

Independent fiscal institutions

Independent fiscal institutions (IFIs) are independent public institutions with a mandate to critically assess, and in some cases provide non-partisan advice on, fiscal policy and performance. IFIs aim to promote sound fiscal policy and sustainable public finances through supporting greater transparency and accountability. There has been a surge in the number of IFIs since the global financial crisis, with 35 national institutions now in place in 29 OECD countries (six countries have more than one national IFI) (Figure 6.7). Where IFIs are functioning well, their existence can support democratic debate in parliament, and help foster trust in fiscal policy decisions.

The OECD Principles for Independent Fiscal Institutions call on IFIs to develop effective communication channels from the outset as these are key to achieving impact (OECD, 2014). Given that the influence of IFIs in fiscal policy making is persuasive (rather than coercive by means of legal sanctions or other punitive measures), media coverage of their work assists in fostering informed constituencies that may then encourage the government to behave transparently and responsibly in fiscal matters. The credibility of the independence of the IFI is an important pre-condition for its views to be influential in the public debate. In addition, it is important that IFIs have a steady media presence and ensure key messages are focused and provided when they matter most during the budget process.

The 2021 OECD IFI Communications Index provides a measure of communications practices across OECD IFIs at the national level. The index considers institutional arrangements in relation to three different aspects of communications - disseminating research, promoting research, and tracking influence (Figure 6.8). The results show that national IFIs across the OECD tend to actively disseminate research, scoring an average of 0.34 out of a possible 0.52. Similarly, most IFIs work to promote their research, scoring an average of 0.21 out of a possible 0.32. However, IFIs' capacity for tracking influence (e.g. through tracking media and parliamentary mentions or undertaking stakeholder surveys) is relatively less developed. The average score across IFIs in the OECD for tracking influence is 0.09 out of a possible 0.16. In general, those institutions at the top of the index, including the Netherlands Central Planning Bureau, the United States Congressional Budget Office and Canadian Parliamentary Budget Office, often enjoy greater independence, with a wider scope of responsibilities and a larger staff. Several IFIs - particularly those with limited staff resources - still have relatively limited communications practices.

Recognising that good communications underpin impact, IFIs are investing in their communications efforts and developing tools and processes to strengthen their overall approach. For example, 60% of OECD IFIs at the national

level (21 institutions out of 35) have a communications policy which sets out - among other things - how it will deal with media requests and interact with social media. Furthermore, almost half (16 institutions, 46%) have a communications strategy which identifies how the IFI will increase its impact and reach. It is now commonplace for IFI reports to be accompanied by press releases (29 institutions, 83%) and press conferences (20 institutions, 57%) (Figure 6.9). These can help ensure greater public awareness of the IFIs key messages, strengthening their potential impact.

Methodology and definitions

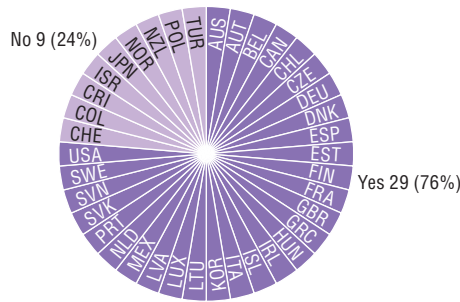
Data are derived from the 2021 OECD *Independent Fiscal Institutions Database* and refer to only national institutions in OECD member countries. The data were collected by desk research and then verified by senior officials in the OECD's Working Party of Parliamentary Budget Officials and Independent Fiscal Institutions. The dataset includes 35 national-level institutions in 29 OECD countries. Six countries have two independent fiscal institutions (Austria, Belgium, Finland, Greece, Ireland and Portugal). The full dataset also includes sub-national IFIs, not covered by this analysis.

The scope of the Database was broadened in 2021, providing a richer coverage of IFI functions, communications, and transparency. New data relating to communications informed the development of the 2021 OECD IFI Communications Index. The index considers institutional arrangements in relation to three different aspects of communications and weightings, with an emphasis on (1) disseminating research (52%); followed by promoting research (32%) and tracking influence (16%). Institutional scores were determined by adding together the weighted scores of each pillar. The variables and weightings comprising the index were selected by OECD experts based on their relevance to the concept and have been reviewed by country delegates to the Working Party of Parliamentary Budget Officials and Independent Fiscal Institutions. Further details on the composite index are available in Annex A.

Further reading

OECD (2014), "Recommendation of the Council on Principles for Independent Fiscal Institutions", OECD *Legal Instruments*, OECD/LEGAL/0401, OECD, Paris, <https://www.oecd.org/gov/budgeting/OECD-Recommendation-on-Principles-for-Independent-Fiscal-Institutions.pdf>.

