



Performance-Informed Budgeting in Flanders, Belgium



Performance-Informed Budgeting in Flanders, Belgium

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Please cite this publication as:

OECD (2024), *Performance-Informed Budgeting in Flanders, Belgium*, OECD Publishing, Paris,
<https://doi.org/10.1787/425a9e96-en>.

ISBN 978-92-64-48921-9 (pdf)
ISBN 978-92-64-47242-6 (HTML)
ISBN 978-92-64-75901-5 (epub)

Photo credits: Cover © Beata Makuch/Pexels.com.

Corrigenda to OECD publications may be found on line at: www.oecd.org/about/publishing/corrigenda.htm.

© OECD 2024

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <https://www.oecd.org/termsandconditions>.

Foreword

This OECD report is produced under the auspices of the OECD Committee of Senior Budget Officials at the request of the Flemish Department of Budget and Finance. The objective of this OECD report is to assess the current performance-informed budgeting practices in Flanders against OECD best practices and propose concrete recommendations to strengthen the approach to performance-informed budgeting in the region.

Performance-informed budgeting is an umbrella term for broad reforms related to both performance budgeting and spending reviews, where the main objective is to increase efficiency and accountability throughout the public sector. OECD countries have been actively strengthening their approach to budgeting in the past decades, with most Member countries having some form of performance budgeting and spending review framework in place.

Since 2014, the Flemish government has undertaken a series of reforms of its budgetary system to better integrate policy development and resource allocation and improve the accountability and transparency of the Flemish public sector. A key element of this reform is the implementation of performance-informed budgeting, which includes both the implementation of spending reviews and performance budgeting. .

This report takes stock of performance-informed budgeting in Flanders. It provides an assessment of its key strengths and highlights where improvements can be made. Based on this analysis, the report concludes with recommendations on how to strengthen the approach to performance-informed budgeting in Flanders.

The report is structured as follows:

- Chapter 1 provides an overview of performance-informed budgeting practices in OECD countries.
- Chapter 2 takes stock of performance-informed budgeting practices in Flanders and describes the progress made so far.
- Chapter 3 provides international comparison and suggestions on how the Flemish framework can be strengthened.
- Chapter 4 provides recommendations on how to strengthen the approach to performance-informed budgeting in Flanders.

This report was co-ordinated and drafted by Álfrún Tryggvadóttir (Senior Policy Analyst, Lead Performance Budgeting and Spending Reviews), Indré Bambalaité (Policy Analyst) and Titouan Chassagne (Junior Policy Analyst) under the supervision of Jón Blöndal (Head of Division), all from the Public Management and Budgeting Division, Public Governance Directorate, OECD.

The authors would like to thank Koen Algoed, Manuela Vervoort, Koen Vandenweyer, Jens Vermeiren, and Edward Van Sumere, all from the Flemish Department of Finance and Budget, for their valuable contributions and co-ordination throughout the implementation of the project. The authors would like to thank all participants in the fact-finding mission and follow-up calls for their valuable insights. The authors would also like to express gratitude to Elva Bova and Martijn Hoogeland, both from ECFIN Department of the European Commission, for their insights and comments on the report.

Table of contents

Foreword	3
Abbreviations and acronyms	6
Executive summary	7
1 Performance-informed budgeting in OECD countries	9
References	11
2 The current performance-informed budgeting practices in Flanders, Belgium	12
2.1. Reform efforts in Flanders	13
2.2. Budget structure and budget calendar in Flanders	15
2.3. Medium-term budget framework in Flanders	16
2.4. Availability and use of performance information in Flanders	17
2.5. Broad comprehensive spending reviews in Flanders	18
2.6. In-depth spending reviews in Flanders	25
References	25
3 Strengthening performance-informed budgeting practices in Flanders, Belgium	26
3.1. Improving outcome-orientation of the budget process	27
3.2. Further improving the link between spending reviews and the annual budget	27
3.3. Improving the quality of performance information	28
3.4. Improving presentation of performance information in budget documents	31
3.5. Improving the scrutiny of performance information by the Parliament	34
3.6. Communicating performance information to broader audience	35
3.7. Building administrative capacities to engage in performance-informed budgeting	37
References	40
4 OECD Recommendations for strengthening performance-informed budgeting practices in Flanders, Belgium	41

FIGURES

Figure 1.1. Use of Performance Budgeting and Spending Reviews across OECD	11
Figure 2.1. Introducing performance-informed budgeting in Flanders: Timeline	13
Figure 2.2. Budget structure of Flanders	15
Figure 2.3. The broad comprehensive review process: Timeline	20
Figure 2.4. Governance structure for the broad comprehensive reviews in Flanders	20
Figure 3.1. Limiting the number of performance objectives and indicators	29
Figure 3.2. Structure of performance information in France	30
Figure 3.3. Performance information provided to different stakeholders	32

TABLES

Table 2.1. Budget calendar in Flanders	16
Table 2.2. Alignment of the Flemish broad comprehensive review framework with the OECD Best Practices	18
Table 2.3. Roles of stakeholders in the broad comprehensive reviews in Flanders	24
Table 3.1. Examples of performance indicators linked to performance objectives	30
Table 3.2. Presenting performance information: Linking objectives, indicators, and targets	33
Table 3.3. Costs and benefits of spending reviews conducted by external parties	38
Table 4.1. A path forward for implementing performance-informed budgeting in Flanders	42

BOXES

Box 1.1. Performance budgeting and spending reviews defined	10
Box 2.1. Legal basis for performance-informed budgeting in Flanders	14
Box 2.2. Medium-term budget framework in Flanders	16
Box 2.3. Examples of performance indicators included in the the Policy and Budgetary Explanation Notes (BBTs)	17
Box 2.4. Six key areas considered during the broad comprehensive review in Flanders	22
Box 2.5. Impact of the broad comprehensive reviews in Flanders	23
Box 3.1. Gradual approach to performance budgeting in Estonia	27
Box 3.2. Spending reviews in Denmark	28
Box 3.3. Structure of performance information in France	29
Box 3.4. Quality assurance process in Austria	31
Box 3.5. Budget documentation in Iceland	32
Box 3.6. OECD Best Practices for Parliaments in Budgeting	34
Box 3.7. Accountability Day in the Netherlands	35
Box 3.8. Budget at a glance of Lithuania	36
Box 3.9. Use of dashboards and visual tools	37
Box 3.10. Building up capacities for Spending Reviews	38
Box 3.11. Building a spending review community in Estonia	39

Follow OECD Publications on:



<https://twitter.com/OECD>



<https://www.facebook.com/theOECD>



<https://www.linkedin.com/company/organisation-eco-cooperation-development-organisation-cooperation-developpement-eco/>



<https://www.youtube.com/user/OECDiLibrary>



<https://www.oecd.org/newsletters/>

Abbreviations and acronyms

BBTs	Policy and Budgetary Explanation Notes
BVCO	Flemish Government Finance Code
ECFIN	Economics and Financial Affairs Department
FPMO	Federal Performance Management Office
ISE	Substantive Structural Elements (<i>Inhoudelijk structurelement</i>)
IT	Information Technology
OECD	Organisation for Co-operation and Economic Development
SERV	Social Economic Council of Flanders (<i>Sociaal-Economisch Raad van Vlaanderen</i>)
SMART	Specific, Measurable, Achievable, Results focused, Time bound
ToR	Terms of Reference
VBH	Flemish Comprehensive Review (<i>Vlaamse Brede Heroverweging</i>)

Executive summary

The Flemish budgeting framework is distinguished by the region's strong commitment to implement performance-informed budgeting practices, with a significant emphasis on increasing the efficiency of resource allocation through spending reviews and supporting informed budget decisions through performance budgeting reforms. Performance-informed budgeting is legally embedded in Flanders, further emphasising the strong commitment to reform. The Flemish government is committed to maintaining sound public finances and sustaining structural growth in the region. Flanders outlined a budgetary plan for returning to a balanced budget by 2027.

Over a relatively short time, Flanders has made significant efforts to implement performance-informed budgeting practices by conducting a pilot spending review, completing two rounds of broad comprehensive reviews, and continuing efforts to conduct in-depth spending reviews. In addition, the Flemish authorities are taking steps to increase the availability of performance information and to strengthen the medium-term budget framework by introducing expenditure benchmarks. All of this demonstrates a strong commitment to increasing public sector efficiency and accountability.

Despite these efforts, certain challenges persist. The budgeting process in Flanders is still primarily input-oriented: the discussion between the Department of Finance and Budget and other departments mainly focuses on how much funding departments will get and decision makers make limited use of available performance information. At the same time, while efforts have been made to integrate broad comprehensive reviews with the budget process, the results of these reviews have not been available before the beginning of the budget cycle, making it difficult to consider the results of the reviews as part of the budget process.

It is important to address these challenges and build on progress made to strengthen the approach to performance budgeting and spending reviews in Flanders. To this end, the OECD has assessed the approach to performance-informed budgeting in Flanders, concluding with six key recommendations and related actions to further strengthen the framework.

Key recommendations

Based on its assessment, the OECD has developed six key recommendations and associated actions to strengthen the Flemish performance-informed practices.

1. Strengthen the link between spending reviews and the budget process

- Ensure that results of broad comprehensive reviews and in-depth spending reviews are ready before the budget negotiations phase starts in March.
- Allow smaller in-depth spending reviews to run on a rolling basis during the same year.
- Ensure that spending review recommendations are reflected in the budget and over the medium term by analysing budget trends and performance information.

2. Improve the quality of performance information developed by departments

- Improve the links between performance objectives and performance indicators by presenting performance indicators alongside performance objectives in summary tables in the Policy and Budgetary Explanation Notes (BBTs) and ensure indicators measure progress towards achieving objectives.

