

Budget Transparency and Empowering Public Understanding

PEMPAL Workshop in Paris

3 February 2025



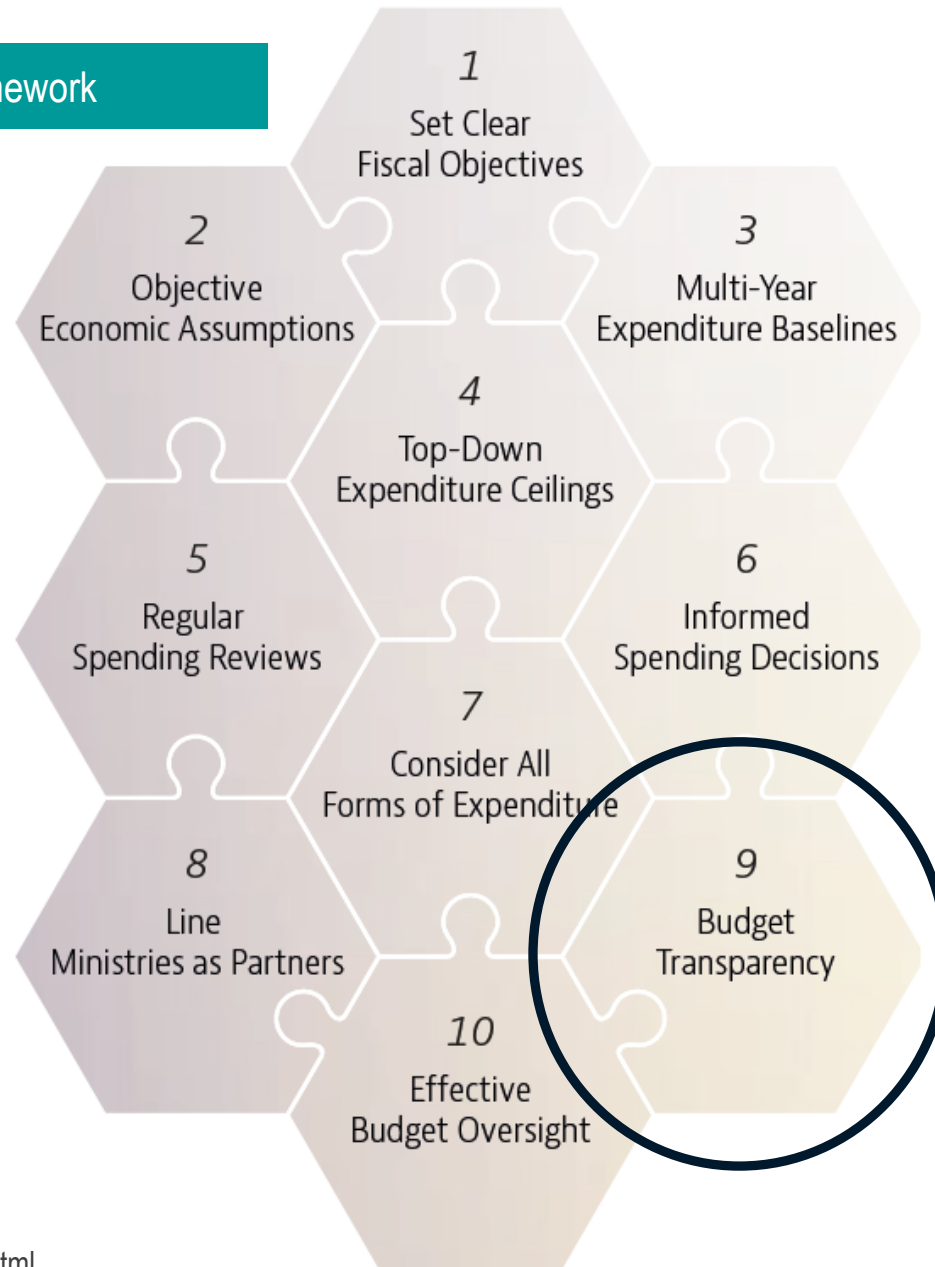


