently, some OECD countries observe that gender budgeting is implemented with greater consistency and seriousness compared to those initiatives without legal backing. It will be useful to observe in the coming years whether initiatives with legal underpinning will also exhibit greater longevity and resilience.

Figure 2.1. Percentage of strategic budget initiatives with legal underpinning in the OECD, 2022

Source: OECD analysis based on 2022 OECD Survey on Gender Budgeting (OECD, 2023^[4]), 2022 OECD Survey on Green Budgeting (forthcoming)

Note: Legal underpinning includes initiatives underpinned by constitution, organic budget law or other legislation.

To effectively manage strategic budget initiatives, central budget authorities may need to take on new roles and acquire new competencies

19. Any budget reform brings challenges in terms of developing the capabilities and capacities for implementation. Successful implementation relies on training and capacity development, and financial resources to support implementation. There is evidence to suggest that this is not always fully recognised when governments adopt new strategic budget initiatives. OECD countries report lack of resources (e.g. time, staff) and lack of relevant technical knowledge and expertise as the two most pressing challenges in relation to the implementation of both gender budgeting and green budgeting (OECD, 2023^[4]) and (OECD, 2023^[5]). The implementation of these new initiatives may in some cases require a change in culture and mind-set that depends on both high-level political support and long-term effort.

20. Strategic budget initiatives often necessitate policy expertise in areas beyond the traditional purview of the central budget authority (CBA), such as gender equality or climate change. Fostering collaboration between the CBA and policy experts can be helpful in addressing this challenge. These may be policy experts across government, such as central gender equality institutions or ministries of environment. Non-governmental organisations (NGOs) at national and regional levels can also play a pivotal role in capacity-building. Collaboration could include input into training programs or the provision of constructive feedback on analysis conducted as part of strategic budgeting exercises.

21. When multiple strategic budget initiatives are in place, the CBA can play a crucial role in mitigating 'lens competition', a phenomenon where different initiatives vie for attention and resources, potentially hindering their overall effectiveness. At their core, strategic budget initiatives aim to enhance decision-making by analysing the impact of budget measures on various social, economic, and environmental dimensions. They promote greater analytical rigor in policymaking and encourage evidence-based decision-making across the budget process. Additionally, they foster alignment between budgetary choices and overarching government priorities. In this sense, multiple initiatives should ideally be mutually reinforcing. Progress in one area should help pull up – rather than compromise – progress in others.

22. Despite the potential common benefits, the coexistence of multiple strategic budget initiatives does in some cases lead to lens competition. It can also manifest in demands for the introduction of new strategic budget initiatives, with stakeholders seeking to have their own 'lens' represented in the budgetary process.

23. The possibility of lens competition arising from multiple strategic budget initiatives and the need to manage it are among the compelling reasons for having these initiatives centrally led by the CBA, which is indeed the norm in most OECD countries (see **Error! Reference source not found.**). Centralising the responsibility for strategic budget initiatives under the CBA, the body responsible for coordinating budgetary decisions, can effectively prevent clashes between stakeholders seeking to promote their respective policy priorities. The CBA's comprehensive overview of the budget enables it to evaluate proposals, identify synergies, and allocate resources strategically. Additionally, by assuming a central role, the CBA can foster collaboration among different departments, breaking down siloed thinking and promoting a more holistic approach to budgeting.

24. CBAs in OECD countries are employing various strategies to mitigate the impact of lens competition. This includes harmonising the treatment and reporting of information and analysis across different strategic budget initiatives. Additionally, emphasising transparent and consistent communication about budget priorities and strategic initiatives is paramount. By openly sharing information, government agencies can align their efforts with overarching government priorities, avoiding unnecessary competition. Transparency fosters collaboration and enables stakeholders to comprehend the underlying rationale behind budget decisions.

Strategic budget initiatives depend on diverse tools and methods to assess the impact of budgetary measures on policy priorities, with some tools being specific to each initiative and others being common across various initiatives

25. Strategic budget initiatives employ various methods and tools to effectively gather and analyse information regarding the impact of budget measures on diverse policy priorities. Some tools are also only applicable for certain initiatives. For instance, tools such as carbon pricing and carbon budgeting are only relevant to green budgeting. To showcase this diversity, Table 2.1 presents the tools and methods employed by OECD countries in implementing gender budgeting and green budgeting.

