

Empowering Public Understanding

Central, Eastern, and South-Eastern European Annual Meeting
of OECD Senior Budget Officials

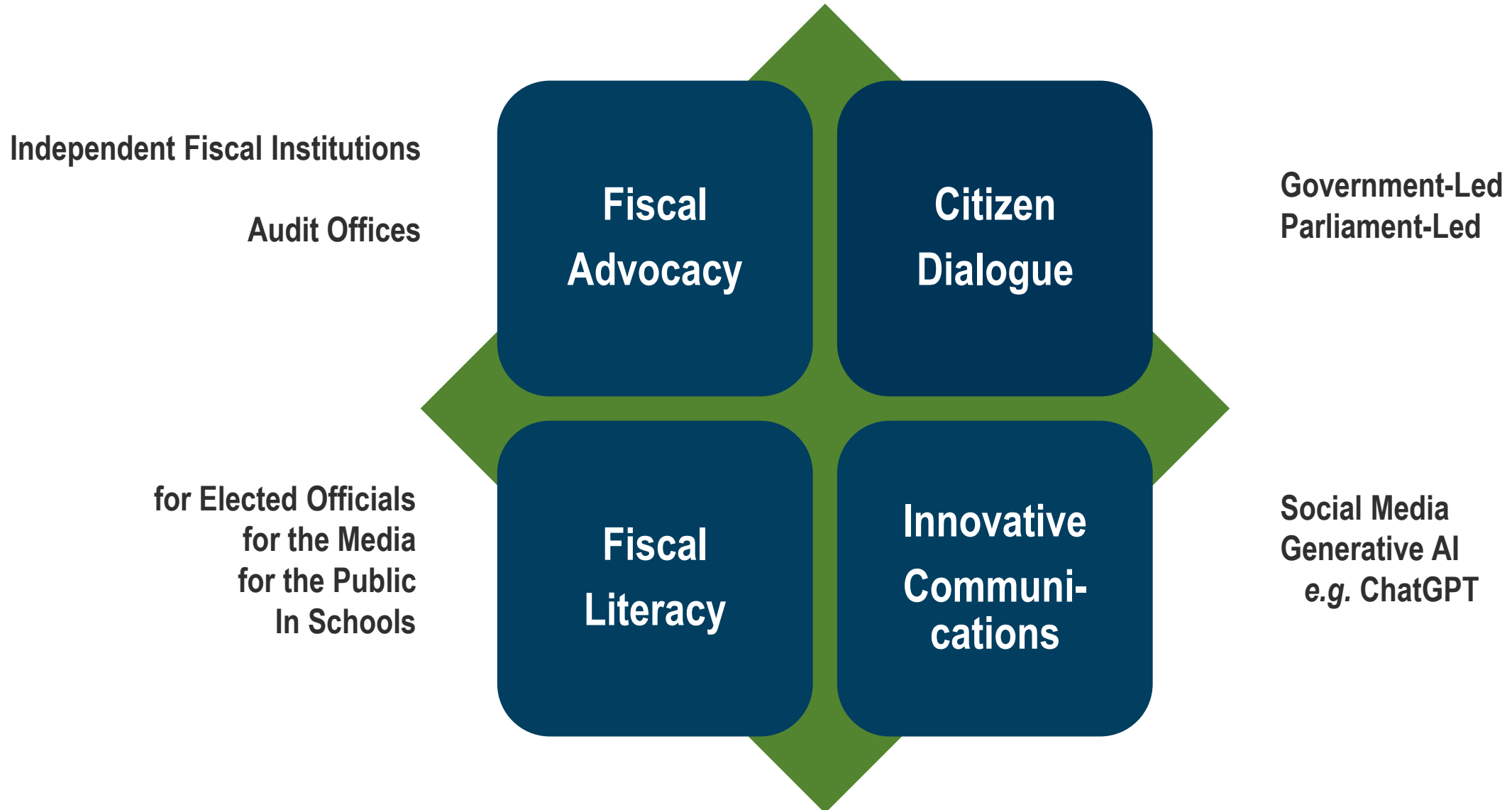
4 December 2024





Introduction: Three Pillars of the SBO Work Programme





Multiple challenges to fiscal sustainability

- > Health pandemics
- > Energy prices and the cost of living
- > Regional tensions, national security and defence