- Put a limit on the number of performance objectives and indicators to be included in the BBTs (1-2 strategic objectives per policy field, up to 4 operational objectives per strategic objective and 1-2 performance indicators per operational objective).
 - Ensure quality assurance of performance information by discussing the relevance and consistency of performance information presented by departments.
- 3. Improve the presentation of performance information**
- Reduce the volume of BBTs by including only relevant information and keeping detailed breakdowns of information for internal purposes that can be provided upon request.
 - Use standardised and binding templates to present performance information in the BBTs and update them regularly based on feedback from stakeholders.
 - Once available, integrate the template into the IT systems to facilitate data collection and monitoring efforts.
- 4. Strengthen the role of the parliamentary budget committee and sectoral committees in scrutinising performance information**
- The budget committee should be responsible for discussing the main aspects of the budget but delegate responsibility to sectoral committees for scrutinising relevant performance information.
 - Sectoral committees should engage with departments on the performance information they present and hold them accountable for what is presented.
 - Present information on the results achieved by policy domains to Parliament during an Accountability Day in early Spring.
- 5. Communicate budget developments and performance information to a broader audience to create a performance culture and ensure accountability**
- Develop a “budget at a glance” to present the key aspects of the budget in an accessible manner.
 - Include a statement from the government on the key priorities for the fiscal year and on key aspects of the budget in the “budget at a glance” and make use of infographics and other visual aids.
 - Once relevant IT systems are developed, develop interactive dashboards where stakeholders can build tables and download performance information in accessible formats.
- 6. Strengthen capacities within the administration for performance-informed budgeting practices**
- Gradually build up capacities to conduct broad comprehensive reviews and in-depth spending reviews in-house to ensure ownership of the results.
 - Hold an information session at the launch of the broad comprehensive reviews when working groups are formed to explain the process and provide a platform to ask questions.
 - Develop a leaflet on performance-informed budgeting, which includes the key concepts, ways to use performance information and glossary of the key terms and distribute it to decision makers.
 - Create a team of 2-3 policy analysts within the Department of Finance and Budget that coordinates the spending review efforts across the administration and engages with departments on the quality of performance information and other operational elements related to the reform.
 - Establish a performance-informed budgeting community to exchange on the progress made and gaps to be addressed.

1 Performance-informed budgeting in OECD countries

This chapter provides an overview of performance budgeting and spending review practices in OECD countries. It discusses the key challenges faced by countries implementing similar reforms.

Governments across the OECD are facing substantial fiscal challenges that pose a significant threat to long-term fiscal sustainability. The enduring impacts of the COVID-19 pandemic, rising energy prices and the cost-of-living crisis have resulted in substantial increase in government spending. These factors, combined with mounting mandatory expenditure related to an ageing population, the pressing issues of climate change, and other challenges, have left governments with limited fiscal space to fund new spending initiatives.

Countries have been implementing performance-related budgetary reforms, such as performance budgeting and spending reviews, to help align limited fiscal resources with the priorities of the government and to increase transparency and accountability throughout the budget process. By systematically taking stock of existing expenditure to identify savings or relocation options through spending reviews, and by moving away from the traditional focus on inputs towards measurable results through performance budgeting, governments are in a better place to improve the allocation of public funding.

Box 1.1. Performance budgeting and spending reviews defined

Performance budgeting

Performance budgeting is defined as the systematic use of performance information to inform budget decisions, either as a direct input to budget allocation decisions or as contextual information to inform budget planning. Its purpose is to instil greater transparency and accountability throughout the budget process by providing information to government officials, legislators, and the public on the purposes of spending and the results achieved.

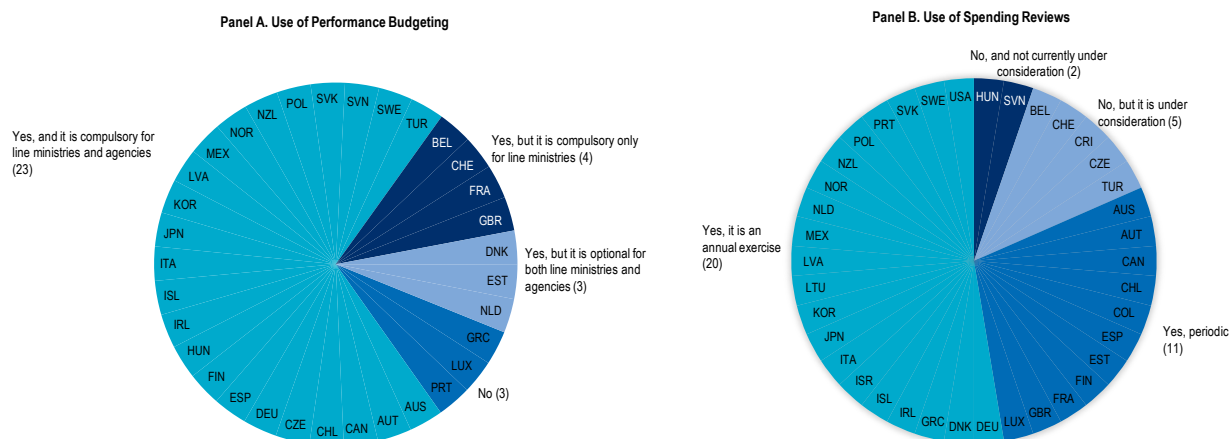
Spending reviews

Spending reviews are tools for systematically analysing the government's existing expenditure. They are clearly linked to the budget process. The purposes of a spending review include:

- Enabling the government to manage the aggregate level of expenditure.
- Identify savings and/or reallocation measures.
- Improving effectiveness within programmes and policies.

Most OECD countries have performance budgeting and spending review frameworks (Figure 1.1). Since 2020, more OECD countries, such as Greece, Portugal, Estonia, and the Czechia, have introduced performance budgeting and spending reviews.

Figure 1.1. Use of Performance Budgeting and Spending Reviews across OECD



Note: Panel A: data from 2018; Panel B: data from 2020.

Source: OECD (2018^[1]), Performance Budgeting Survey and OECD (2020^[2]), Spending Review Survey.

International experience shows that performance-informed budgetary reforms are most effective when they are a part of a set of mutually supportive reforms, and not an isolated initiative. Efforts such as restructuring the budget around policy objectives and programmes, using performance information for decision-making, implementing spending reviews to examine baseline expenditure, and introducing IT systems mutually support the development of performance-oriented culture within the administration.

There is no one-size-fits-all design to performance-informed budgeting, as budgeting practices differ across countries. However, OECD experience shows that there are several key factors that can make the implementation of such reforms more effective. These include having clear and transparent objectives, encouraging both accountability and autonomy, and designing a practical and functional framework. These elements are essential for shaping a successful performance-informed budgeting framework tailored to each country's unique circumstances and needs.

While many OECD countries have been implementing performance-informed budgeting reforms, certain common challenges persist. As reported by OECD countries, this includes lack of political commitment, limited access to relevant performance data, insufficient capacities within line departments, and the absence of effective monitoring mechanisms. These challenges hinder the successful implementation of performance-informed budgeting, prompting countries to seek ongoing improvements to their frameworks to address these obstacles.

References

OECD (2020), *OECD Spending Review Survey*, ^[2]
http://qdd.oecd.org/subject.aspx?Subject=GOV_SP_REV.

OECD (2018), *OECD Performance Budgeting Survey*, ^[1]
https://qdd.oecd.org/subject.aspx?Subject=PB_2018.

2 **The current performance-informed budgeting practices in Flanders, Belgium**

This chapter provides an overview of the current state of the performance-informed budgeting practices in Flanders. It discusses the recent reform efforts, the structure of the budget, medium-term planning practices, availability of performance information. It assesses the broad comprehensive review practices in Flanders, as well as existence of in-depth spending reviews.

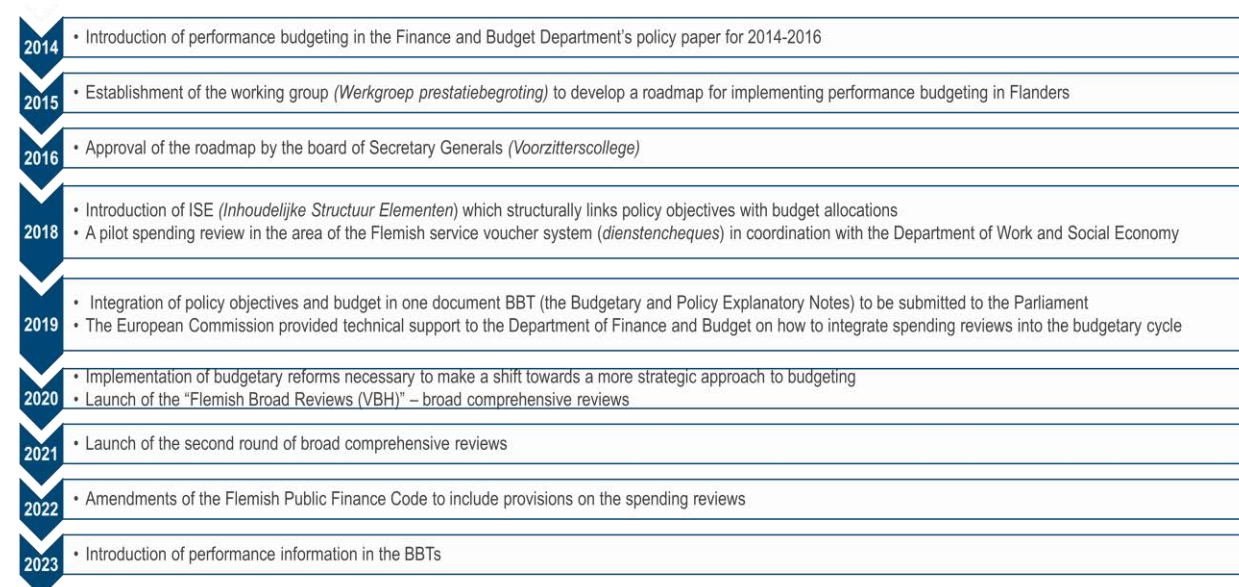
2.1. Reform efforts in Flanders

From 2014-2019, Flanders embarked on a series of budgetary reforms aimed at improving the integration of policy, management, and budget, to improve efficiency and effectiveness of resource allocation (Figure 2.1). Central to the reform agenda was the concept of performance budgeting, which was first introduced in the Finance and Budget Department's policy paper (2014^[1]).