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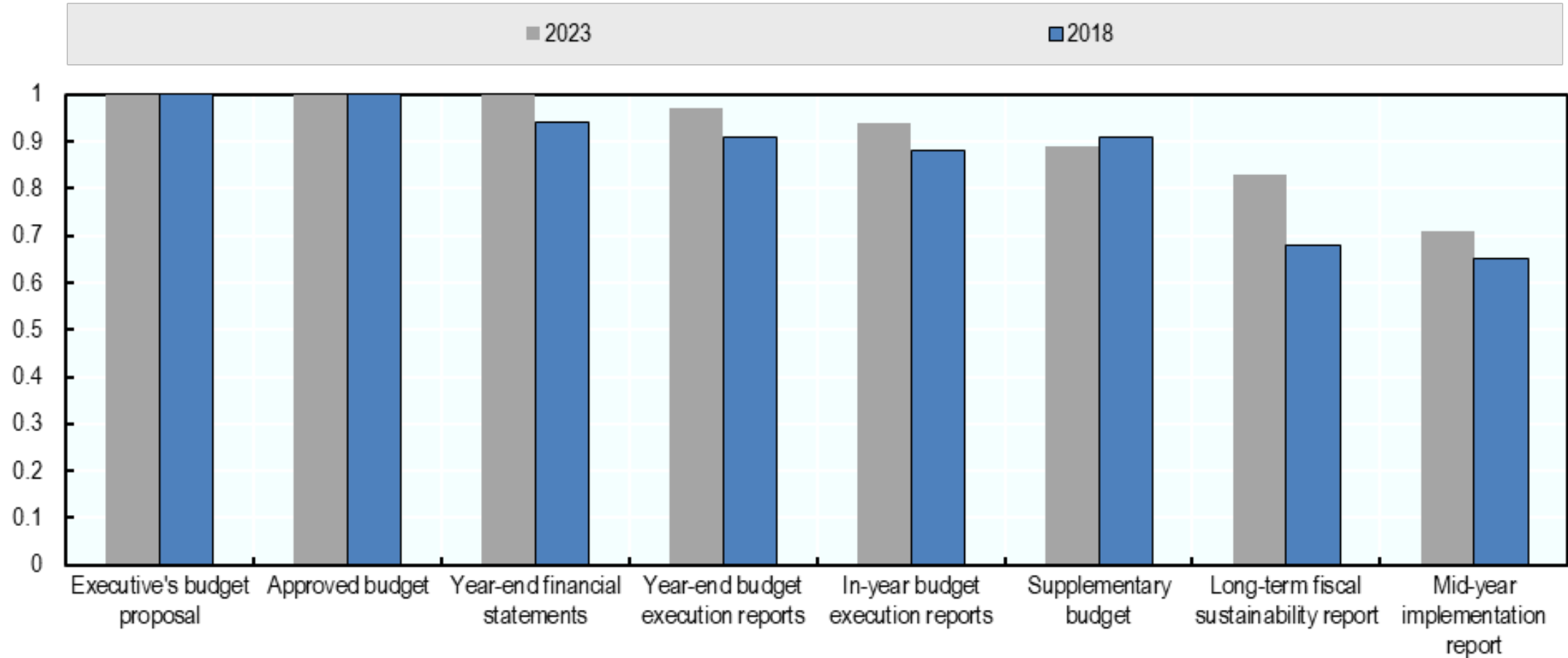
Pillar 1 – Quality budget institutions