Table 2.1. Tools used in gender budgeting and green budgeting across OECD countries, 2022

Gender budgeting			Green budgeting	
	Tool	% of countries	Tool	% of countries
1	Gender dimension in performance setting	52%	Carbon pricing instruments	92%
2	Ex ante gender impact assessment	48%	Environmental impact assessments	75%
3	Gender budget tagging	43%	Sovereign green bonds	75%
4	Ex post gender impact assessment	43%	Green budget tagging	54%
5	Gender impact assessment of budget	39%	Review of harmful expenditures	50%
6	Distributional assessment of tax and welfare measures by gender	35%	Environmental cost benefit analysis	46%
7	Gender dimension to evaluation or performance audit	30%	Green in multi-annual budgets	33%
8	Gender dimension in spending reviews	13%	Green perspective in spending review	25%
9			Carbon budget	21%

Source: 2022 OECD Survey on Gender Budgeting (OECD, 2023^[4]), 2022 OECD Survey on Green Budgeting (forthcoming)

26. Due to the diverse array of tools applicable to different strategic budget initiatives, it is not uncommon to observe varying approaches to each initiative within a single country (see Box 2.2 for the example of Austria). Even with centralised leadership and coordination, approaches may diverge due to varying information needs and the uneven advancement of analytical capabilities across different areas. For instance, gender impact assessment may be seamlessly integrated into the policy development

Box 2.2. Differing approaches to strategic budget initiatives in Austria

Gender budgeting was introduced in Austria in 2013 as part of a broader budget reform introducing performance budgeting. Gender equality is an important aspect of the performance management system. Of the five performance objectives in each budget chapter, at least one of these objectives must relate to gender equality. Reporting on the gender-related objectives is covered in the Performance Reports prepared by the Federal Performance Management Office.

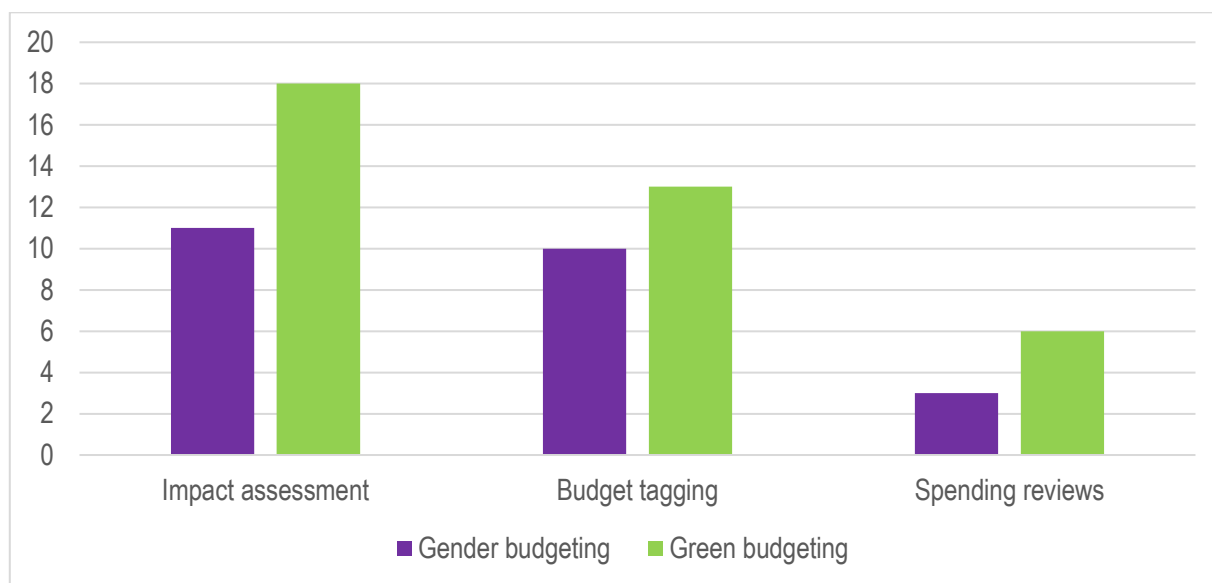
By contrast, a key tool of green budgeting in Austria is climate-related spending review, introduced in 2021. The long-term goal is to conduct an overall systematic analysis of all the sovereign activities of the federal government and to examine their compatibility with climate change mitigation and environmental protection. The process consists of five modules, the first of which analyses the subsidy and incentive landscape with regard to climate and energy policies.