In 2015, recognising the benefits of performance budgeting, the Flemish Government established the working group known as "*werkgroep prestatiebegroting*", which marked the initial step towards implementing performance-related reforms in budgeting in Flanders. Following the approval of the vision paper by the board of Secretary Generals (*Voorzitterscollege*) in 2016, the Flemish Government committed to integrating performance indicators into the budgetary process by 2020.

In early 2018, the Department of Finance and Budget conducted a pilot spending review on the Flemish service voucher system (*dienstencheques*) in co-ordination with the Department of Work and Social Economy and with support from the European Commission. The pilot review aimed at building capacities within the administration and drawing lessons learnt on the design and implementation of spending reviews.

Figure 2.1. Introducing performance-informed budgeting in Flanders: Timeline



In 2019, the European Commission played a pivotal role in assisting the Department of Finance and Budget in Flanders in integrating spending reviews in the budget cycle by providing technical assistance. The work concluded with a report *Integrating Spending Review in the Budgetary System* (Cangiano, Ercoli and Hers, 2019^[2]). This assistance proved to be instrumental in shaping the Department's approach to spending reviews and provided the Department with a comprehensive approach to integrating spending reviews into the budgetary system.

Following a positive experience with the pilot in-depth review in 2018 and the country-specific recommendations by the European Commission in 2018, in 2020 the Department of Finance and Budget launched the "Spending Reviews - Flemish General Revision and Spending Norm" project as part of the Flemish recovery plan (*Vlaamse Veerkracht*) and the Belgian National Recovery and Resilience Plan (NRPP).

In the same year, the Flemish government launched the Flemish Broad Comprehensive Review (*Vlaamse Brede Heroverweging*) (VBH)¹. This involved analysing virtually all spending under different policy areas, where the results of the broad comprehensive review informed the 2022 budgetary cycle.

In 2021, the Flemish government selected eight spending review topics to be carried out over the period of 2022-2024 and approved the timeline for the exercise. In 2022, a ninth topic was agreed by the government. During this exercise, at least one topic for each Flemish policy domain would be reviewed:

- The rationale of the grants provided by the department of Culture, Youth and Media.
- The higher education budget.
- Sustainable water usage and the organisation of the waterscape.
- Instruments of the housing policy.
- Organisational structure of the Flemish government.
- Modal shift in Flanders.
- The Flemish productivity policy.
- Integration of the three care budgets.
- Fiscal support measures for families with children.

Since the first broad comprehensive review and the pilot in-depth review, the Flemish government has shown strong commitment to make such reviews a regular exercise. In 2022, the Flemish Public Finance Code was amended to include provisions for broad comprehensive reviews and in-depth reviews, as described in Box 2.1. This legal foundation not only reinforces the commitment to transparent and accountable fiscal management but also institutionalises the practices within the governance structure. By embedding performance-informed budgeting in legislation, Flanders ensures that performance-informed budgeting is not a temporary measure but a permanent feature of its public fiscal management system. This also offers stability and continuity, safeguarding the process against changing political or administrative priorities.

Notably, the legislation articulates the key guiding principles of performance-informed budgeting, providing the region with certain flexibility in terms of implementation. Details on procedures and processes in implementing performance-informed budgeting are included in relevant guidelines. This allows for the operational aspects of the performance-informed budgeting process to be more adaptive and responsive to changes, ensuring that the practices remain relevant and effective.

Box 2.1. Legal basis for performance-informed budgeting in Flanders

The foundations for performance-informed budgeting in Flanders are firmly established within the Flemish Public Finance Code. This legislative framework was updated and amended in 2022 to incorporate specific provisions pertaining to spending reviews and broad comprehensive reviews.

Within this context, Article 10 of the Flemish Public Finance Code emphasises the integration of both comprehensive and in-depth spending reviews into the budgetary cycle:

“The Flemish Government organises the budget of revenues and expenditures of the Flemish Government according to the principles of performance-informed budgeting, in light of a multi-year perspective. Broad comprehensive reviews and spending reviews are used for this purpose. The Flemish Government determines the principles with which the broad comprehensive reviews and spending reviews comply.”

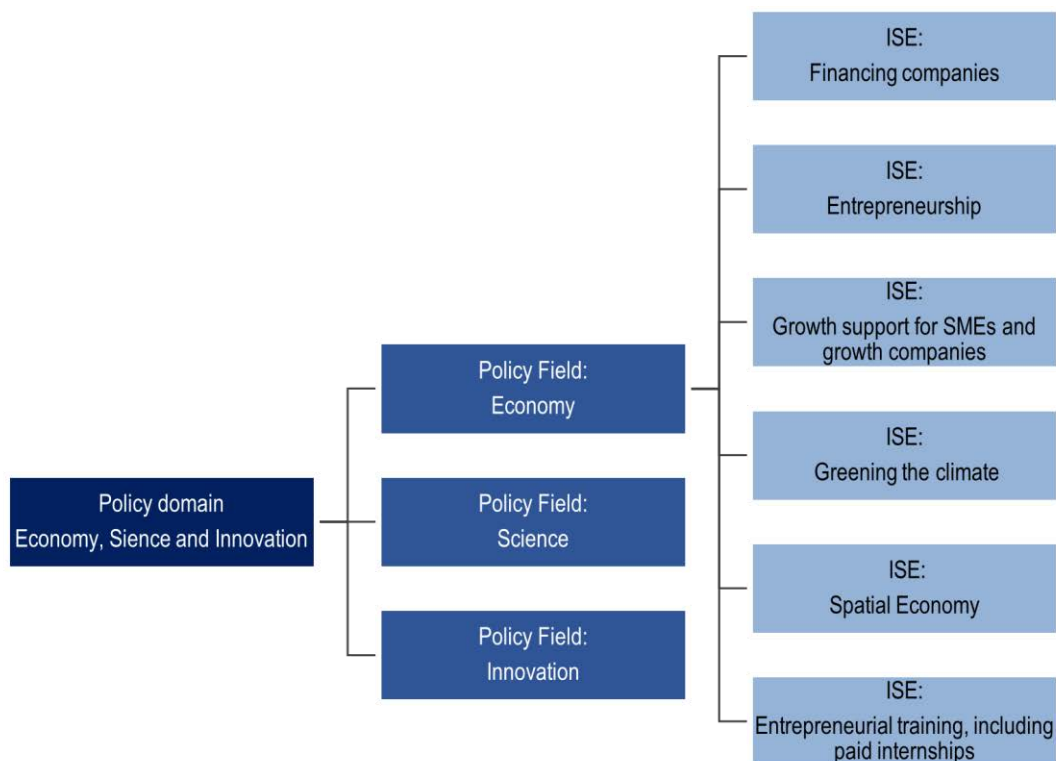
The legislation also underlines the importance of regularity of the spending review process. It mandates that the government conducts at least one comprehensive review per legislative term. At the outset of each legislative term, the government is required to establish an indicative planning of spending reviews for its entire term. These requirements aim to enhance the accountability with regards to public resource allocation and align it with the broader policy objectives of the Flemish government.

2.2. Budget structure and budget calendar in Flanders

The budget is structured around ten policy domains which are composed of a department and several agencies. An example of a policy domain is *Economy, Science, and Innovation*, as shown in Figure 2.2. The policy domains are further divided into 80 policy fields or budget programmes that Parliament votes on. Each policy field is further divided into two to five Substantive Structural Elements (*Inhoudelijk structuurelement* or ISE).

The overall budget structure, which is composed of policy domains, policy fields, and the ISE are not expected to change during the legislative term, whereas strategic and operational objectives can vary depending on the priorities of the government.

Figure 2.2. Budget structure of Flanders



The budget calendar in Flanders starts in the beginning of May, when the budget circular is issued, as shown in Table 2.1. The budget is presented to the parliament in October and Parliament votes on the budget in December.

Table 2.1. Budget calendar in Flanders

Budget cycle	
Budget circular	Beginning of May
Preparation of budget proposals by line departments	May – July
Negotiations with line ministries	July
September Declaration (the policy and budget declaration)	fourth Monday of September
Executive budget proposal presented to parliament	Third week of October
Multi-annual estimates	Before the 28 th of October
Parliamentary scrutiny	October – mid-December
Parliamentary vote on budget	December
In-year budget execution reports	Monthly
Year-end financial statement	June

In addition, Flanders has introduced an expenditure benchmark to provide the Flemish government with greater responsibility in managing budgets within predefined parameters. This expenditure benchmark, where each policy domain is allocated a budgetary envelope with a fixed real year-on-year growth, will be applied from the 2025 draft budget.

2.3. Medium-term budget framework in Flanders

The medium-term budget framework in Flanders spans six years, where the first year is binding and the out years are estimates that are updated on a rolling basis taking the initial budget as a starting point, as shown in Box 2.2.

Box 2.2. Medium-term budget framework in Flanders

The annual budget contains an estimate of the expected revenue (resources budget) and expenditure (expenditure budget) for the upcoming budget. The initial budget is placed in a multi-year perspective. The multi-year estimate is assessed on a yearly basis and adjusted to the changing circumstances, using the initial budget as a starting point. The estimate is thus extended each time by one year.

The multi-year estimate applies to a six-year period including the current year. The multi-year estimate places the unchanged policy and selected policy options in a multiannual budgetary perspective and forecasts the evolution of the Flemish budget.