- > Increasing levels of public debt

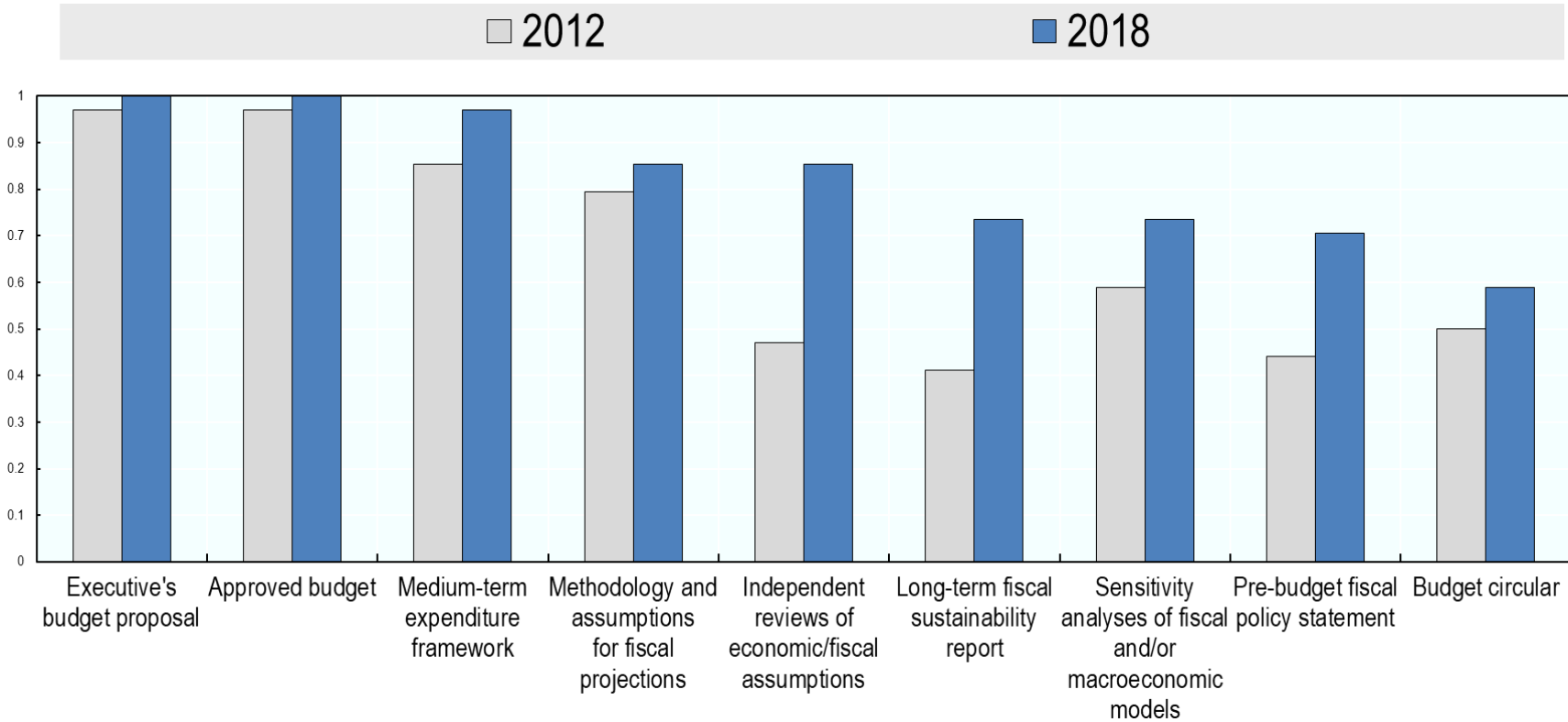
- > Climate change – climate action on mitigation and adaptation
- > Ageing population – health and aged-care spending