OECD Spending Better Framework





Budget transparency is increasing in OECD countries



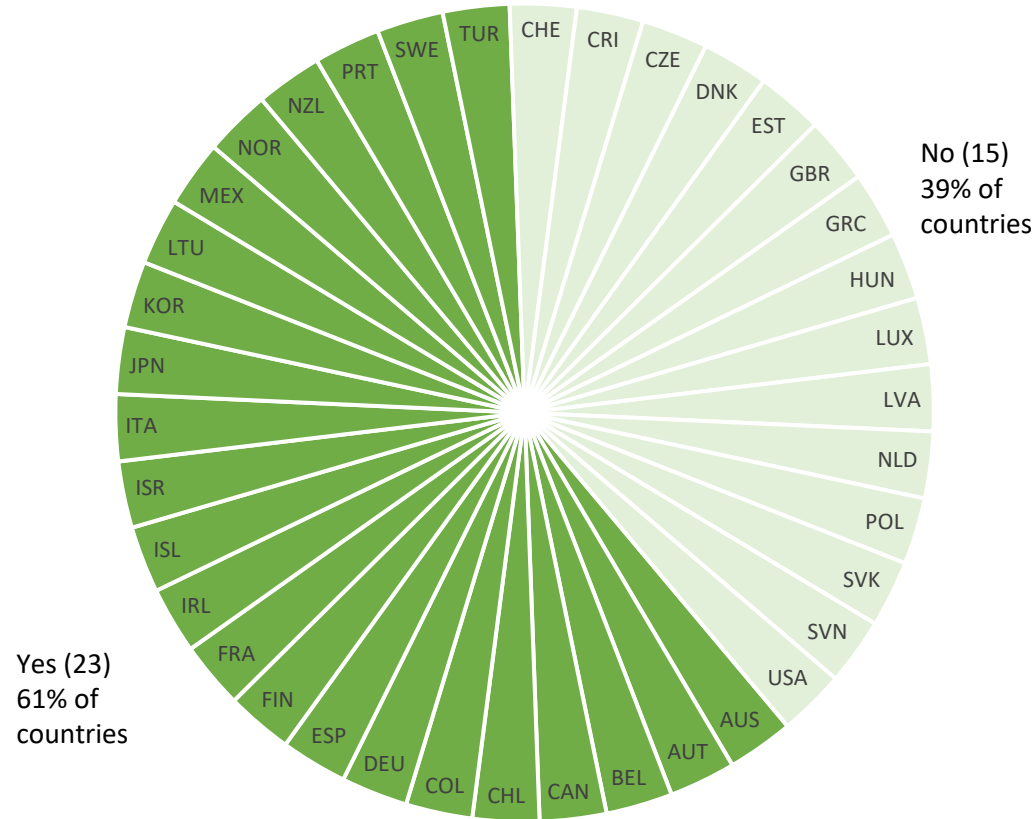
Note: Percentage of participating OECD countries (34 in 2018, 34 in 2022 and 35 in 2023).

2023 data for Colombia, Lithuania and Mexico are not available; 2022 data for Colombia, Mexico, Israel and Slovenia are not available; 2018 data for the United States are not available.