The multi-year estimate makes a distinction between the forecasts that are prepared on the basis of policy changes and the budgetary consequences of new policy. In the case of unchanged policy, the underlying assumptions for the applied cost drivers and budgetary commitments are continued in the following years.

Source: Department of Finance and Budget (2022^[3]), Multi-year estimate 2022-2027, <https://financeflanders.be/wp-content/uploads/2022/11/Multi-annual-Estimate-22-27.pdf>.

2.4. Availability and use of performance information in Flanders

2.4.1. Including performance information in budget document

In 2023, the Flemish government made efforts to improve the outcome orientation of the budget process by integrating performance indicators into the initial 2024 budget documents. The aim of integrating quantitative performance information into the Policy and Budgetary Explanation Notes (BBTs) was to support policy and budgetary decision-making and improve transparency. In doing so, it provided the Flemish Parliament and citizens with a clearer understanding of the government's policy and budgetary priorities and achievements. The BBTs are presented as supplementary information alongside budget proposals. These notes serve as comprehensive documents that intend to bridge the gap between policy formulation and the budgeting process, providing detailed information on both policy and budget aspects.

The BBTs follow the same structure as the budget and include a wide range of information, such as the strategic direction of each policy domain, action plans, planned policy developments, and, for the 2024 budget, performance indicators, as shown in Box 2.3. However, the scope and the level of detail of the BBTs differs across different policy domains, some of the BBTs being over 100-pages long.

Box 2.3. Examples of performance indicators included in the the Policy and Budgetary Explanation Notes (BBTs)

Examples of performance indicators included in the BBTs:

- **Human Resource Policy and Audit:** overall satisfaction rates of customers of the Agency of Government Personnel (*Agentschap Overheidspersoneel, AgO*). Measured twice a year through a survey.
- **Finance and Budget:** budgetary balance of the Flemish government.
- **Sports Flanders:** the relative Flemish olympic top sport index (*Relatieve Vlaamse Olympische topsportindex*). The indicator is calculated on the basis of all the Flemish top eight finishes at Olympic Games, World Championships and European Championships.

The BBTs are submitted to Parliament for scrutiny at a similar time as the draft budget; the budget is presented before 21 October and the BBTs are presented before 28 October each year. This allows Parliament to take performance information into account during budget discussions.

2.4.2. Link between performance and funding

In line with the OECD good practices, there is not a direct link between funding and performance in Flanders. No OECD country has implemented a system that enforces immediate budget cuts when performance targets are not met. Instead, the focus is on using performance information to inform decision-making, policy improvement, and transparency rather than imposing punitive measures if performance targets are not met.

2.4.3. Developing performance information in Flanders

Departments are responsible for developing the performance objectives and indicators that are to be included in the BBTs. Departments can choose to set strategic objectives for the policy or ISE, while operational objectives must be set for the ISE. The Department of Finance and Budget provides departments with a template for presenting performance information. However, this template is not binding and in practice, departments can decide how performance information is presented.

The Department of Finance and Budget provides departments with guidelines on how to develop relevant performance information. The guidelines were included in the budget instructions for the 2024 budget. They note that a performance indicator should be SMART and importantly, it is clearly noted that the number of indicators should be limited to avoid an overload of information, although there is no limit on the number of indicators. In addition, the guidelines note that indicators should have a clear link to the strategic and operational objectives. It is also recommended that indicators are not subject to the influence of the Flemish government should be avoided, underlining the significance of focusing on actionable and relevant performance metrics to ensure accountability.

2.4.4. Role of Parliament in using performance information

The Flemish Parliament has a critical role in scrutinising the annual budget. The parliamentary working group on the legible budget (*Leesbare Begroting*) supports the Parliament in this task by providing explanations and support material. Recently, there has been a rising interest within the working group to make use of performance information and the findings from spending reviews as part of the scrutiny process.

The sectoral committees within the Flemish Parliament play a vital role in the examination of BBTs. As it is now, the main focus during committee discussions is on policy aspects outlined in the BBTs and less attention is directed towards the budgetary and performance components contained within the BBTs.

2.5. Broad comprehensive spending reviews in Flanders

In the Flemish administration, broad comprehensive reviews, known as a “Flemish Broad Reviews” or VBH, are defined in the Flemish legislation as “*comprehensive examinations of policies with a budgetary impact, aimed at offering policy options for a more efficient or effective approach to underpin possible policy choices for the future of Flanders in the longer term.*” Legislation stipulates that there should be at least one broad comprehensive review per legislative term.

The Flemish broad comprehensive review framework aligns with most of the OECD Best Practices for Spending Reviews (Tryggvadottir, 2022^[4]), as shown in Table 2.2.

Table 2.2. Alignment of the Flemish broad comprehensive review framework with the OECD Best Practices

OECD Best Practices for Spending Reviews	OECD assessment of the broad comprehensive review framework in Flanders
1. Formulate clear objectives and specify the scope of spending reviews	<ul style="list-style-type: none"> • Clear overall objective of broad comprehensive reviews • Numeric saving targets identified at the beginning of the review • Limited use of templates during the topic selection and scope definition stages
2. Identify distinct political and public service roles in the review process	<ul style="list-style-type: none"> • Reviews were either conducted directly by public servants or outsourced to external parties, yet in all cases, they remained under the supervision of the relevant public servants • Politicians were involved in the key decision-making stages of the reviews
3. Set up clear governance arrangements throughout the review process	<ul style="list-style-type: none"> • Clear governance arrangements were set at the beginning of the review
4. Ensure alignment with the budget process	<ul style="list-style-type: none"> • While efforts have been made in ensuring that the results are ready before the budget negotiations stage, there was often not enough time left to analyse these results thoroughly before they needed to be implemented in the budget • The implementation lacks multi-annual perspective where results are implemented over a medium-term, whenever relevant
5. Implement recommendations in an accountable and transparent manner	<ul style="list-style-type: none"> • Recommendations from the reviews appeared clear, however, there are no formal monitoring processes to track the status of the implementation of the results
6. Ensure full transparency of spending review reports and the review framework	<ul style="list-style-type: none"> • The final reports and accompanying materials are made public on a dedicated website
7. Update the spending review framework periodically	<ul style="list-style-type: none"> • Efforts have been made in assessing and strengthening the overall framework

2.5.1. Objectives

The primary goal of the broad comprehensive reviews is to increase the quality of public finances, by identifying saving options and by improving efficiency and effectiveness of public spending. This has been instrumental in enabling the Flemish government to achieve a balanced budget by 2027.

The commitment to actively seek saving options was openly communicated by the Flemish government when launching the initial round of the broad comprehensive review process in 2020. In their official communication, the Flemish government made it explicit that the broad comprehensive review process had to result in substantial saving options for policymakers to consider. This approach is distinct from resorting to across-the-board budget cuts, emphasising a strategic approach to fiscal management.

However, the broad comprehensive reviews do not focus solely on finding saving options, but evaluate the efficiency and effectiveness of public policies, indicating a broader and more nuanced approach to fiscal analysis.

2.5.2. Scope

In total, the first-round of the broad comprehensive review process in 2020 encompassed eleven thematic reviews. Ten of these reviews were aligned with each of the Flemish policy domains, while the 11th review addressed cross-cutting issues.

Initially, the Flemish government's focus was primarily on the examination of large expenditure items. However, as the process evolved, a decision was made to include all expenditures within the review's scope. Nevertheless, as the broad comprehensive review process unfolded, certain expenditure items had to be excluded from the analysis. This exclusion was due to various factors, including data limitations, pre-existing commitments, such as those outlined in the Coalition Agreement, and specific recovery arrangements.

At the time of this report, the second round of broad comprehensive reviews is being carried out, which includes nine thematic reviews.

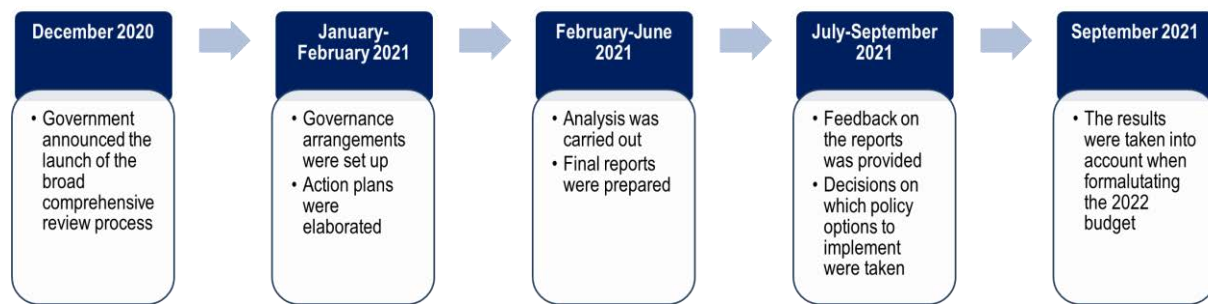
2.5.3. Timeline

The government announced the launch of the broad comprehensive review in December 2020, and the results were expected to be ready before September 2021, as shown in Figure 2.3. The results were intended to inform and guide the formulation of policies and resource allocation decisions for the 2022 budgetary cycle.

To meet this timeline, the setup of the governance arrangements, preparation of action plans, and drafting of the broad comprehensive review reports had to occur within a relatively short window, spanning from January to June 2021. During this phase, the groundwork for the analysis, including data collection and research, was undertaken. Some of the reports were only ready in July 2021, making it difficult to take the results into account during the preparation of the budget.

The limited time available led to a focus on identifying “quick-wins” and easy-to-tackle expenditure items, which sometimes overshadowed a more thorough examination of the most important questions. This highlights the importance of balancing the need for timely results with the depth of analysis required to address complex policy issues effectively.