Sources: (Downes, von Trapp and Jansen, 2018^[7]) and (Austrian Federal Ministry of Finance, 2023^[8])

process in a given country, facilitating its use in gender budgeting. Conversely, the implementation of environmental impact assessment may be less widespread, leading to the introduction of a different approach to green budgeting.

27. Despite the heterogeneity of approach, some methods and tools are common to both gender budgeting and green budgeting (see Figure 2.2). This includes:

- **Impact assessments:** This analysis aims to identify the consequences of implementing specific budgetary measures. They go beyond financial considerations and explore broader effects on society, the economy, and the environment.
- **Budget tagging:** Tagging involves categorising budget revenues and expenditures in relation to their purpose or impact. It allows governments to track expenditure contributing to specific objectives.
- **Spending reviews:** Spending reviews are used to systematically analyse the government's existing expenditure. They are a tool to better-manage the aggregate level of expenditure and improve the effectiveness of programmes and policies. They can also help align expenditure according to policy priorities, including social or environmental objectives.

Figure 2.2. Common tools across different strategic budget initiatives in the OECD, 2022

Source: OECD analysis based on 2022 OECD Survey on Gender Budgeting (OECD, 2023^[9]), 2022 OECD Survey on Green Budgeting (forthcoming)

28. Given the central role of impact assessment in many strategic budget initiatives, strengthening the government's capacity to conduct this type of analysis is likely to bolster the implementation of strategic budget initiatives overall. Such efforts can enhance understanding of how to identify the broader social and environmental impacts of policy and budget choices and foster broader awareness of the data requirements for effective assessment.

29. It is noteworthy that strategic budget initiatives with a narrower range of priorities (e.g. gender budgeting and green budgeting) tend to employ different tools compared to those with multiple objectives (e.g. well-being budgeting or SDG budgeting). This difference is likely attributed to practical considerations. For instance, in-depth impact assessments can be more readily applied to initiatives with a specific set of policy priorities. It becomes more challenging to mandate in-depth impact assessments for strategic budget initiatives with multiple objectives. Alternatively, some countries are developing indicator frameworks that monitor progress against a range of high-level priorities and utilise this information to guide budget (re)prioritisation.

The emergence of strategic budget initiatives has sparked a rise in themed budget statements

30. With the rise of strategic budget initiatives, there has been the emergence of themed budget statements – such as gender budget statements or climate statements – accompanying the budget in OECD countries (see Box 2.3 for the example of Spain). These statements aim to enhance transparency regarding how the budget is being used to advance cross-cutting priorities, thereby strengthening accountability and fostering trust between the government and the public.

31. Despite the proliferation of themed budget statements, their consideration by parliament and other external stakeholders remains limited. Assessments of OECD gender budgeting and green budgeting practices reveals that countries generally score low in relation to accountability and transparency dimensions (OECD, 2023^[10]). For instance, only 39% of OECD countries practising gender budgeting hold

parliamentary committee hearings or debates on the topic (OECD, 2023^[4]). To maximise the impact and influence of these statements, it is crucial to present the information in an accessible manner and to provide a dedicated forum for their examination in parliament and relevant committees.

Box 2.3. Cross-cutting budget reports in Spain

The Spanish Government publishes “cross-cutting budget reports” to provide more transparent data and information of specific public expenditures in relation to certain cross-cutting policy objectives and aims.

One of the principal purposes of the cross-cutting reports is to bring the budget closer to civil society, not limiting it to being exclusively financial and in turn making it more accessible. Cross-cutting information also contributes to strengthening the budgetary formulation process, improving the quality of budget information and thus promoting fiscal transparency and accountability.

The number of cross-cutting reports produced alongside the budget in Spain has increased over time. Work on the initial cross-cutting report relating to the gender impacts of the budget began in 2008. A child, adolescent and family impact report and an SDG alignment report were both introduced in 2021. The first report on the alignment of the budget with the green transition was published in 2023.

Source: (Government of Spain, 2023^[11]).