Budget transparency is an evolving concept

Making budget information available is no longer sufficient. It should cover the entire budget process and be meaningful for results, and contribute to a better understanding of fiscal sustainability

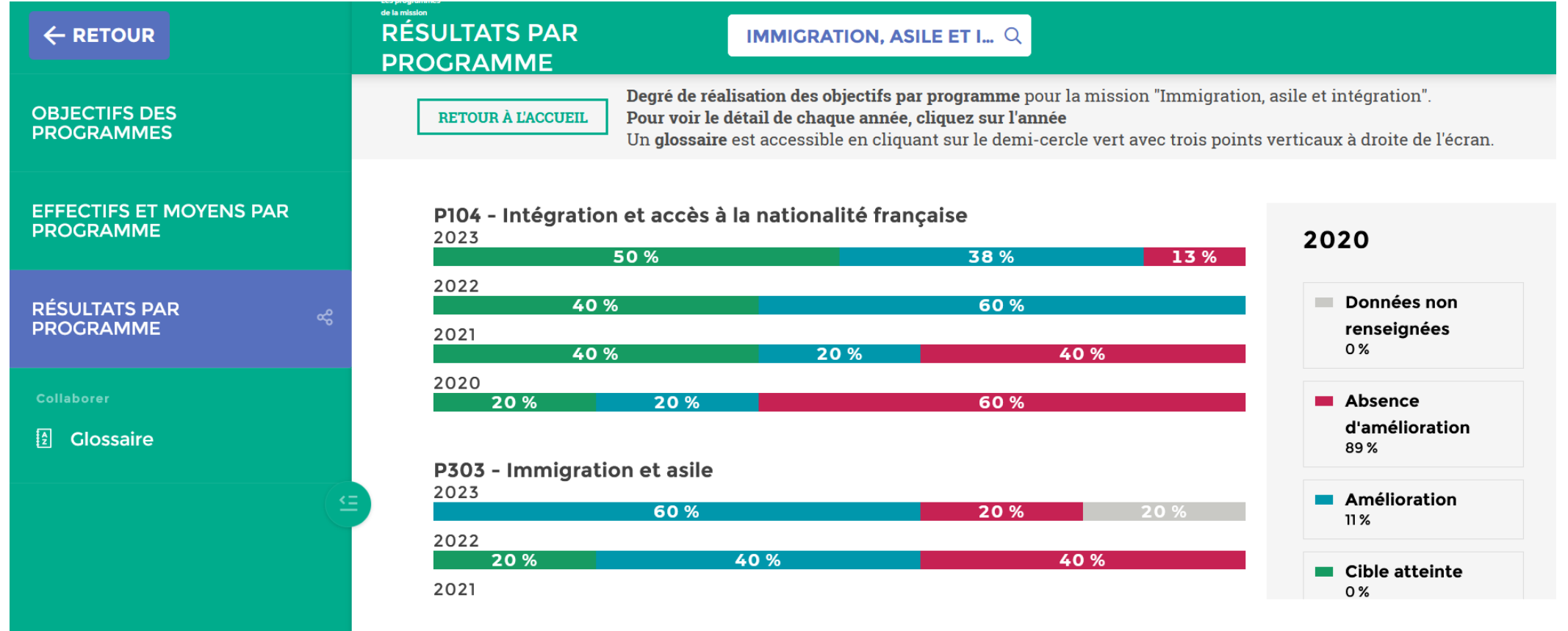


Available online in English, Spanish and French.



Budget portals can provide user-driven access to budget information

Case study – France – a publicly accessible, budget portal with information on programme results over a medium-term period.





