

PRIORITY BUDGETING

Insights from across the OECD

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What is budgeting for high-level priorities?

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The systematic application of analytical tools and processes, as a routine part of the budget process, to highlight how budget policy progresses specific high-level priorities and to help further inform and resource policies that will help achieve these priorities.

Why is it becoming more popular?

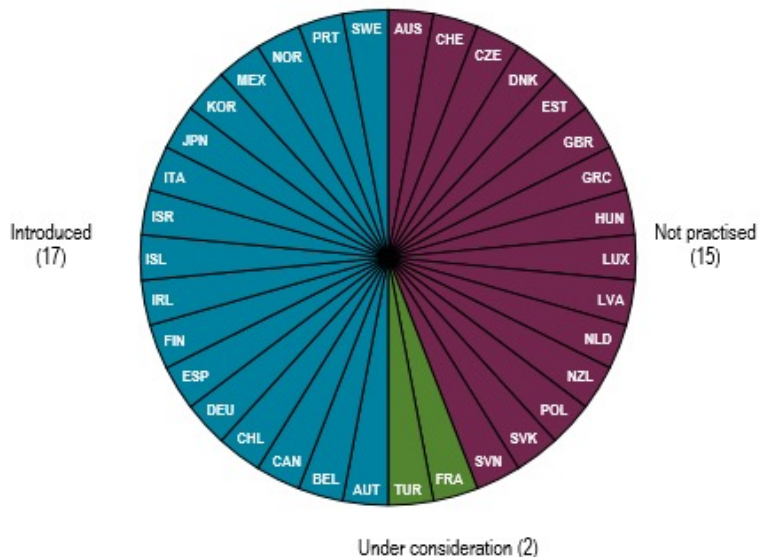
- Performance budgeting has fallen short of what is required to respond to complex issues such as societal well-being, social inequality and climate change.
- Governments are looking to adapt their approach to budgeting to tackle complex challenges seen today.
- These new approaches can offer a more systematic effort in the way governments communicate and resource their priorities.



Trends in gender budgeting

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Half of OECD countries now practice gender budgeting



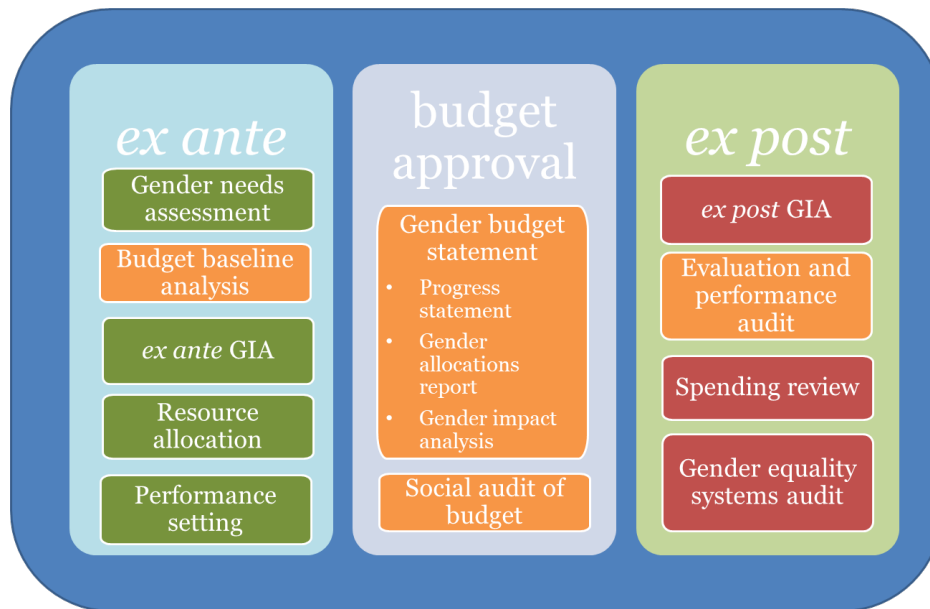
Source: OECD (2019), Budgeting and Public Expenditures in OECD Countries



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Tools most commonly applied at the ex ante phase of the budget cycle