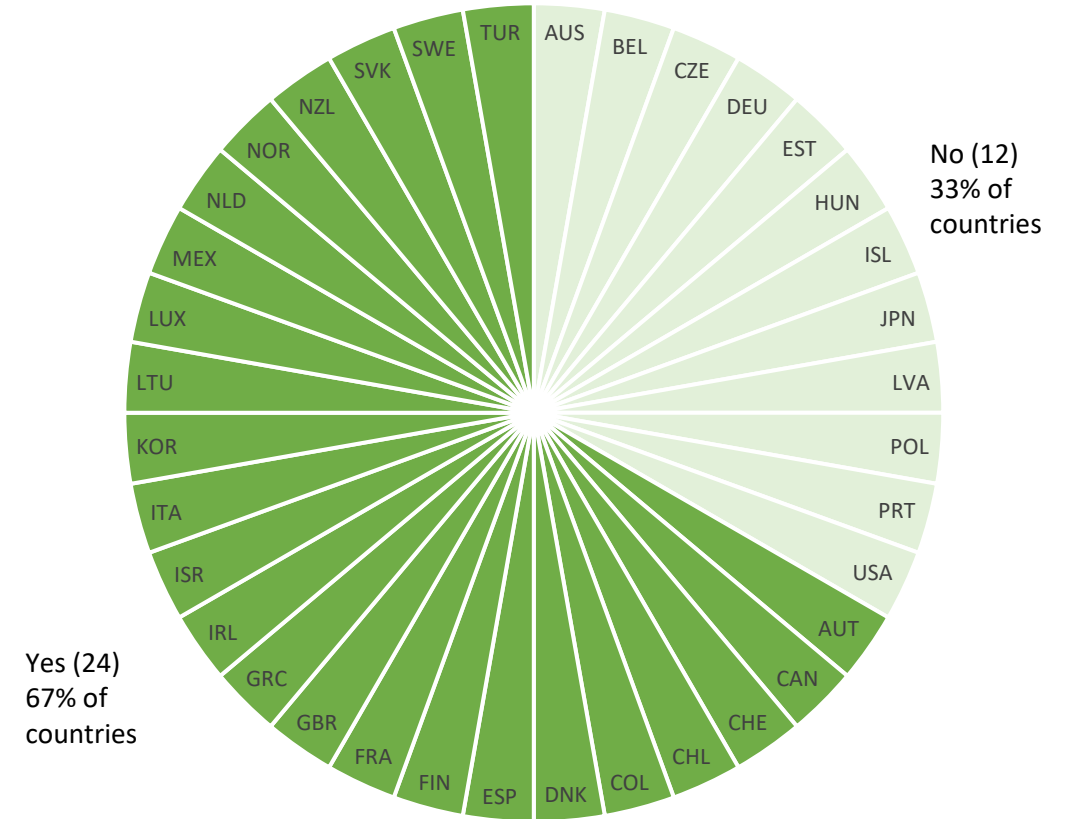


Reporting on strategic budget priorities is increasing

Gender budgeting



Green budgeting



Note: Data for Costa Rica and Slovenia not available.

Source: OECD (2022), OECD Survey on Green Budgeting, , results for 36 OECD countries.

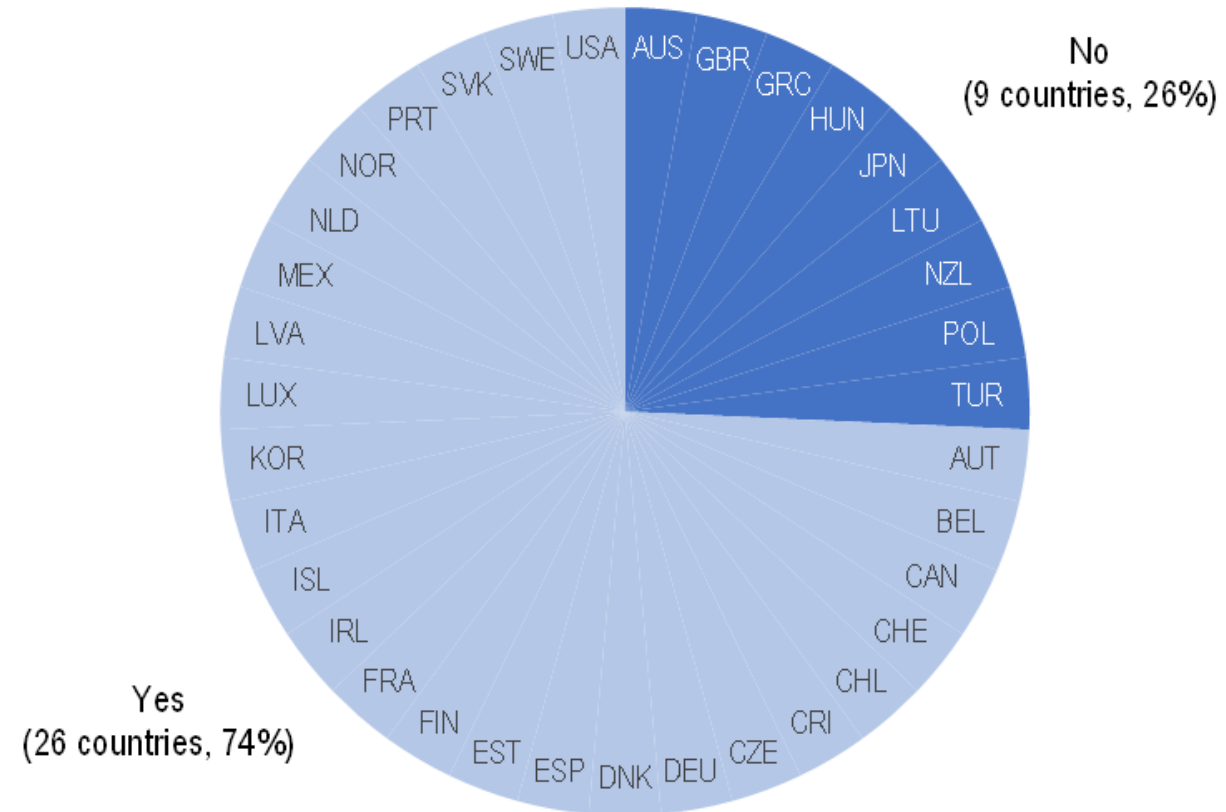
Source: OECD (2022), OECD Survey on Gender Budgeting, results for 38 OECD countries.