Challenges of communicating budget information

Financial literacy challenges



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



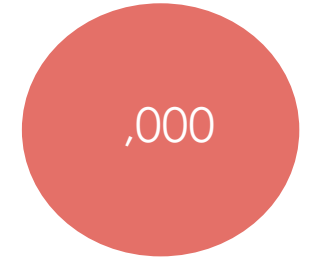
One-in-five adults never use calculators



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

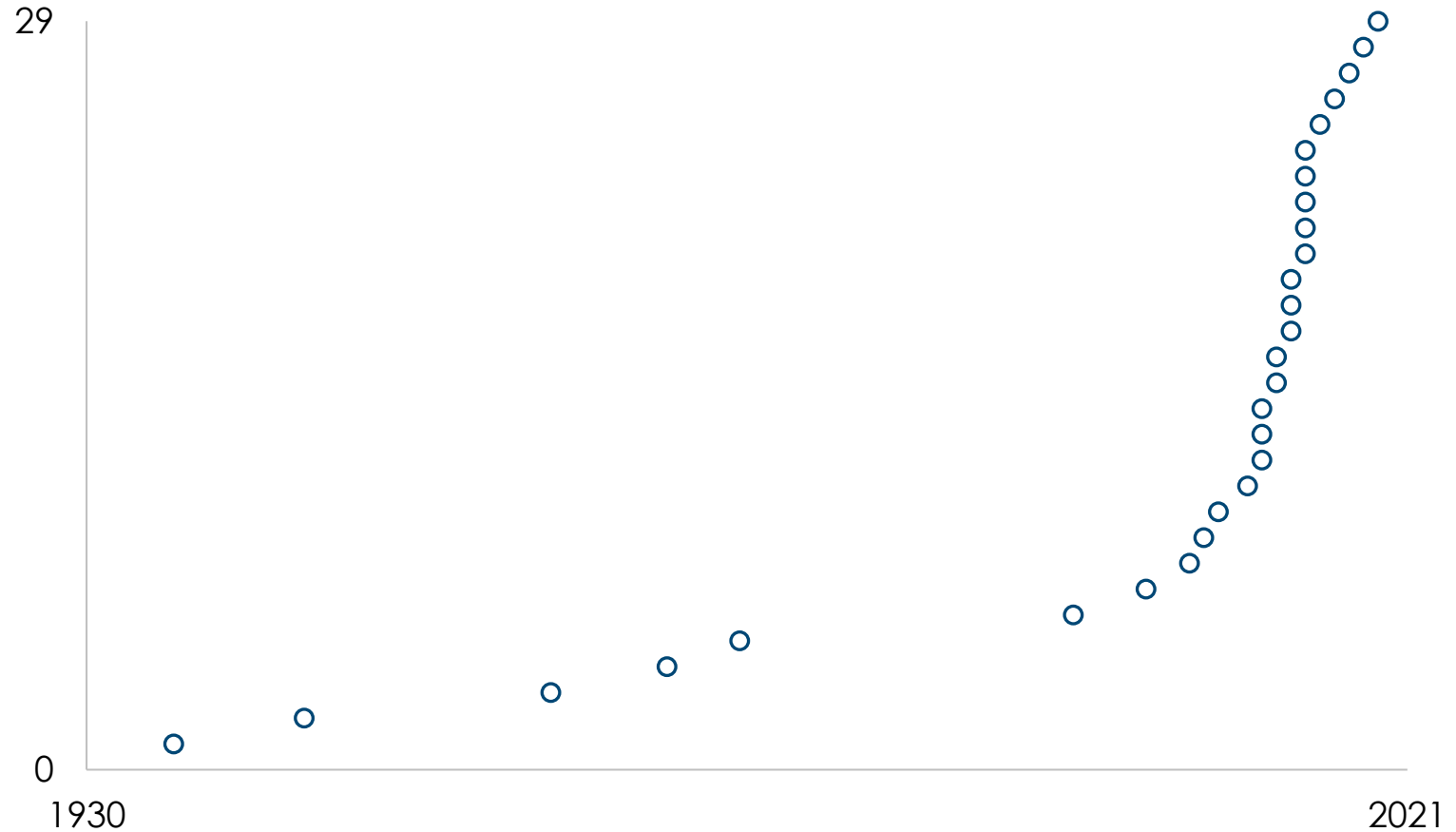




Increases in the oversight of budgeting and fiscal outlooks

- > Audit offices provide ex post oversight; independent fiscal institutions, e.g., fiscal councils, provide ax 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