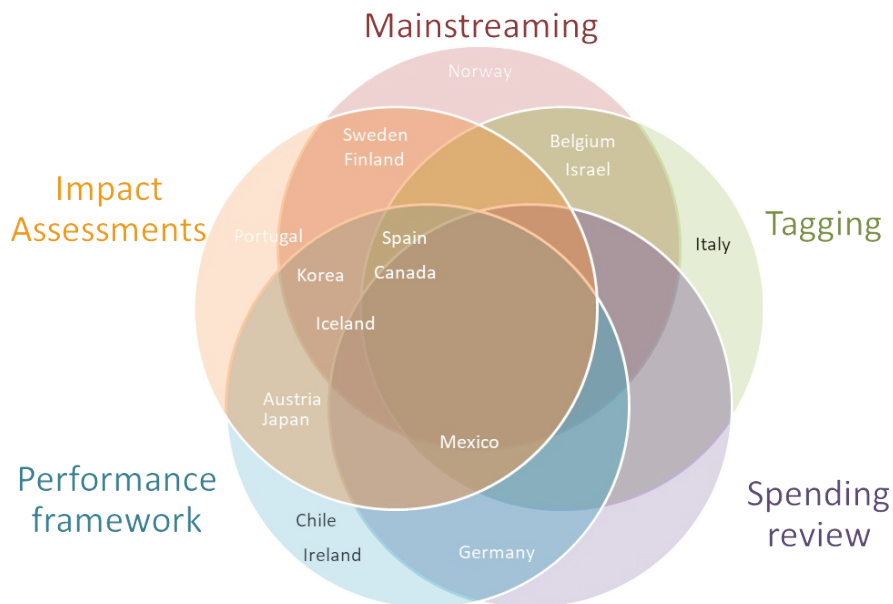




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Entry point depends on characteristics of existing budgeting system, but then countries often use multiple tools





Case studies from across the OECD

Canada

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Comprehensive approach with strong political commitment

Approach	Key Features	Challenges
<ul style="list-style-type: none">GBA+ analytical processGender Results FrameworkAll Budget measures requires GBA+ analysisGender statementPerformance dimension	<ul style="list-style-type: none">Legislative underpinningFast progressFocus on strengthening gender disaggregated dataIntersectionalityComprehensive GBA+ training	<ul style="list-style-type: none">High expectationsProvinces responsible for spending in many important areasLimited engagement of ParliamentVery politically affiliated
Legal and Political Underpinning		
<ul style="list-style-type: none">High level political commitment from PM Trudeau to integrate gender to budget practiceCanada Gender Budgeting Act (2018)		



Case studies from across the OECD

Iceland

Introduced alongside budget reforms, underpinned by strong baseline assessments

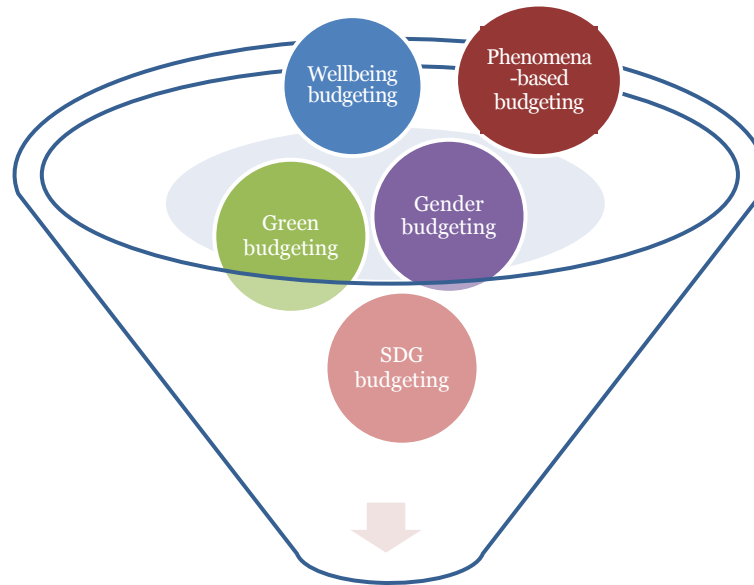
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Approach	Key Features	Challenges
<ul style="list-style-type: none">Gradual scale up from pilot project to eventual institutionalisationBaseline assessment of gender equality in each policy areaGender impact assessment of new budget measuresGender dimension to performance framework	<ul style="list-style-type: none">Close integration between gender mainstreaming and gender budgetingCross-party political commitmentHigh-level ministerial committee	<ul style="list-style-type: none">Departments lack capacity to engageInformation not yet impacting decision-makingPotential for greater engagement with new information from external stakeholders
Legal and Political Underpinning		
<ul style="list-style-type: none">Post financial crisis, parliament passed a new Organic Budget Law (2016) requiring budget bills to outline its effect on gender and gender equality targets		