Governments are exploring methods to align and interconnect multiple strategic budget initiatives and the role of digital tools

32. Several OECD countries are actively exploring strategies to enhance the coherence and effectiveness of their multiple strategic budget initiatives. The incremental addition of these initiatives over time has resulted in a situation where multiple initiatives now coexist in some countries. However, these initiatives have largely been designed and implemented independently, often leading to the existence of separate guidelines, analysis tools, and themed budget statements. While the proliferation of strategic budget initiatives is intended to positively impact public policy outcomes, the haphazard introduction of multiple initiatives without careful consideration of their interrelationships risks overburdening government administrations.

33. It is crucial that any holistic framework for multiple strategic budget initiatives effectively conveys both the distinct and shared objectives of each initiative. Such a framework holds the potential to ensure that these initiatives collectively enhance the outcome-oriented nature of budgeting and forge stronger linkages between cross-cutting government priorities and the budget process. Canada is an example of a country that has already delved into how its strategic budget initiatives (well-being/quality of life budgeting and gender budgeting) can mutually reinforce each other (see Box 2.4).

34. A prevailing concern is that the continued expansion of multiple strategic budget initiatives within a single country could erode the core purpose of these initiatives, which is to concentrate efforts on advancing one or more cross-cutting policy priorities. If an inordinate number of strategic budget initiatives are introduced, the concept of prioritisation becomes diluted, leading to a scenario where everything becomes a priority. As the saying goes, "when everything is a priority, nothing is a priority." This raises questions about the eventual trajectory of strategic budget initiatives and the point at which multiple initiatives transform into something altogether distinct.

Box 2.4. An integrated approach to well-being/quality of life and gender budgeting in Canada

The Canadian federal government has introduced a [Quality of Life Framework](#) which tracks well-being and aims at supporting inclusive and sustainable growth. Drawing on the evidence of what makes for a good quality of life, the Framework is composed of five interrelated domains – prosperity, health, society, good governance, and environment. The Framework is about measuring what matters most to Canadians through a suite of 84 indicators that take a holistic view of societal progress.

The Framework also has two cross-cutting lenses, the fairness and inclusion lens, and the sustainability and resilience lens. The fairness and inclusion lens is intended to inform policy and programme development, leading to greater equity and equality. The fairness and inclusion lens was developed based on Canada’s experience with Gender-Based Analysis Plus (GBA Plus) and gender budgeting. GBA Plus ensures that the federal government has a gender and diversity-sensitive approach to the policy-making process, so that it understands who is impacted by its policies and mitigates unintended consequences that perpetuate existing inequities.

Taken as whole, the Framework provides a structured means for the government to think in an integrated, inclusive, and long-term way about how its decisions impact the lives of Canadians. The Framework is about measuring what matters most to Canadians through a suite of 84 indicators that take a holistic view of societal progress.

The government is committed to applying GBA Plus and Quality of Life indicators in decision making, to ensure that policies and programmes consider impacts on people from a variety of perspectives. Gender budgeting demonstrates how an inclusion lens can be incorporated into the budget decision-making process and into the budget itself, and a cross-cutting component of a Quality of Life Framework. The Fairness and Inclusion lens is intended to promote greater equity and equality by assessing the distribution of all outcomes across different populations and builds on the base already established by GBA Plus.

Results of this analysis are published as an annex to the budget, in the Budget Impacts Report. For example, in the Budget 2023 Impacts Report, for each budget measure, information is provided on the key impacts of the measure from a gender and diversity and quality of life perspective, including direct and indirect impacts, both positive and negative. Details include:

- Quality of Life Impacts: the domains of the Framework that each budget measure is expected to advance, and relevant indicators.
- Expected Benefits – Gender: information on the expected gender characteristics of the benefitting group, ranging from predominantly men to predominantly women.
- Gender Results Framework (if applicable): the goal or objective that each measure is expected to advance within Canada’s Gender Results Framework.
- GBA Plus Responsive Approach (if applicable): any effort in place to minimise possible negative impacts of a measure on certain individuals or groups, or any specific design elements which have been incorporated to reduce potential barriers to participation or access that a certain group may face.