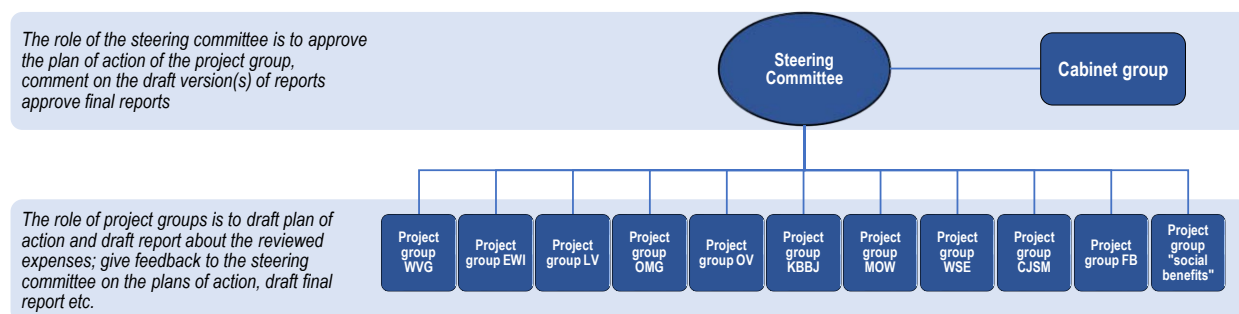
Figure 2.3. The broad comprehensive review process: Timeline



2.5.4. Governance arrangements

The broad comprehensive review process was supervised by a steering committee and conducted by project groups established for each selected topic, as shown in Figure 2.4. The Finance and Budget Department was represented in each of the project groups and supported the work of the steering committee.

Figure 2.4. Governance structure for the broad comprehensive reviews in Flanders



Source: SERV (2022^[5]), The Flemish Broad Review: A Review of the Process, Results Further Steps.

Steering committee

A **steering committee** was established to oversee the entire process of the broad comprehensive review. The key responsibilities of the committee included assessing and evaluating the action plans (terms of reference), commenting on the draft reports, and evaluating the final reports. Importantly, by the end of the process, the steering committee provided insights and lessons learned from the review and put forth recommendations for future broad comprehensive reviews.

The steering committee was chaired by an external person to provide an independent perspective. The other members of the steering committee included:

- One representative of the Belgian Court of Audit (Belgisch Rekenhof).
- One representative of the Social Economic Council of Flanders (Sociaal-Economisch Raad van Vlaanderen, SERV).
- Maximum of two external experts with expertise in policy evaluation.
- Two representatives of the President's College.
- One leading official from the Flemish Finance and Budget Department.

Two representatives from the Finance and Budget Department handled the secretarial functions for the steering committee. The committee met all working groups regularly, where the groups reported on the progress and challenges encountered. No individual meetings were organised with working groups.

For future broad comprehensive reviews, the formal steering committee function will not exist. Instead, the Department of Finance and Budget will take on a co-ordination role.

Project groups

In total, 11 **project groups** were established for each of the selected topics during the first round of broad comprehensive reviews. The project groups were responsible for conducting and carrying out the analysis of the respective reviews. The project groups consisted of a maximum of ten members:

- One co-president appointed by the Department of Finance and Budget.
- One co-president appointed by the department responsible for the policy area concerned.
- At least one external expert.
- At least one representative from the Inspectorate of Finance.
- Experts from the policy area concerned with policy and/or budget experience.

Given the broad scope of the policy area 'Chancellery, Public Governance, Foreign Affairs and Justice' (*Kanselarij, Bestuur, Buitenlandse Zaken en Justitie, KBBJ*), nine smaller working groups were established under the overarching project group. The formation of these working groups was based on a strategic clustering of policy fields, aligning them with the structure and objectives outlined in the BBTs.

The key responsibilities of the project groups included drafting a plan of action, preparing the final report, and providing feedback to the steering committee on the progress made and milestones achieved. The project groups had the freedom to decide their own work processes and methods as long as the predetermined set of key questions (Box 2.4) were covered by the review.

For future broad comprehensive reviews, representatives from the Department of Finance and Budget will be co-ordinating the work of project groups. However, the representatives from the Department of Finance and Budget will no longer be co-presidents of the project groups. In addition, the president of the project group will be appointed in consultations with the Department of Finance and Budget.

Sounding board group

Representatives from the cabinets formed a sounding board group (*klankbordgroep*). This group followed the progress of the project groups carrying out the comprehensive reviews but had no decision-making power in their work. The steering committee provided them with feedback on the progress of the reviews.

2.5.5. Preparing action plans

Project groups were required to develop an action plan for the broad reviews, where they specified how the review would be set up, the key areas to be analysed and how the review would be carried out. More specifically, the action plan included information on the budgetary scope of the review, a description of the theme, a timeline, and those involved in the review besides the Finance Inspectorate and the Department of Finance and Budget. This practice is in line with the OECD good practices, where the topic, key issues within the examined area, roles and responsibilities and the timeline are included in a Terms of Reference.

Each action plan included a set of key questions that all reviews had to cover in addition to specific questions relevant to each review, as explained in Box 2.4. Importantly, the action plans included a savings target, to encourage working groups to think fundamentally about how policies can be delivered more cost-efficiently.

Box 2.4. Six key areas considered during the broad comprehensive review in Flanders

Each review undertaken in Flemish policymaking addressed a set of key questions:

- **Effectiveness Assessment:** Are the current policies effective in achieving their objectives? What are the strengths and weaknesses within the policy domain under the review?
- **Best Practices Analysis:** What lessons can be drawn from international best practices within similar policy areas?
- **Task Division Optimisation:** Is the distribution of responsibilities for implementing policies across different levels of government and between the public and private sectors effective?
- **Reduction of Administrative Burdens:** How can the administrative burdens and bureaucracy be reduced within the policy area under examination?
- **Achieving Savings Targets:** How can savings of 5% and 15% be achieved within the examined policy area?

The steering committee provided comments on the draft action plans. The steering committee noted that initially, the action plans did not follow the same format, and consequently, common templates were developed at later stages in co-operation with the Department of Finance and Budget. The final action plans were discussed and approved by the Flemish Government.

2.5.6. Preparing the final reports

The final reports were prepared by the project group under the supervision of the steering committee.

The project groups were given the option to carry out the analysis and draft the broad comprehensive review reports themselves or commission a study from external providers. In most cases, however, the analysis part of the broad comprehensive review process was outsourced and carried out by consulting firms. In many cases, this was due to lack of capacities within departments to carry out the analysis and time pressures to deliver the results. While this allowed policy domains to deliver substantive reports based on independent analysis, in certain cases, it created a lack of ownership, potentially hindering the implementation of the results of the review. When the reports were prepared by external bodies, the project groups prepared in-depth research questions outlined in the action plans and provided comments on the intermediate drafts of the reviews.

In cases where project groups chose to prepare the broad comprehensive review report by themselves, it was required to ensure the independence of the assessment by involving external people in the project group.

Co-operation between various policy areas was encouraged during the review process to ensure access to relevant data and policy insights whenever relevant, although an evaluation from the steering committee highlighted that cross-policy interactions could be improved for the next round of reviews.

Due to time constraints, limited availability of relevant data, and differing capacities across policy domains, the quality of the final reports varied. Some reports were quite extensive, emphasising relatively minor budget details rather than addressing the central issues. In other instances, the reports adopted a defensive tone, aiming to demonstrate the efficient allocation of funds. Notably, there were no standard templates for the final reports provided at the outset of the process.

The final reports were presented to the Cabinet to make decisions on which saving options to implement in the 2022 budget.

2.5.7. Implementing the results of broad comprehensive reviews

The managers of respective departments were required to ensure that the findings and decisions of reviews were incorporated and integrated into the budget proposals for the subsequent budgets.

Box 2.5 shows examples of the impact of the broad comprehensive reviews in Flanders.

Box 2.5. Impact of the broad comprehensive reviews in Flanders

Road tax for old-timer vehicles

As a result of the broad comprehensive review, the road tax due for old-timer vehicles was raised to 100 euros. The analysis revealed that the very low flat rate did not correspond to the needs of contemporary policy.

Tax deductions for secondary residence

Meeneembaarheid is a policy, under which the buyer of a second family home to, under certain conditions, was allowed to deduct the sales tax paid on a previous home from the sales tax payable on a subsequent family home purchased. The broad comprehensive review revealed that *meeneembaarheid* did not achieve the stated policy objective of promoting mobility and also proved to be very complex. As a result, the measure was discontinued.

Reduction of compensation for kilometer charge (*kilometerheffing*) in the transport sector

In the framework of the broad comprehensive reviews, the subsidies within the Mobility and Public Works Department were examined, including the subsidy for Ecological and Safe Transport. The analysis revealed, among other things, that a large share of equipment that can be subsidised is already part of standard truck equipment. As a result, it has been decided to systematically reduce the amount of the subsidies. From 2024, the subsidy will be discontinued.

2.5.8. Publishing the final reports

In line with the OECD best practices, the final reports and other relevant material were published on the dedicated websites of the Department of Finance and Budget (accessible [here](#)) and the Flemish Parliament (accessible [here](#)). In addition, the websites include the survey conducted by the steering committee evaluating the broad comprehensive review process, the lessons learnt and recommendations for the next steps as well as all external studies supporting the broad comprehensive review process.

2.5.9. Monitoring the results

The Inspectorate of Finance has a role of monitoring the implementation of the results of the broad comprehensive review. During the preparation of the budget, the Inspectorate of Finance assesses the budget proposals and examines if the approved recommendations from the broad comprehensive review are considered.

The Department of Finance and Budget keeps track of the progress in implementing the spending review results, although there is no tracking mechanism (e.g. using the traffic light system) in place.