Greater use of technology

- > Fiscal reporting platforms have contributed to modernising budget transparency.
- > Key attributes of fiscal reporting platforms: availability of data, improved understanding from visualisations, and user-specification.
- > A one-stop platform that is digital by design for open-data, accessible presentations, and rationalising reporting.

Use of fiscal reporting platforms





Budget transparency supports empowering public understanding of public finances

Independent Fiscal Institutions
Audit Offices

**Fiscal
Advocacy**

**Citizen
Dialogue**

Government-Led
Parliament-Led

for Elected Officials
for the Media
for the Public
In Schools

**Fiscal
Literacy**

**Innovative
Communi-
cations**

Social Media
Generative AI
e.g. ChatGPT



Challenges of communicating budget information

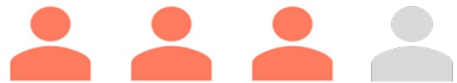
Financial literacy challenges



Three-in-five adults below minimum levels of financial literacy



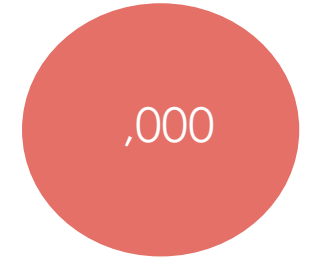
One-in-five adults never use calculators