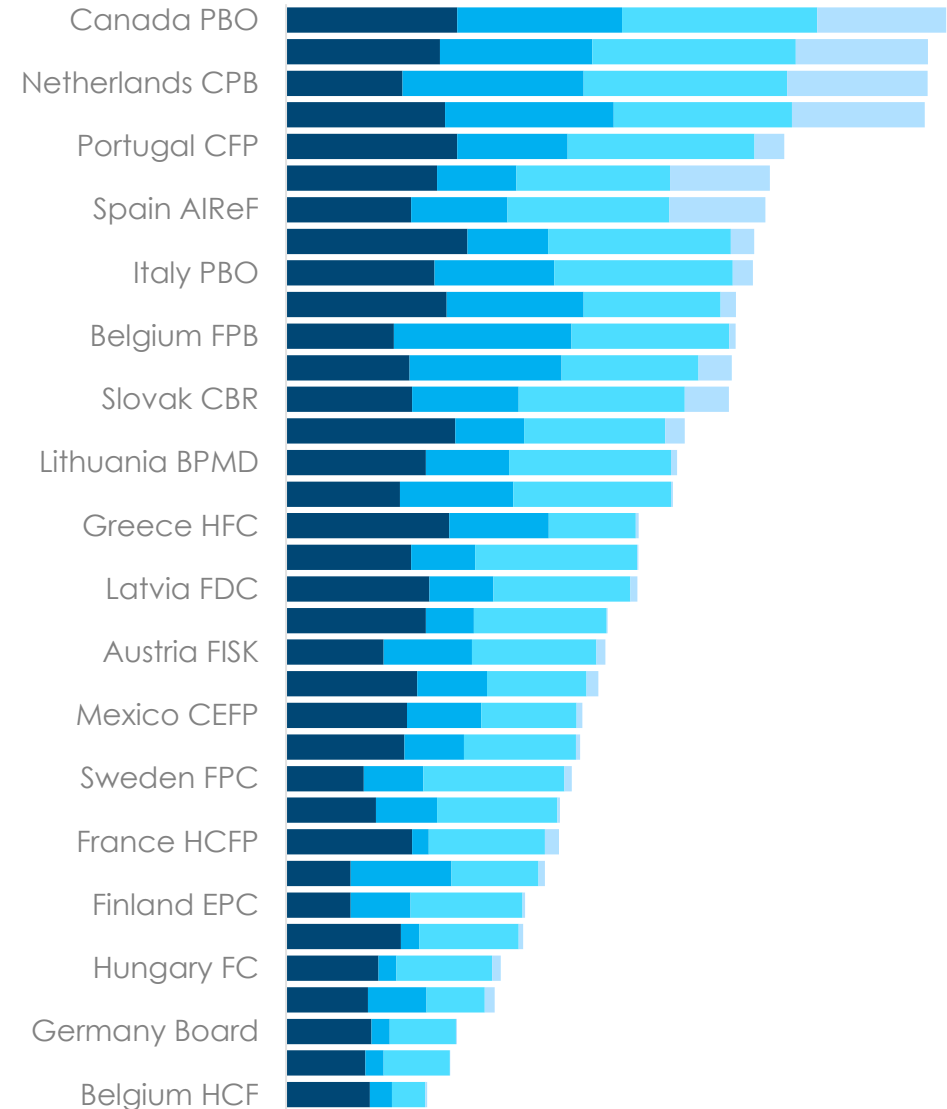
Number of OECD countries with IFIs, by year established