2.5.10. Enabling environment for conducting broad comprehensive reviews in Flanders

Roles of different stakeholders in the process

Different actors within the Flemish administration take on distinct roles in the broad comprehensive review exercise, as shown in Table 2.3. Overall, the roles are clearly defined. The Department of Finance and Budget has a role in setting up the overall framework and supporting the implementation of the framework. The policy domains are responsible for conducting and implementing broad comprehensive reviews by conducting the analysis and implementing the results of spending reviews. The Inspectorate of Finance has a prominent role in monitoring the implementation of the results.

Table 2.3. Roles of stakeholders in the broad comprehensive reviews in Flanders

Department of Finance and Budget	Policy domains	External participants	The Cabinet	Inspectorate of Finance	Parliament
<ul style="list-style-type: none"> - Setting up the framework - Providing expertise - Preparing guidelines and templates - Participating in the project groups for each review - Supporting the work of the steering committee - Monitoring the implementation of the results 	<ul style="list-style-type: none"> - Participating in the project groups of reviews - Preparing the final reports - Implementing the results 	<ul style="list-style-type: none"> - Chairing the steering committee and leading the project groups - Providing feedback on the outputs - Drawing the lessons learnt and providing recommendations on the next steps 	<ul style="list-style-type: none"> - Providing political support to implementing broad comprehensive reviews - Taking decisions on the topics - Approving the action plans - Deciding on which saving options to implement 	<ul style="list-style-type: none"> - Monitoring the implementation of the results 	<ul style="list-style-type: none"> - Scrutinising the final reports - Requesting explanations from relevant ministers on the progress in implementing the results

Capacities to conduct the broad comprehensive reviews

Capacities within departments to conduct the broad comprehensive reviews varied, where some policy domains had more capabilities to deliver high-quality reports. To enhance capacities, the Department of Finance and Budget provides capacity-building exercises to departments. As part of capacity building efforts, multidisciplinary teams within departments were formed to gather knowledge about broad comprehensive reviews and in-depth spending reviews.

Availability of guidelines to conduct the broad comprehensive reviews

The Flemish Finance and Budget Department and the Inspectorate of Finance prepared a Code of Conduct on Spending Reviews to guide the policy domains in designing and setting up their reviews. The ground rules outlined in the Code are also embedded within the Decision of the Flemish Government Implementing the Flemish Government Finance Code (BVCO).

Some departments noted that guidelines were not sufficiently specific for their policy domain, while other departments found the guidelines useful and comprehensive.

Availability of relevant data

The availability of data and relevant indicators varies from one sector to another, largely influenced by the culture within different departments. Some departments have embraced a culture of performance assessment and evaluation, resulting in the availability of comprehensive data. Other departments have conducted fewer evaluations, leading to less data.

Despite considerable efforts to develop relevant performance information, the broad comprehensive review process faced significant challenges in terms of the time spent on collecting and formatting the necessary data into editable formats. From the OECD's perspective, this is to be expected during the initial stages of implementing spending reviews and importantly, spending reviews can be an important source of information on data gaps.

2.6. In-depth spending reviews in Flanders

In 2018, the Department of Finance and Budget, in co-operation with the Department of Work and Social Economy, conducted a pilot spending review of Service Vouchers. The 2019 report by the European Commission, which assessed the pilot spending review exercise, concluded that the primary purpose of the pilot spending review was to develop capacities and gather practical insights for conducting future spending reviews (Cangiano, Ercoli and Hers, 2019^[2]). Since the pilot exercise, in-depth spending reviews have been embedded in legislation and defined as: “*Systematic, in-depth and specific studies of expenditure categories with a substantial budgetary impact in order to improve the effectiveness or efficiency of the policy under constant policy*”.

Over the course of 2023, policy domains started implementing in-depth spending reviews which are expected to be finalised in 2024 spring. Similar procedures and governance arrangements to those of broad comprehensive reviews have been applied.

References

- Cangiano, M., R. Ercoli and J. Hers (2019), *Integrating Spending Review in the Budgetary System*, European Commission, https://fin.vlaanderen.be/wp-content/uploads/2023/06/MC_Flanders_-_Technical_Assistance_Mission_Report_-_Master-V5.pdf. [2]
- Department of Finance and Budget (2022), *Multi-year estimate 2022-2027*, <https://financeflanders.be/wp-content/uploads/2022/11/Multi-annual-Estimate-22-27.pdf>. [3]
- Department of Finance and Budget (2014), *Beleidsnota 2014-2019*, <https://publicaties.vlaanderen.be/view-file/15680>. [1]
- SERV (2022), *The Flemish Broad Review: A Review of the Process, Results Further Steps*. [5]
- Tryggvadottir, Á. (2022), “OECD Best Practices for Spending Reviews”, *OECD Journal on Budgeting*, Vol. 22/1, <https://doi.org/10.1787/90f9002c-en>. [4]

3 **Strengthening performance-informed budgeting practices in Flanders, Belgium**

This chapter provides the international comparison of the performance-informed budgeting practices in Flanders and OECD countries. The chapter provides suggestions on how the Flemish framework can be strengthened. More particularly, the chapter focuses on the link between spending reviews and the budget cycle, the quality of performance information and ways to improve presentation of performance information in budget documents and communicate it to broader audiences. In addition, the chapter sheds light on the role of the parliamentary budget committee and sectoral committees in scrutinising performance information. The chapter concludes with discussion on the administrative capacities to fully engage in performance-informed budgeting reforms in Flanders.

3.1. Improving outcome-orientation of the budget process

While efforts have been made to link budgetary decisions more closely with policy objectives and incorporating performance information into budgetary documents, the transition from a traditional input-based approach to a more comprehensive performance-informed framework is an ongoing process in Flanders. As such, the budget process is still largely focused on the resources allocated rather than on the outcomes or impacts of these allocations. Naturally, the budget process will always focus on inputs up to a certain degree. It is, however, important to shift the discussion around the budget towards the impact of expenditure provided and for departments to state what will be delivered.

Making the budget process more outcome-oriented requires not only procedural and operational changes but a cultural shift in how budgeting is approached and understood within the public sector. Such a transformation involves redefining the mindset and practices of those involved in the budget process, emphasising the importance of aligning budget decisions with priorities and measurable results. Performance-informed budgeting entails new responsibilities for all involved stakeholders and thus requires new skills and competencies such as ability to develop and engage with performance information and take on a more strategic approach to budgeting. Creating a performance culture within the public administration, however, requires long-term efforts. As shown in Box 3.1, similarly to Flanders, Estonia adopted a gradual approach to introducing performance budgeting and is continuously building on existing practices and refining the framework.

Box 3.1. Gradual approach to performance budgeting in Estonia

Estonia has moved from an input-based budget system to an output-based approach by systematically analysing performance information alongside financial information in the budget process. Performance budgeting, also known as activity-based budgeting in the Estonian context, was first introduced in 2004 in Estonia, with a specific unit responsible for developing and implementing the process. A lack of collaboration between the Ministry of Finance and line ministries, an emphasis on inputs, and planning and budgeting being treated as two separate worlds contributed to the introduction of performance budgeting in Estonia. The main objective of the reform was to increase the use of performance data in budget discussions by adding performance information to the budget documents, and to improve efficiency and transparency of budget discussions.

3.2. Further improving the link between spending reviews and the annual budget

3.2.1. Timeline for implementing spending reviews

In the last years, efforts have been made to align the broad comprehensive review timeline with the budget calendar. However, in practice, the results of the review were not ready for them to be fully considered in the budget negotiations. Evidence from OECD countries shows that one of the key factors for the successful institutionalisation of spending reviews is to integrate the process with the budget process and the performance management system.

Spending reviews provide valuable information for budgetary decisions, and it is important that decisions on new spending reviews and on the results of ongoing reviews are taken when budget priorities and fiscal outlook are discussed. It is also important to ensure that there is sufficient time to analyse the results of the reviews in time for budget decisions. Spending reviews must fit within the annual budget calendar and the results from spending reviews should be ready before major budgetary decisions take place.

For Flanders, this means that the results of both broad comprehensive reviews and in-depth reviews should be ready by March. For this to happen, the review process should start in May-June of the previous year to allow sufficient time to analyse the policy area and develop actionable and realistic results. It is important to anticipate the workload and ensure all necessary preparatory steps are taken to launch the reviews well in advance. Importantly, smaller in-depth spending reviews can take less time to be completed and several smaller reviews may run in parallel on a rolling basis during the same year.

3.2.2. Reflecting spending review recommendations in the medium-term framework

Currently, the results of broad comprehensive reviews are mostly reflected in the annual budget. However, in many cases, the results of spending reviews can only be realised over the medium term and should be reflected in the medium-term budget planning Box 3.2. This medium-term perspective is essential, as most changes to the composition of expenditure and takes time to implement. Longer time horizons increase the range of options governments can consider compared to a review for a single year. Such options can include redesigning the delivery of public services and proposing legislative changes. Including the findings in a multi-annual expenditure framework reflects the proposed implementation of the findings and provides increased transparency and some degree of certainty about future funding paths.

Box 3.2. Spending reviews in Denmark

Spending reviews have been undertaken for more than 20 years in Denmark. They are led by the Ministry of Finance, with the government using spending reviews to reallocate resources and increase efficiency. The spending reviews inform budget negotiations and decisions on multi-annual budget agreements. The reviews are conducted over a relatively short period, where the decision on which reviews to conduct is taken in January or February and the reviews are undertaken over the ensuing months with the aim of having the findings available by the beginning of May. This ensures the findings of a spending review are available when the government decides on budget priorities in June.

Flanders has a solid medium-term planning framework. The multi-annual estimates are based on the annual budget where the first year is binding, while the out years are estimates. As such, it is important to build on the medium-term planning framework and ensure that findings of reviews are not only reflected in the annual budget, but also over the medium term.