Three-quarters rarely read charts

Fiscal literacy challenges

Big numbers that are difficult to comprehend



A lack of real-world meaning from talking about systems and frameworks



The inability for experts to communicate well

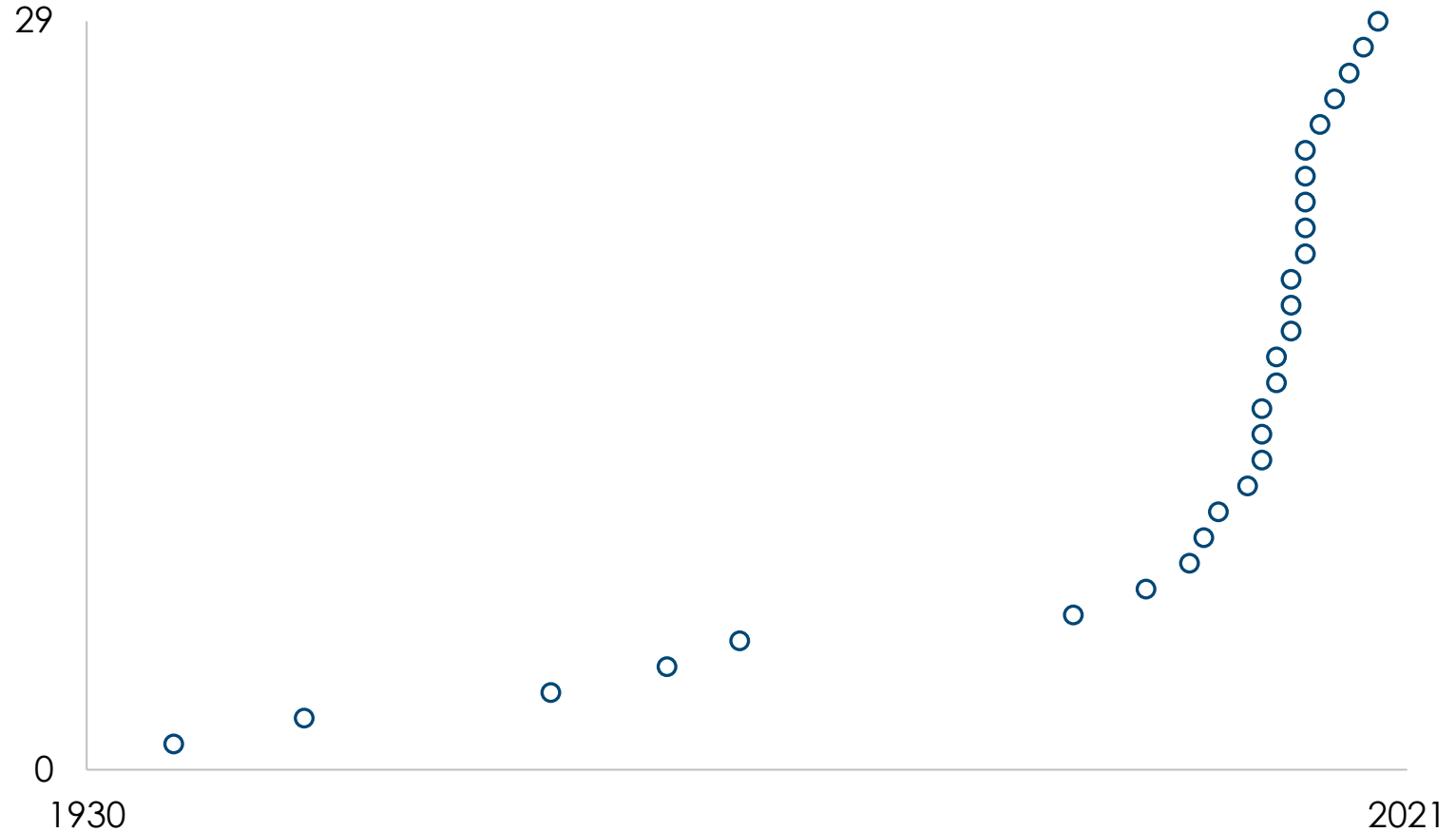




Increases in the oversight of budgeting and fiscal outlooks

- > Audit offices provide *ex post* oversight; independent fiscal institutions, e.g., fiscal councils provide *ex ante* oversight.
 - > Independent bodies charged with assessing and explaining the public finances
- > As of 2021, 29 OECD countries have at least one independent fiscal institution (IFI).