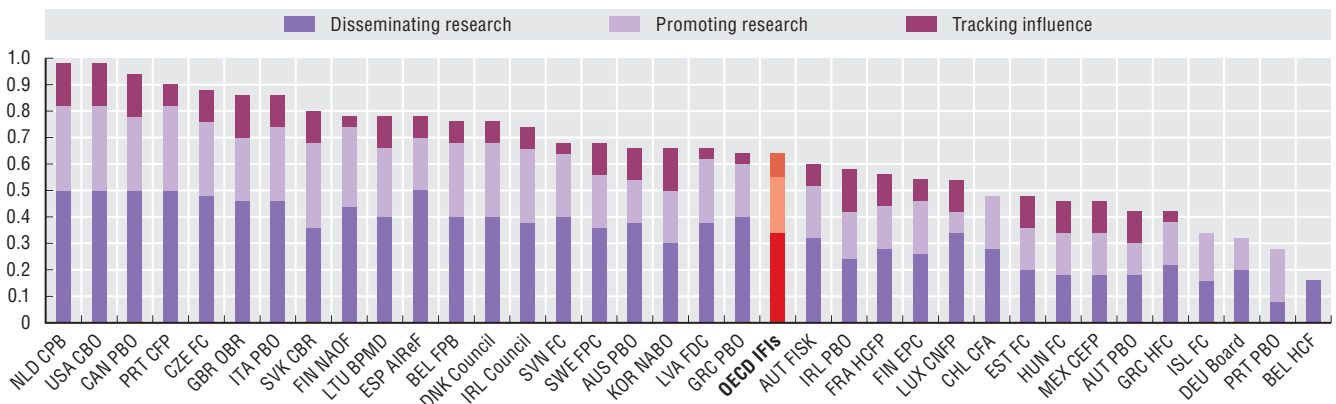
6.7. Existence of Independent Fiscal Institutions in OECD countries, 2021



Source: OECD Independent Fiscal Institutions Database (2021).

StatLink <https://stat.link/domznp>

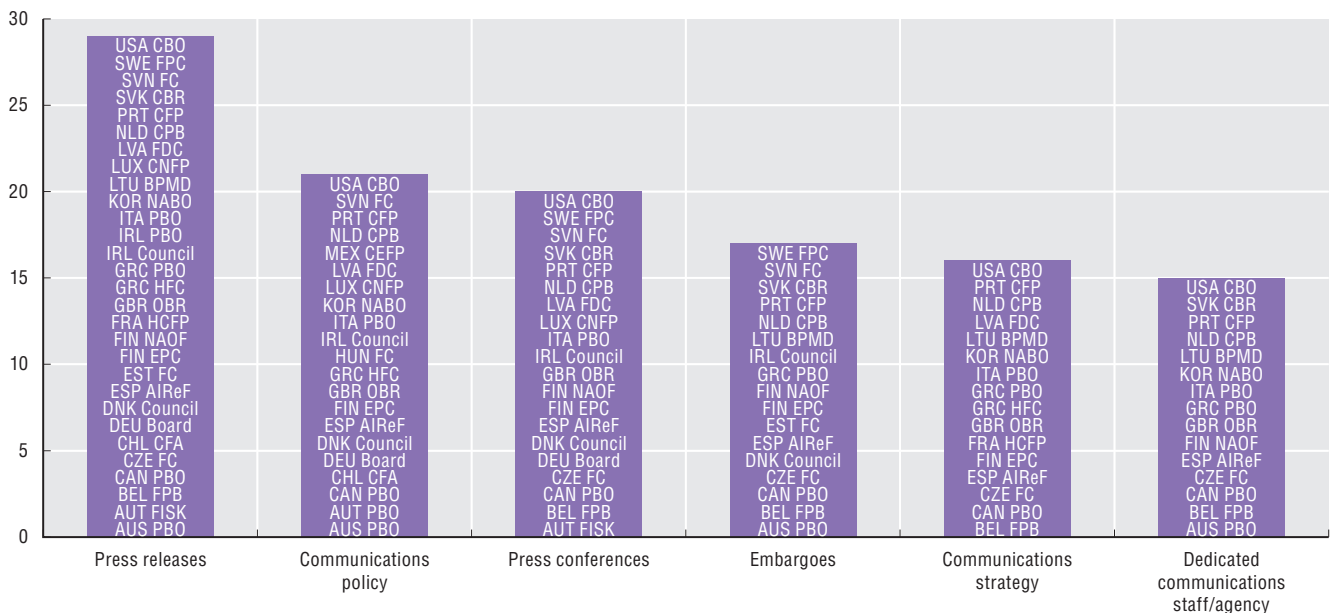
6.8. OECD IFI Communications Index, 2021



Source: OECD Independent Fiscal Institutions Database (2021).

StatLink <https://stat.link/nymiz7>

6.9. Disseminating research: IFI communication tools and practices, 2021



Source: OECD Independent Fiscal Institutions Database (2021).

StatLink <https://stat.link/wod67i>



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