3.3. Improving the quality of performance information

3.3.1. Reducing the overflow of performance information

In Flanders, line departments prepare a large number of performance objectives as part of the budget. In certain cases, eight to eleven operational objectives per strategic objective are presented, which has led to an overflow of data. To address this challenge, the OECD advises that the Department of Budget and Finance place a numeric limit on the number of performance objectives and indicators, as shown in Figure 3.1. As a rule of thumb, 1-2 strategic objectives per budget programme, with 3-4 operational objectives that are measured by 1-2 performance indicators should be presented. Guidelines on those limits should be included in relevant templates provided to departments.

Figure 3.1. Limiting the number of performance objectives and indicators



3.3.2. Improving the links between performance objectives and indicators

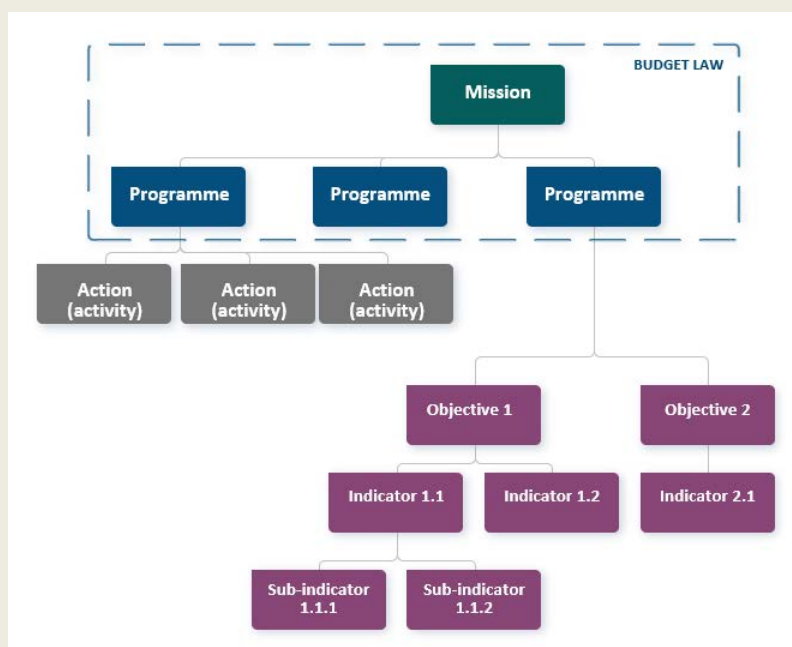
Developing appropriate performance indicators remains one of the biggest challenges in performance budgeting across OECD countries. While Flanders is in the early stages of developing performance indicators, it is crucial to ensure the connection between performance objectives and indicators from the beginning.

For performance information to be meaningful and usable in decision-making, the structure of performance information is important, where performance objectives are linked to the overall programme structure, and performance indicators measure progress towards achieving performance objectives, as shown in by the French example in Box 3.3.

Box 3.3. Structure of performance information in France

In France, the budget is structured around organic missions (~33), programmes (~138) and actions (or activities) (~2-15 per programme). Performance information is set at the programme level, where performance objectives are linked to the budget structure and the implementation of performance objectives is measured by the performance indicators, as shown in Figure 3.2.

Figure 3.2. Structure of performance information in France



Source: Ministry of the Economy, Finance and Industrial and Digital Sovereignty of France (2023_[1]), Missions, programmes, actions : trois niveaux structurent le budget général.

Performance indicators without clear links to performance objectives are ineffective in guiding discussions on performance information. A clear link facilitates the management of programmes, and both internal and external oversight of the extent to which programmes are meeting their objectives. Table 3.1 shows practical examples of performance indicators that are clearly linked to the objectives of programmes.

Table 3.1. Examples of performance indicators linked to performance objectives

Performance objectives	Indicator
Improve the accessibility of emergency healthcare services in rural areas	Percentage of emergency calls in rural areas where the response time is less than 25 minutes (%)
Improve educational outcomes of pupils enrolled in secondary education	Percentage of pupils below 2 (out of 6) PISA level of the International Study on Reading Competences for 15-year-olds (%)
Increase the percentage of students who complete their higher education and have an equal gender distribution	Proportion of students that graduate tertiary education compared to those that started (%) [men, women and total]
Improve the quality of life of people with disabilities	Employment rate of people with disabilities (%)

3.3.3. Establishing quality assurance processes

To avoid an overflow of data and ensure the performance information put forth by departments is relevant and useful, the budget office should engage in discussions with line departments during the budget preparation stage on the quality and relevance of the performance information. During this process it is important to discuss the outcome-orientation of performance information, the links between performance objectives and indicators and if performance information is aligned with the priorities of the ministry and the government, as shown in Box 3.4. The relevance of indicators is identified by analysing adherence to specific criteria, alignment with governmental strategies, and interpretability of performance indicators, among other factors.

Box 3.4. Quality assurance process in Austria

During budget preparation, the Federal Performance Management Office (FPMO) in Austria provides quality assurance of the proposed performance objectives and indicators, including checking the alignment of objectives with national and sectoral strategies and other criteria. If the objectives and indicators do not fulfil the quality criteria, FPMO will make recommendations to the line ministries to amend the proposed material during the preparation stage of the budget.

Source: Downes, von Trapp and Jansen (2018^[2]), "Budgeting in Austria".

The Department of Finance and Budget should conduct quality assurance of performance information put forth by line departments to ensure quality and consistency across departments. This quality assurance should be conducted as part of the budget preparation to ensure that the information put forth in the budget documents is relevant in context of the budget. During the quality assurance process, the Department of Finance and Budget should actively engage with departments to ensure that performance information to be included in the BBTs are of good quality, relevant and respect the limit of the number of objectives and indicators to be developed. The main purpose of these discussions is to improve the quality of performance information and ensure it is in line with the priorities of the government and relevant to decision-makers.

3.4. Improving presentation of performance information in budget documents

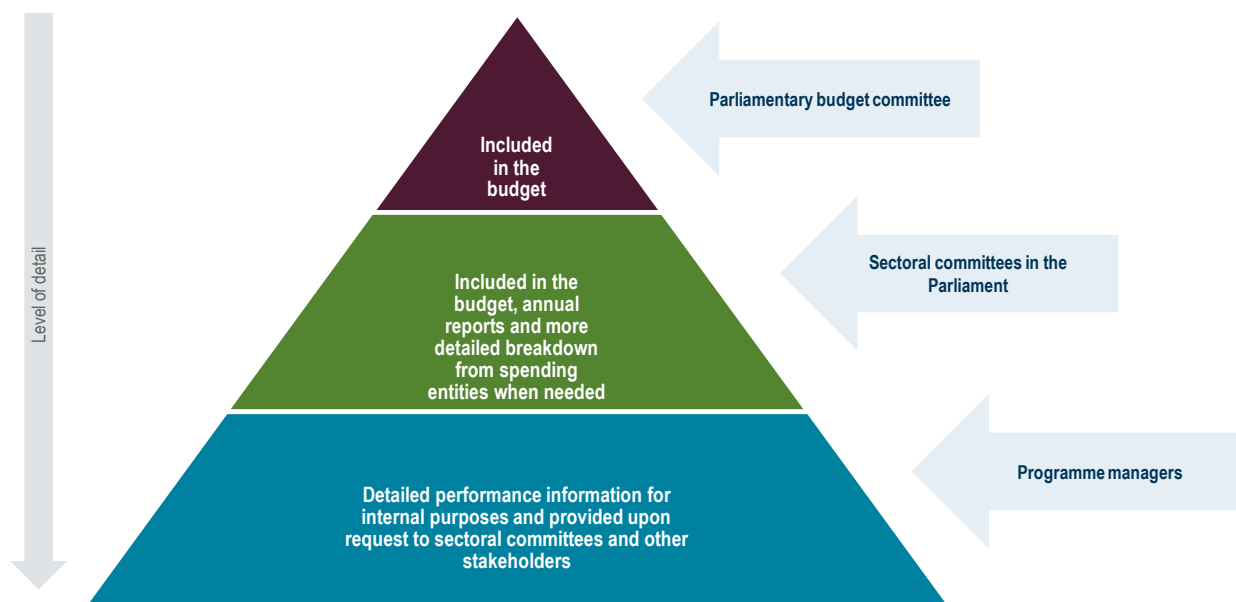
3.4.1. Reducing the volume of BBTs

Currently, the BBTs, where performance information is presented, are extensive and detailed. In addition, the BBTs for different policy domains are of significantly different lengths and level of detail. This can make it challenging to understand the documents and use information included in the documents for decision making.

Importantly, information included in the BBTs should be relevant to decision-makers. Different type of information can be relevant to different stakeholders, as shown in Figure 3.3, and it is important to avoid overloading the budget with information. When performance budgeting is being rolled out, it is quite common that departments want to put a lot of information forth for decision makers to understand all the activities of that department. It is, however, important that the Department of Finance and Budget communicates to line departments to only put forth what is relevant in context of the budget in the BBTs.

Naturally, policy domains require in-depth information to guide the day-to-day operational decisions. On the other hand, parliamentarians should receive performance information that directly relate to budgetary decisions. A more detailed breakdown of performance information can be maintained internally by each policy domain and provided upon request. The goal is to have a BBT that is comprehensive yet succinct, providing all necessary information without overwhelming the reader.

Figure 3.3. Performance information provided to different stakeholders



Source: Tryggvadottir and Bambalaite (2024^[3]), OECD Performance Budgeting Framework.

3.4.2. Using standard templates to ensure consistency and relevance

To ensure that performance information is concise and relevant, OECD countries use standard outline for such documents and provide line ministries with binding templates to be completed during the budget preparation stage. Using such templates provides a structured approach to ensure consistency and standardise data collection. This consistency enables a standardised presentation of performance information across departments and can help provide meaningful comparisons across performance objectives and indicators. Templates often include well-defined data fields, ensuring that all relevant aspects of performance are considered. For example, in Iceland, line ministries are required to fill out a standard template for 34 expenditure areas during the budget preparation stage, as shown in Box 3.5. The outline of the document is standard across all expenditure areas.

