

Effective Independent Fiscal Institutions

The aspects that matter

Bianca Brétéché, Deputy Head of SIGMA, OECD

19 December 2023



When is an IFI effective?

**When
its work
leads to**










- Strengthened fiscal sustainability
- Greater budget transparency and budget accountability
- Better quality of public debate on fiscal policy choices
- More trust in policy makers capacity to manage public budgets prudently

Revised Principles of Public Administration 2023



- **Principle 23** about annual and medium-term budget
- **Sub-Principle e. :**
- *An independent oversight body improves fiscal discipline by publishing reports on the quality of forecasts and macro-assumptions under the budget estimates and the compliance of the government with the legal fiscal rules, and by advising the government on fiscal policy matters.*

OECD principles on IFIs

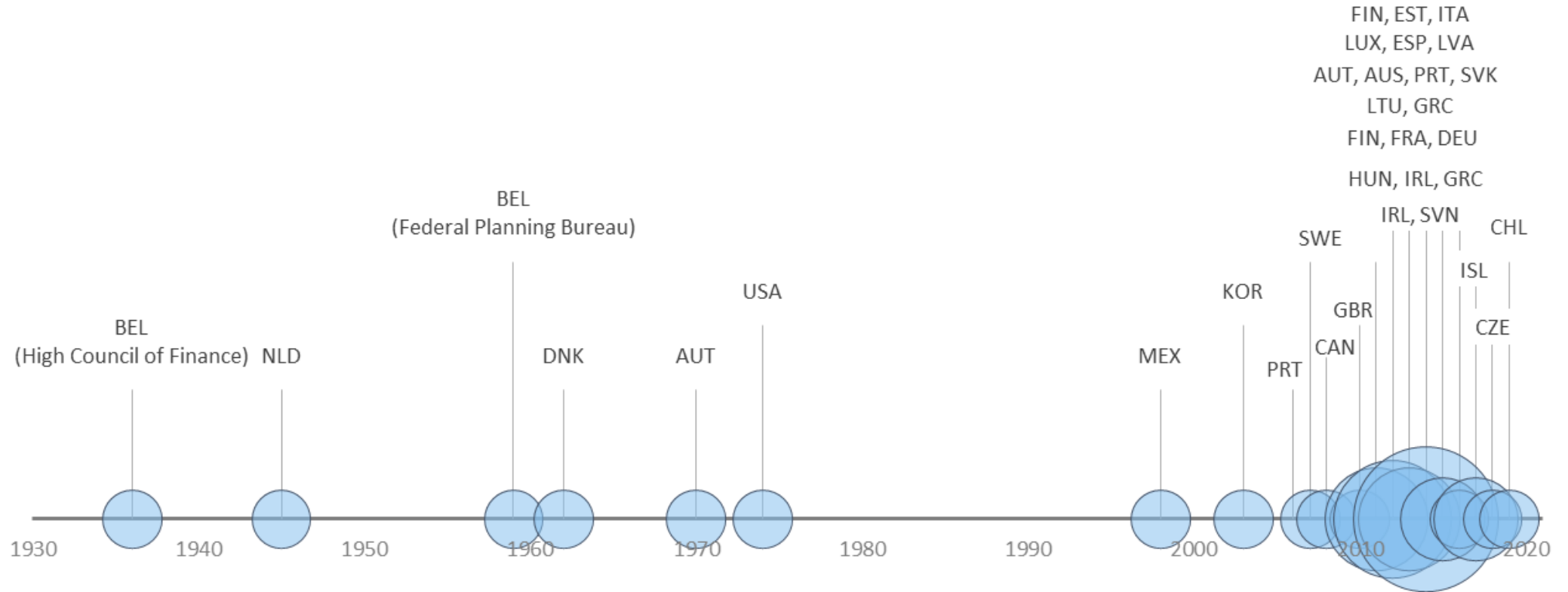
<p>Local ownership</p> 	<p>Independence and non-partisanship</p> 	<p>Mandate</p> 
<p>Role and structure determined according to local needs</p>	<p>Independent appointments and non-partisan analysis</p>	<p>Mandate clearly defined and IFI able to work at own initiative</p>
<p>Resources</p> 	<p>Relationship with legislature</p> 	<p>Access to information</p> 
<p>Resources commensurate with mandate</p>	<p>Appropriate accountability to the legislature</p>	<p>Access to information guaranteed in legislation</p>
<p>Transparency</p> 	<p>Communication</p> 	<p>External evaluation</p> 
<p>Act as transparently as possible</p>	<p>Effective communication channels, especially with media</p>	<p>A mechanism for external evaluation in place</p>



