



# MONITORING REPORT FOR THE OECD COUNCIL

*Relating to the Recommendation on  
Principles for Independent Fiscal Institutions*

10<sup>th</sup> Annual Meeting of the OECD Network of Parliamentary Budget  
Officials and Independent Fiscal Institutions

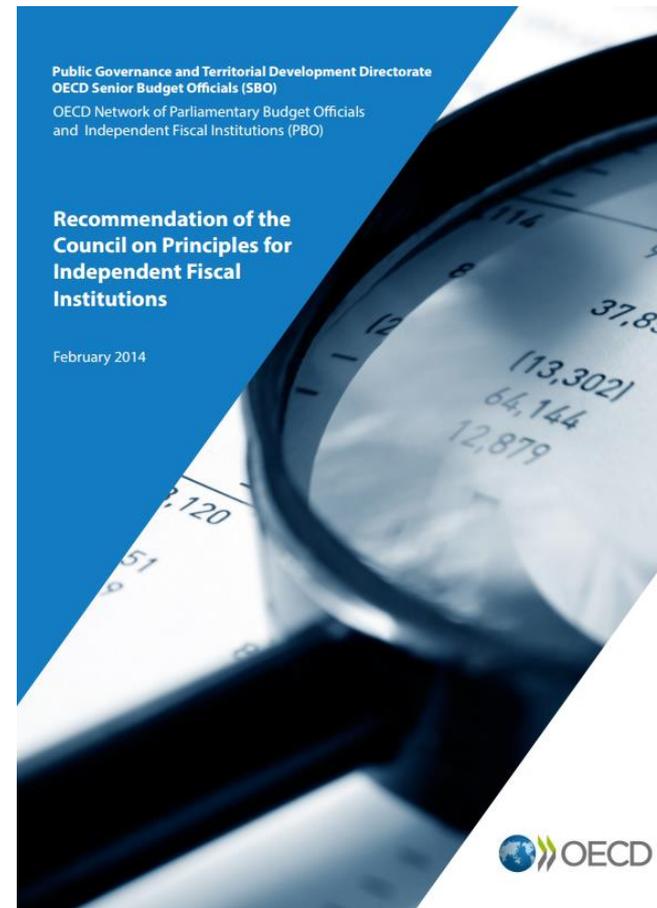
Seoul, Korea

3-4 July 2018



# Monitoring report

- Recommendation adopted in 2014
- Requirement to monitor implementation and report to the OECD Council
- Monitoring report looks at:
  - Dissemination of Recommendation
  - Assessment of Implementation
  - Continued relevance of recommendation





# Analysis of current implementation

## *Practices well-implemented*

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- OECD IFIs exhibit high levels of independence
  - 100% of leaders appointed on basis of merit and technical competence
  - Almost all have clearly defined term lengths (97%) independent of political cycle
  - Almost all have the ability to set their own work programme and undertake work at own initiative (97%)
  - Most (82%) have legal independence
- OECD IFIs tend to have an established relationship with the legislature
  - Most table key reports (91%) and participate in parliament hearings (88%)
  - In majority of cases parliament plays a role in appointing/dismissing leadership (58%)
- OECD IFIs display high levels of transparency
  - Almost all (91%) have full operational transparency and publish all reports
  - Three quarters (76%) publish all underlying methodology



# Analysis of current implementation

## *Aspects where further attention is still needed*

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- Scope for improved financial independence to protect from political pressure or perceived pressure
  - Less than half have a separate budget line (45%) and few benefit from multi-annual funding commitments (15%)
- Substantial variation in resourcing among OECD IFIs
  - No established measure to determine whether resources commensurate with mandate; some with very low levels of financial and human resources
  - Just 36% of leaders are full-time and 61% have control over hiring process for staff
- Many OECD IFIs experience challenges in relation to access to information
  - A quarter of IFIs (24%) still do not have access to information guaranteed via legislation or MoU/agreement
- Scope for external evaluation may be limited because of resource or other constraints
  - Just 13% have external evaluation foreseen in legislation



## Key questions

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- Are there factors preventing the Recommendation from being applied fully across OECD countries?
- What developments could further support the implementation of the OECD Recommendation?
  - E.g., survey to develop an improved understanding of the level of resourcing needed to carry out certain IFI tasks
- Have IFIs identified new challenges that are not covered in the Recommendation?



THANK YOU