Other examples of budgeting for high-level priorities

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SDG budgeting case studies

Mexico

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Strategic Framework

- **Alignment to National Development Plan (2019-2024):** All 17 SDGs are linked to the country's 5 year plan.

Budgeting Tools for Evidence

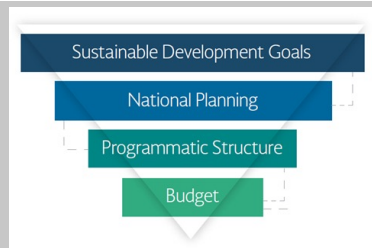
- **SDG budget tagging:** Budgetary programmes and performance targets are tagged where they link to one of the 17 SDGs or their sub goals (directly or indirectly)

Accountability and Transparency

- **Strong engagement from parliament and the Supreme Audit Institution:** Senate Working Group for Monitoring Implementation of the SDGs and audits conducted by the SAI.

Enabling Environment

- **Capacity development:** Training conducted by Ministry of Finance and Public Credit
- **Modern budget framework:** Long-standing practice of programme-based budgeting, performance budgeting and strong links between planning and budgeting





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What does it show?

Almost a third of programs are linked to SDG 16, reflecting the focus on strengthening government institutions and fighting corruption in Mexico.





SDG budgeting case studies

Slovenia

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Strategic Framework

- **Long-term Strategy:** *Vision of Slovenia 2050* and *Slovenian Development Strategy 2030*.

Budgeting Tools for Evidence

- **Performance framework linked to SDGs:** 12 goals and 30 KPIs in the Slovenian Development Strategy are linked to all 17 SDGs.

Accountability and Transparency

- **Audits on performance:** Slovenian Court of Audit intends to review government's efforts to address the national development strategy.

Enabling Environment

- **Modern budget framework:** Strong links between planning and performance framework facilitates alignment of budget to SDGs.



Common challenges

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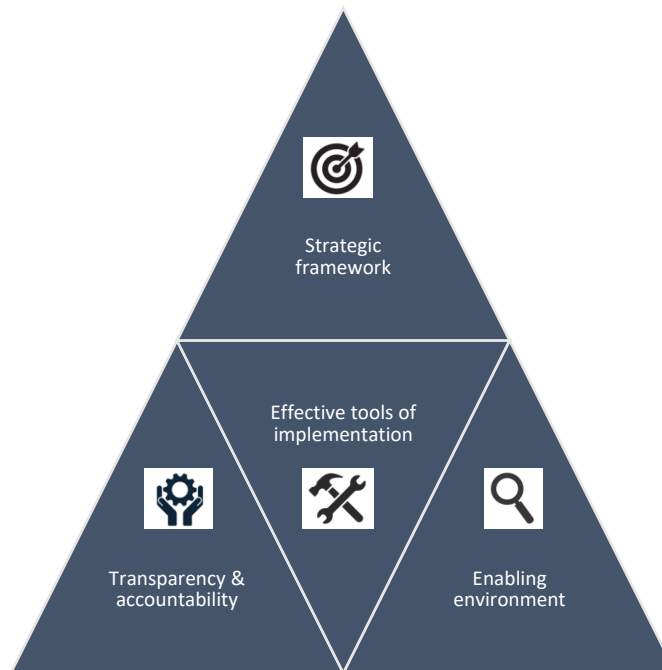
VI. Key success factors

- > Practices not always guided by, or linked to, overarching strategy
- > For successful priority budgeting, you need good data
- > Can be difficult to sustain political commitment over multiple election cycles
- > Requires a modern budgetary framework to be most effective
- > Poor engagement of line ministries due to capacity constraints
- > Impact requires going beyond production of new information and influencing budget decisions
- > Can be a challenge to implement more than one type of priority budgeting



Key success factors

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