29 out of 38 OECD countries now have an IFI

– Growth in institutions in 2010s after the global financial crisis

> S





Aspects that matter most

**The right
Form**



Ownership - Legal basis

**The right
People**



Leadership and Staff

**The right
Behaviour**

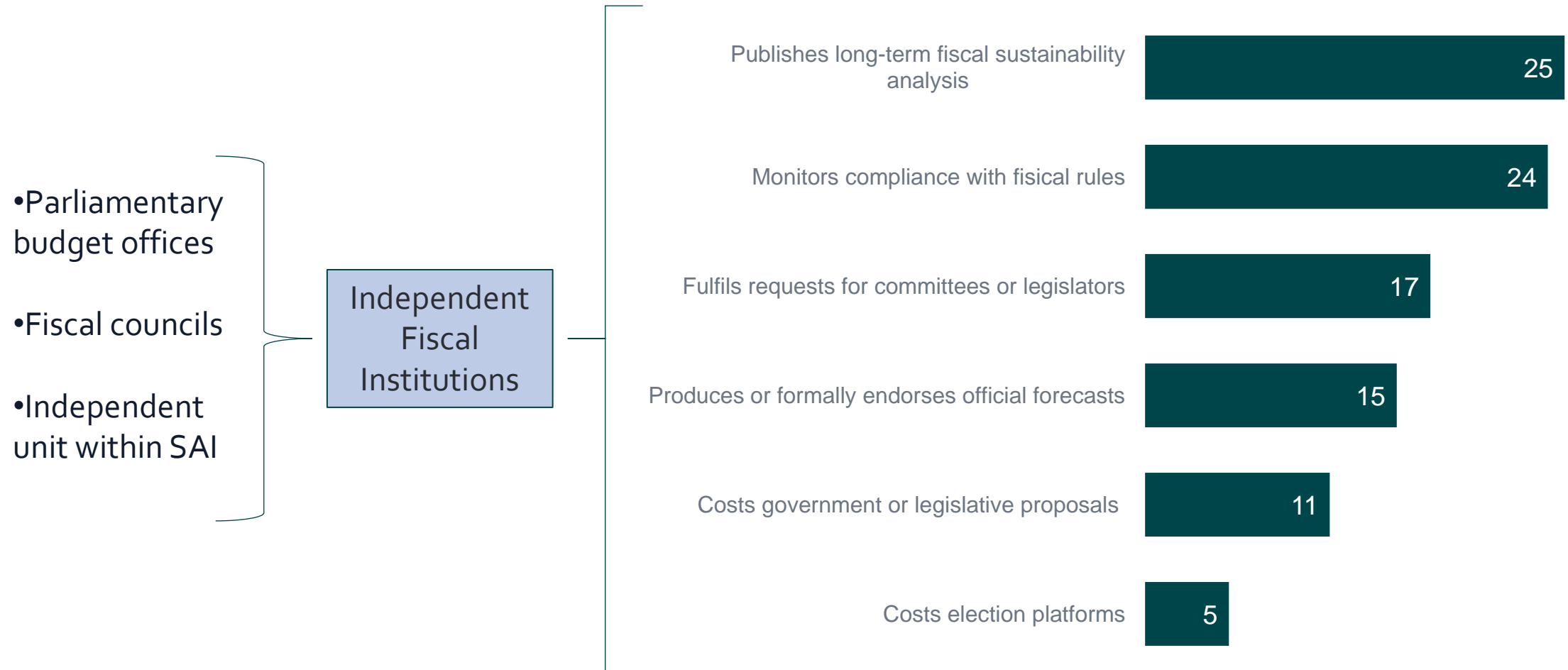


Transparency - Communication - Accountability

INDEPENDENCE



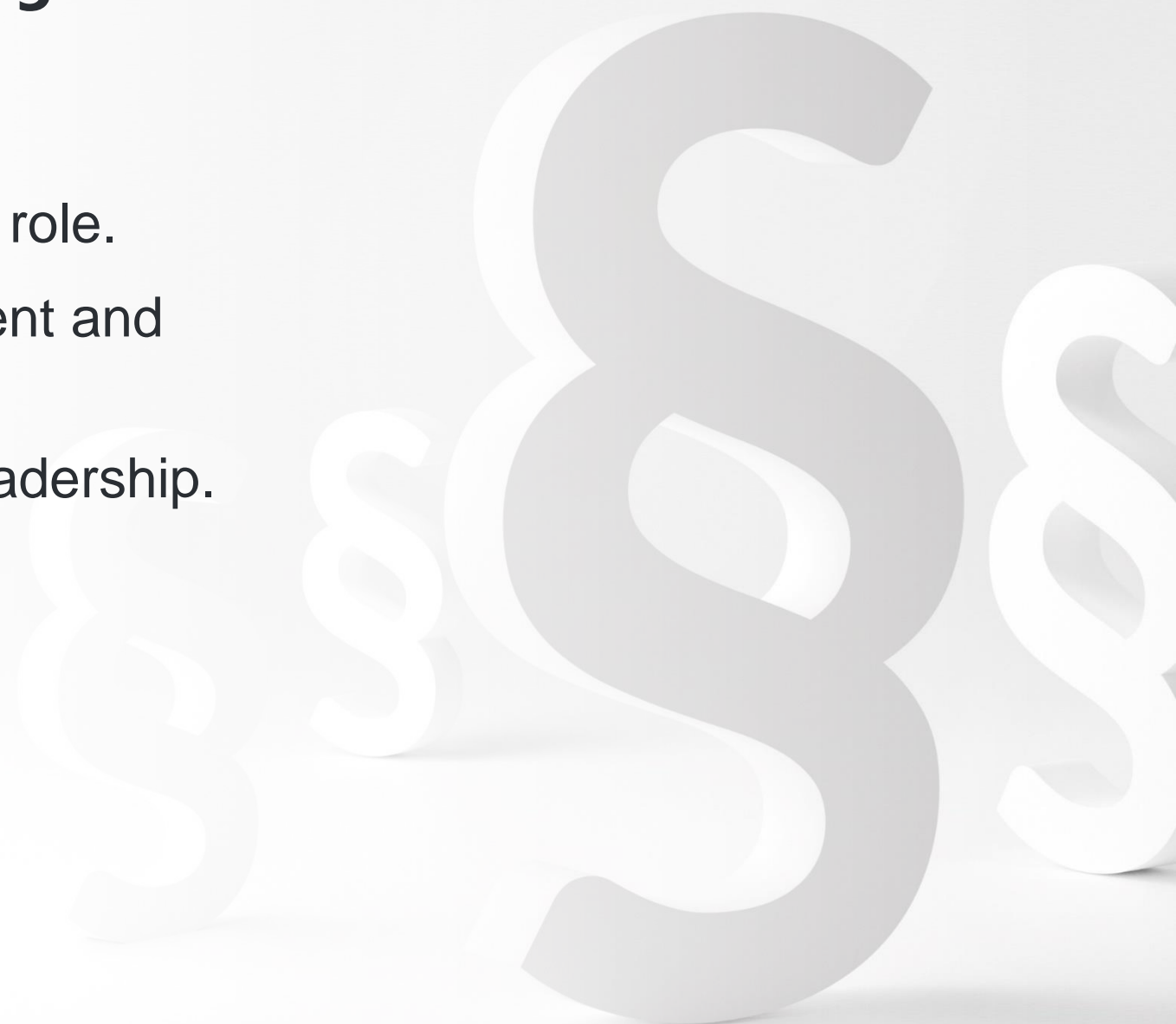
Ownership: One size does not fit all





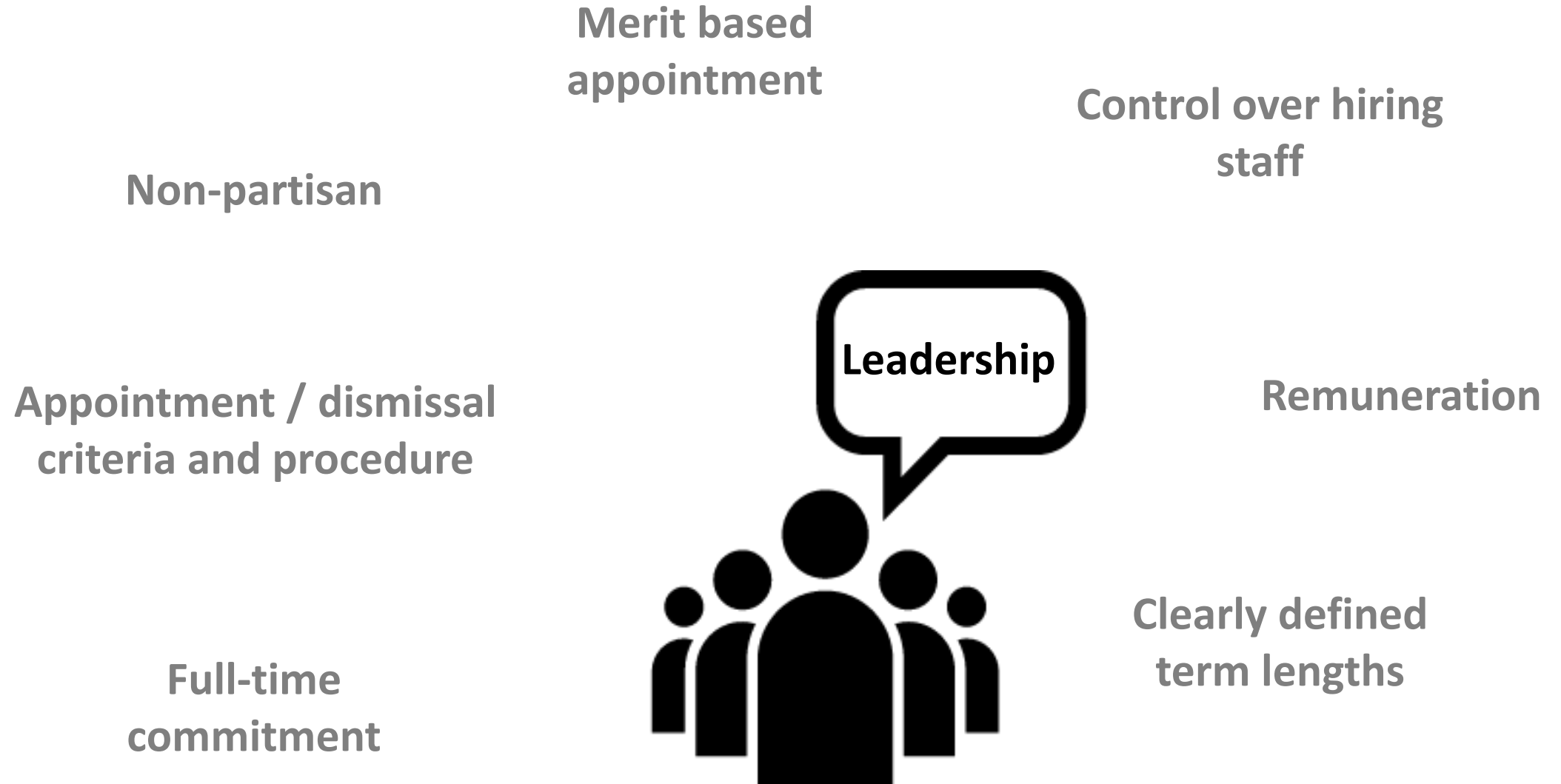
Legal basis

- › Clear mandate, functions and role.
- › Independence from government and political parties.
- › Professional, independent Leadership.
- › Professional Staff.
- › Adequate Resources.
- › Relation to Parliament.
- › Reporting rights and duties.
- › Work planning autonomy.