Number of OECD countries with IFIs, by year established

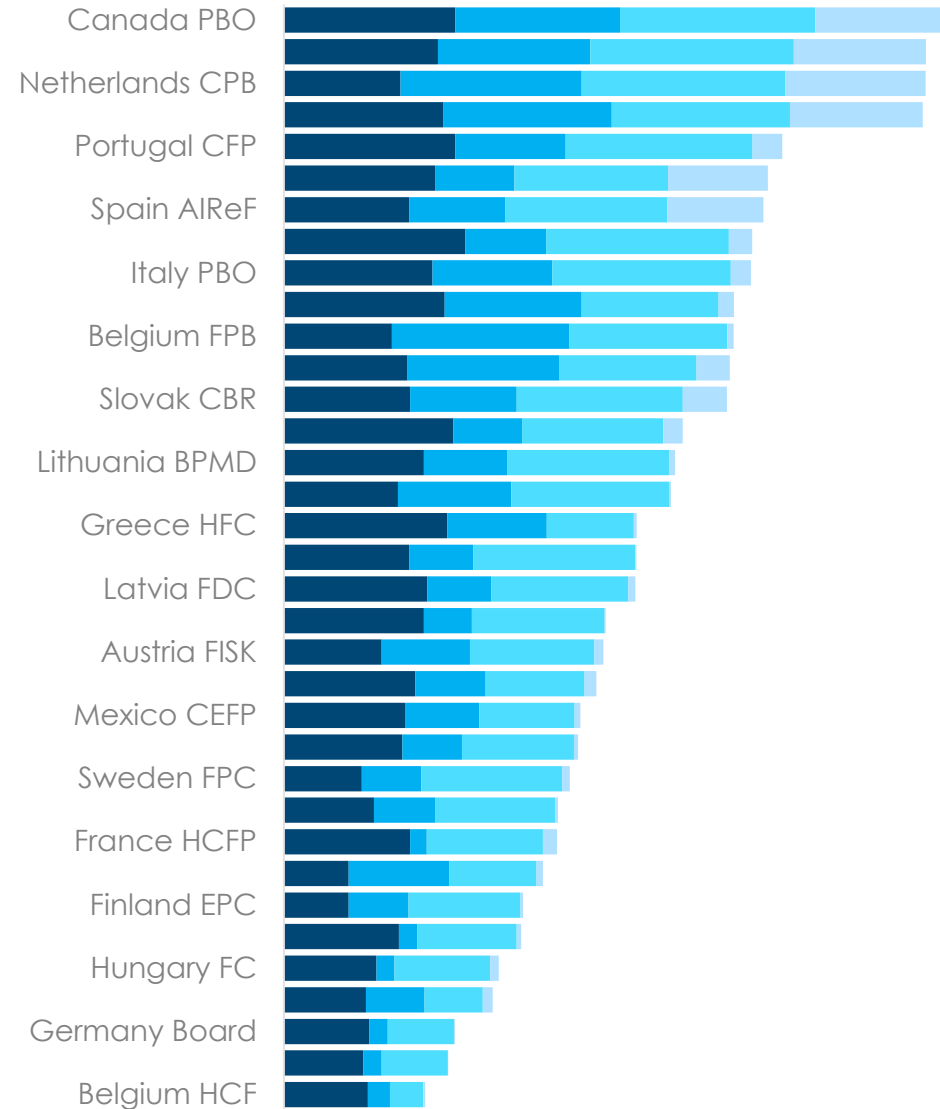




OECD Fiscal Advocacy Index



Independence Analytical focus Comm's apparatus Comm's Impact





Concluding remarks

- > Budgets show the policy priorities of government relative to the available resources. However, the **fiscal challenges facing governments are increasing** and extend beyond the medium-term.
- > Budget transparency is a key component of **quality budget institutions**.
- > Budget transparency is increasing in OECD countries, but it is not a static concept. Budget transparency evolves based on the demand for information and the technologies that can produce it. Successful budget communication is
 - > An end-to end process and applies to **all stages of the budget** process.
 - > **User-driven** to interrogate budget (and performance) data.
 - > Delivered in a manner that matches **fiscal literacy** levels.
- > Publishing budget reports alone is no longer sufficient to meet obligations on budget transparency and to communicate effectively.
- > **Oversight capacities** in budgeting have increased, which is a step forward. Ensuring these capacities work well contributes to strengthening budget communication.
- > More steps forward remain possible to help increase public understanding of fiscal challenges, which is a core area of work for the **OECD Senior Budget Officials**.

Thank you

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