Source: Government of Canada (2022^[12]), 2023 Budget: Statement and Impacts Report on Gender, Diversity, and Quality of Life, <https://www.budget.canada.ca/2023/report-rapport/gdql-egdqv-01-en.html> and Quality of Life Hub, <https://www160.statcan.gc.ca/index-eng.htm>

35. Specially developed IT systems are proving to be valuable assets for countries in managing and automating the increased information flows associated with strategic budget initiatives. These systems offer the opportunity to streamline and automate the collection of information on the impacts of budget

measures, thereby helping to minimise the resource implications of strategic budget initiatives, particularly multiple initiatives, for departments and agencies. They can also assist in synthesising the collected information, facilitating and even automating reporting for the CBA. These types of tools are currently being developed and implemented in several OECD countries, including Iceland and Ireland (see Box 2.5).

Box 2.5. Digital solutions to support multiple strategic budget initiatives in Iceland and Ireland

Iceland

In the context of implementing performance budgeting, SDG budgeting and gender budgeting, Iceland is undergoing revisions to its central budget system and developing a tailor-made IT system with a tagging module. The aim is that during the budget preparation process, ministries identify how each area of expenditure is related to a government priority (e.g., SDGs, gender specific targets). This will enable the Ministry of Finance to aggregate information and assess overall links between the budget and different crosscutting priorities.

In the same IT system, the budget submission form currently includes a field for the result of a GIA, where line ministries can choose between the following options: “Not assessed”, “Promotes gender equality”, “Maintains *status quo*” or “Increases gender inequality/gender gap”.

Exporting the data from the budgeting system facilitates further analysis, where statistics can easily be generated, for example, on the percentage of measures accompanied by a GIA or percentage of measures that promote gender equality. This can both be done by number of measures or value of measures. The results of the analysis are provided to the Ministerial Committee on Public Finances and subsequently the Cabinet, providing high-level summary information on GIAs to inform final budget decision making. Results are also published in the Budget Bill along with a summary of key findings from the GIAs.

Ireland

Ireland has been actively reforming its budgetary system in recent decades and strengthening its performance orientation by introducing performance budgeting, and more recently green budgeting, equality budgeting, well-being budgeting and SDG budgeting. As a next step, Ireland intends to use budget tagging to consolidate different information into the existing framework and give greater visibility around budgetary commitments linked to cross-cutting priorities. To facilitate this, Ireland is adding tagging functionality to its “e-estimates” IT system. Functionalities being considered include:

- Linking assigned tags to the existing performance targets and budget lines.
- Aggregating information tagged under sub-tags (e.g., SDG 5) into the high-level tags (i.e., green, equality, well-being, and SDGs).
- The provision of summary information in dashboards that include various filters to allow for analysis of information from different angles.
- The ability to enter comments to document the rationale for any changes.

Source: Developed by the OECD (2023).

36. The information gathered and compiled through these digital solutions could also become instrumental in supporting the evaluation of strategic budget initiatives - a pressing challenge that remains unresolved. For instance, in Austria, where gender budgeting has been implemented for over a decade, a recent study examined gender impact assessments and audit reports to determine whether or not the

scope of gender budgeting had expanded over time and whether or not there had been a substantial increase in gender-related policy measures supported by gender budgeting analysis (Polzer, 2020^[13]).

As many strategic budget initiatives are still relatively new, it remains to be seen if they can achieve their intended outcomes and whether they will be able to withstand political change

37. For strategic budget initiatives to remain relevant and sustainable over time, they must demonstrate their practical value to stakeholders across the political, administrative, and civil society spheres.

38. Although the adoption of strategic budget initiatives has gained traction, much remains to be learned about the underlying factors that contribute to effective practices with tangible outcomes. This, coupled with the close connection between strategic budget initiatives and political priorities, raises concerns about the likelihood of these practices fading in and out of prominence with shifts in government leadership. The experience of Australia with gender budgeting – initially introduced in the 1980s, discontinued in 2014, and reintroduced in 2018 – highlights the challenges in maintaining consistent momentum for these initiatives across successive governments. The coming years will be pivotal in determining whether these initiatives can transcend their role as political signalling tools and evolve into mechanisms with meaningful and enduring impacts on budgetary decisions and cross-cutting policy outcomes.

39. Given the proliferation of strategic budget initiatives in OECD countries in recent years, their resilience in the face of political transitions remains to be tested. When the priorities that these initiatives aim to advance are closely intertwined with the ideological leanings of a particular government, the likelihood of their demise increases. In this dynamic environment, only time will tell whether strategic budget initiatives will endure as a valued and enduring facet of public budgeting.

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