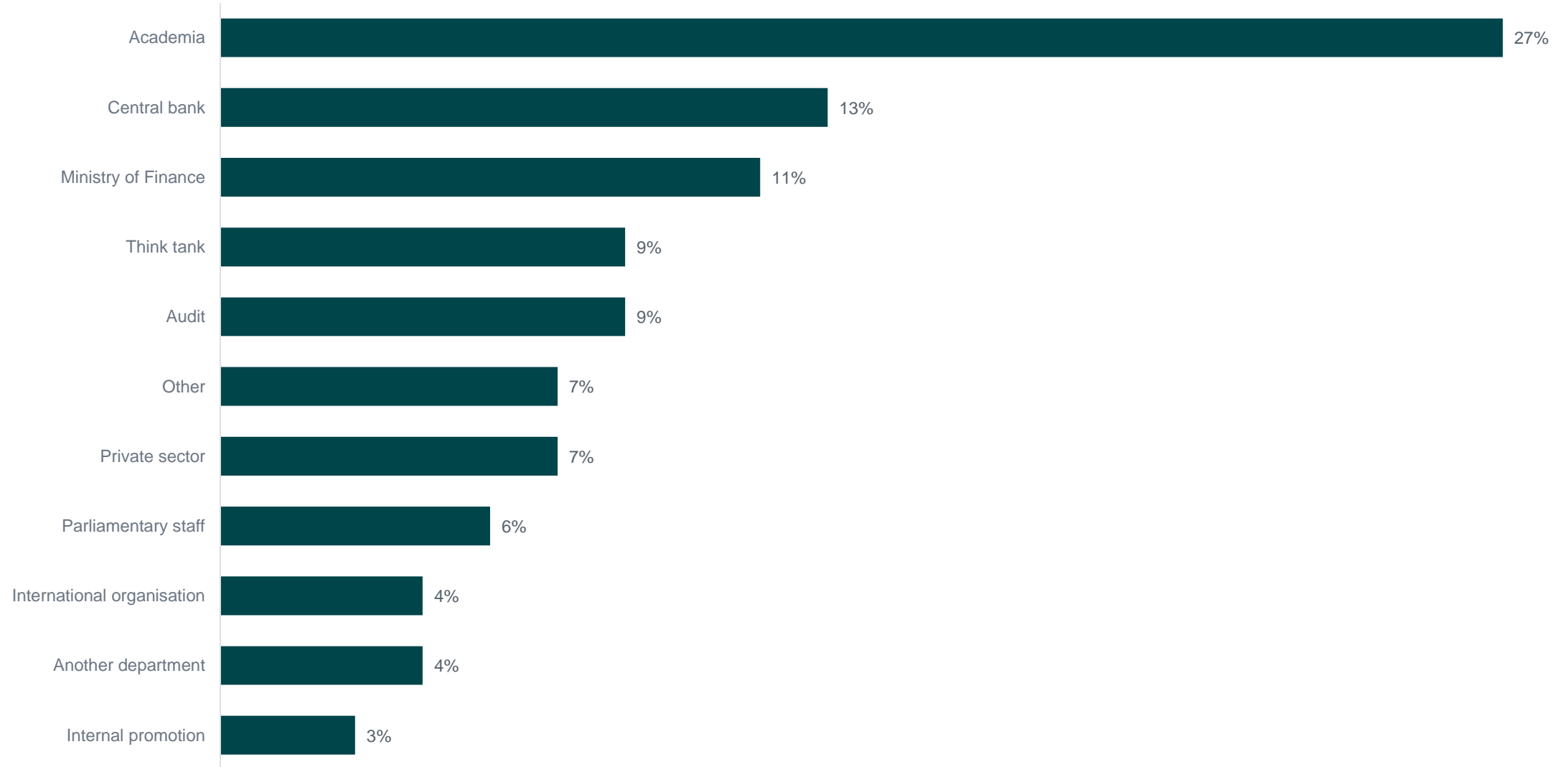


The right people ensuring independence and professionalism





Leadership of IFIs in OECD





The right behaviour ensuring impact

Transparency

Full transparency of work and operations =

- Protects independence
- Builds credibility



Publishing Reports
Publishing Methodology

Communication

Strong presence in public debate =

- Focussed
- Timely



Press conferences
Press releases
Websites
Social media

Accountability

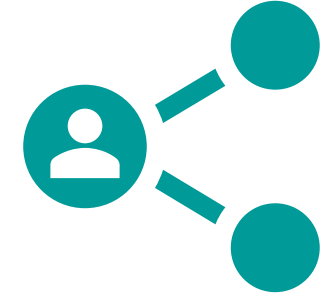
External Evaluation Mechanism



Peer Reviews
External advisory panels



Find out more about SIGMA



www.sigmaweb.org



www.par-portal.sigmaweb.org



www.linkedin.com/company/sigma-programme



sigmaweb@oecd.org



Thank you!

bianca.breteche@oecd.org