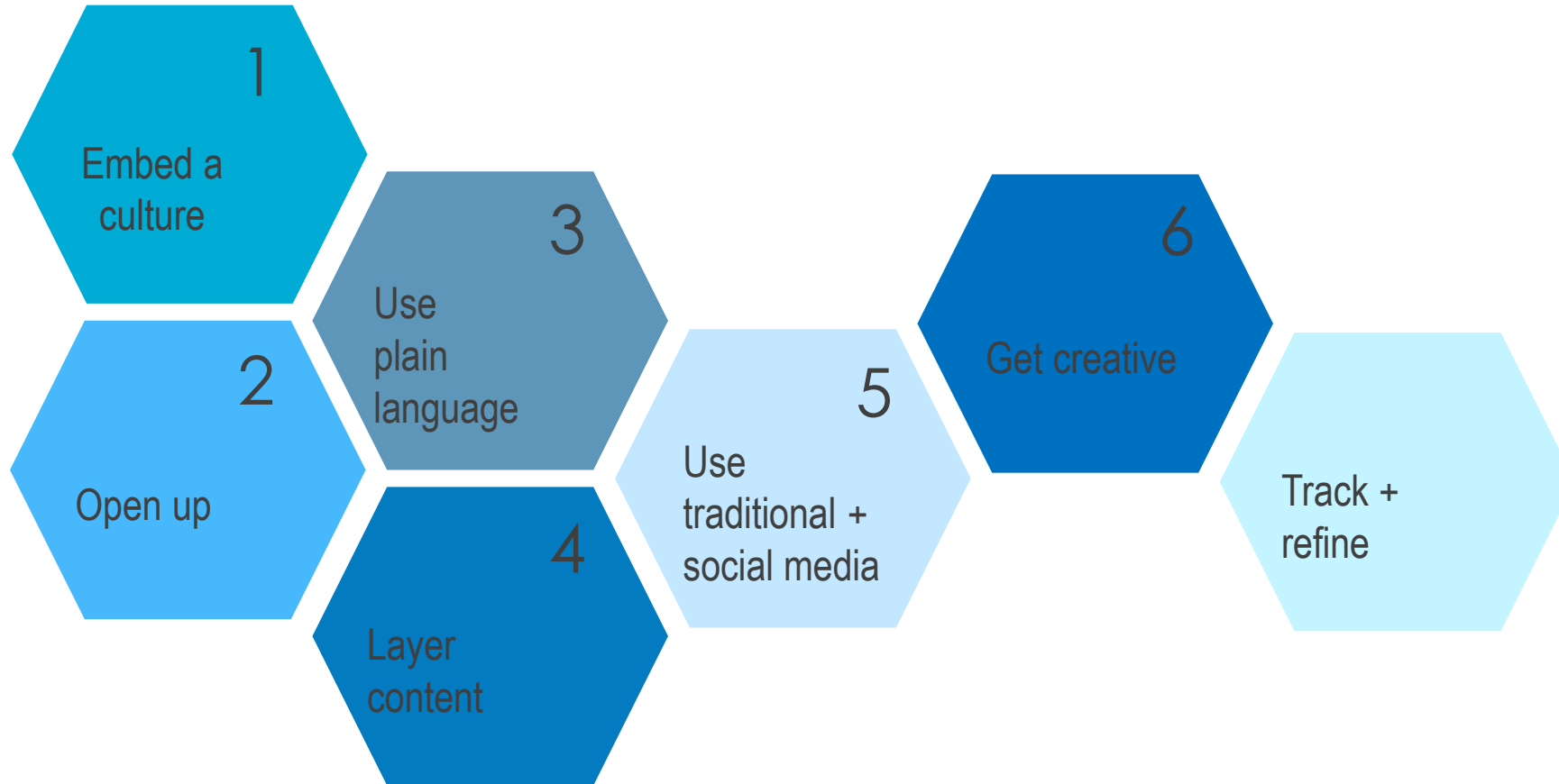
OECD Fiscal Advocacy Index

Independence Analytical focus Comm's apparatus Comm's Impact





Seven steps to improve how we communicate public finance





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 not a static concept; it evolves based on the demand for information and the technologies that can produce it. Successful budget communication is
 - > An end-to end process
 - > User driven to interrogate budget (and performance) data
 - > Delivered in a manner that matches fiscal literacy levels.
- > Publishing budget reports 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 Committee of Senior Budget Officials.

Thank you

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