Box 3.5. Budget documentation in Iceland

Performance information in Iceland is presented in the main body of the budget. The budget document is structured around 34 expenditure areas. Each chapter focused on one expenditure area follows the same outline. These chapters are concise and usually around eight pages long.

The outline of the chapter focused on one expenditure area:

- Scope of the expenditure area in a couple of lines
- Budget
- Future vision and high-level objective
- Financing
- Key focus for 2021-2025
- Programme
 - The main projects of the programme

- Key challenges
- Opportunities for improvement (e.g. upcoming spending review)
- Risk factors
- Objectives and indicators:

Objective	Indicator	Status 2022	Target 2024	Target 2028
XXX	XXX	XXX	XXX	XXX

In Flanders, the Department of Budget and Finance should require the use of standardised templates for policy domains when putting forth performance information as part of the budget. All departments and relevant agencies should be required to use the templates as this ensures a consistent approach and that the performance budgeting principles are respected. The templates should explain what is expected of line ministries, how they should put forth the information, the length of each section, number of objectives and indicators, link to existing strategies or priorities of the government, as well as the responsible authority. Including summary tables in such templates, as shown in Table 3.2, helps to improve linkages between performance objectives and performance indicators over time and allows policymakers to quickly assess performance against set targets. Incorporating colour coding into summary tables improves the ease and clarity of assessing the status of targets (e.g., green for targets that have been achieved, and orange or red for those that have not been achieved).

Table 3.2. Presenting performance information: Linking objectives, indicators, and targets

High-level goal	Performance objective	Indicator (unit of measurement)	Target	Output	Target	Target	Status
			2022	2022	2023	2024	
To provide safe and accessible healthcare where patients are guaranteed an easy way to the right service in the right place	Improve the accessibility of primary healthcare services to all citizens	Average waiting time to see a primary care physician (days)	30	32	30	25	The target for 2022 was not met due to XYZ reasons. Over the next years, the ministry is taking actions A, B, C to ensure the delivery of the targets.
		Patient satisfaction rate with their primary health physician (%)	60	60	63	65	The target for 2022 was met.
	Ensure early detection of diseases to improve healthcare outcomes of citizens	Share of preventive colon cancer screenings in target population (50-75) as of total target population (%)	65	65	70	75	The target for 2022 was met.

The templates should be updated based on new developments and feedback from stakeholders, such as departments and Parliament. Once available, the template should be integrated into the IT systems to facilitate data collection and monitoring efforts.

3.5. Improving the scrutiny of performance information by the Parliament

3.5.1. Strengthening the role of sectoral committees

There is limited engagement by parliamentarians and other decision-makers in Flanders on performance information in the budget. The budget committee (parliamentary working group on the legible budget) and sectoral committees within the Flemish Parliament currently play a limited role in using performance information to hold line departments accountable.

International experiences highlight the crucial role of sectoral committees in scrutinising performance information from spending entities. The OECD Best Practices for Parliaments in Budgeting (OECD, 2023^[4]) highlight that sectoral committees should scrutinise performance information included in budget documentation and reporting documents and provide recommendations to the budget committee.

Box 3.6. OECD Best Practices for Parliaments in Budgeting

- The legislature should maintain a Budget Committee with overall responsibility for budget scrutiny.
 - The Budget Committee should promote co-ordination and consistency in legislative budget action and facilitate fiscal discipline, ensuring that the budget's totals and aggregate sectoral allocations approved by the legislature are respected.
 - **The Budget Committee should co-ordinate recommendations from sectoral committees on their areas of specialisation as input to its report on the budget to be put before the plenary.**
 - Chairing of the Budget or Audit or Public Accounts Committee by an opposition member enhances oversight and reinforces the commitment to operate these committees in a nonpartisan and consensual manner.
 - The Budget Committee should be adequately staffed and have the opportunity and resources to consult or employ outside experts and to consult other oversight entities.
- Sectoral committees should review relevant portions of the budget in their portfolios and make recommendations to the Budget Committee.
 - **Sectoral committees have a particular role to play in reviewing performance budgeting information or spending reviews relevant to their portfolios.**

Source: OECD (2023^[4]), "OECD Best Practices for Parliament in Budgeting".

The budget committee in Flanders should delegate the responsibility of scrutinising the performance of individual chapters to respective sectoral committees by assigning specific chapters of the budget to different sectoral committees based on their areas of expertise and relevance. These sectoral committees are then responsible for a detailed examination of the performance information related to the responsibilities of the committee.

The sectoral committees should actively engage with the corresponding policy domains. This engagement should involve direct discussions and reviews of the performance data, enabling the committees to gain a deeper understanding of how the departments are performing against their objectives and budget allocations. Such an approach would ensure a more focused scrutiny of performance information, leveraging the expertise of the sectoral committees in their respective domains. Additionally, this would relieve the budget committee from the burden of examining the entire budget in detail, allowing it to focus on broader fiscal oversight and co-ordination.

3.5.2. Presenting the achievements of the public service during the Accountability Day

One way to engage parliaments in discussions on performance is during the budget execution stage where performance reports are presented to parliament on a dedicated day. For example, the Netherlands discuss the results achieved during the Accountability Day each year, as shown in Box 3.7.

Box 3.7. Accountability Day in the Netherlands

Accountability Day in the Netherlands, held on the third Wednesday of May, serves as a crucial moment for parliamentary oversight of the government's actions. On this day, the Minister of Finance presents the Central Government's annual financial report to the House of Representatives, detailing the government's achievements, activities, and associated costs over the past year.

The Netherlands Court of Audit plays a pivotal role in this process by auditing the annual reports and presenting its own report to the House of Representatives on Accountability Day. This report assesses the government's policy execution, questioning whether policy goals were met and if legal regulations were followed. In mid-June, both the House of Representatives and the Senate hold debates on these reports, discussing the implementation, results, and costs of various policy programmes. This process allows for an immediate evaluation of the previous year's plans, enabling the Cabinet to incorporate feedback into the next year's National Budget and make necessary policy adjustments or changes.

Source: House of Representatives (2023^[5]), Accountability Day.

Flanders should organise an 'Accountability Day' in early Spring, mirroring practices seen in other countries. On this day, budget execution reports and actual achievements of the performance targets should be presented and examined in Parliament. This event would not only provide a platform for scrutiny and discussion of the government's achievements but also serve as an opportunity for public accountability.

3.6. Communicating performance information to broader audience

In Flanders, the information on the results achieved by the public service is not presented in accessible manner for broader audiences to consider. Having performance information accessible and presented in user-friendly manner increases the transparency and facilitates accountability. Tools such as visually pleasing budget at a glance and dashboards are commonly used in OECD countries in this regard.

3.6.1. Budget at a glance

Budget summaries or "budget at a glance" serve the purpose of conveying essential budget information to key stakeholders. Importantly, these materials are not only beneficial for citizens but can also aid parliaments in grasping critical issues and evaluating the performance of key policy areas and increase their overall engagement with performance information. To achieve this effectively, it is vital to identify the key policy domains to be included in the document. Typically, countries focus on areas such as social security, education, health, and environmental policies within these summaries.

As shown in Box 3.8, budget at-a-glance documents include both key financial data and performance information on the expected and actual results achieved by the public service. The integration of visual elements is crucial to enhance comprehension, making the information easily accessible and understandable for a broader audience.

Box 3.8. Budget at a glance of Lithuania

Lithuania publishes the budget at a glance in Lithuanian and English. This document includes the statement from the minister of finance, budget calendar, information on funding and revenues for each performance area and includes the associated performance indicators and targets.

The outline of the 2022 budget at a glance:

- Foreword
- Budget structure
- State budget preparation cycle
- Macroeconomic projections
- General government balance indicator
- Budget revenue and expenditure
- Structure of budget revenue
- Budget expenditure by performance areas (including performance indicators)
- Main developments in 2022

Source: Ministry of Finance of Lithuania (2022^[6]), *Budget at a glance*.

Developing a "Budget at a Glance" document in Flanders can assist in presenting the key achievements of the public service in a manner that is easily accessible and understandable to a wide audience. The focus should be on distilling complex budgetary information into a clear, concise, and visually appealing format, including a concise statement on the key priorities for the fiscal year, budgetary timeline, key expenditure areas and associated performance indicators. It is useful to use infographics, charts, and brief summaries to highlight major accomplishments, spending efficiency, and the impact of various programmes and initiatives. The aim is to provide a snapshot that captures the essence of the budget's impact, making it easier for the public, media, and other stakeholders to quickly grasp the effectiveness of public spending. Such a document not only enhances transparency and public understanding but also serves as a valuable tool for promoting accountability and fostering trust.

3.6.2. Including performance information in dashboards

Another way to communicate financial and performance information to various stakeholders is through interactive dashboards. Such dashboards are currently unavailable in Flanders. However, as the IT systems mature, opportunities might exist to develop such dashboards as they provide a user-friendly and visually engaging way to present complex financial and performance data.

By leveraging charts, graphs, maps, and other visual elements, governments can make information more comprehensible and engaging for a broader audience. This transparency is a key component of accountability, as it enables public scrutiny and informed dialogue about government decisions and performance. Many dashboards include regularly updated data, allowing for ongoing monitoring of government performance and spending and allowing fostering a culture of continuous oversight, as shown in Box 3.9. Dashboards often allow for the comparison of performance data across different entities, municipalities, or time periods. This benchmarking capability helps identify areas of inefficiency or underperformance, prompting governments to take corrective actions and justifying those actions to the public.

Box 3.9. Use of dashboards and visual tools

Ireland

Ireland has developed a webpage: "Where your money goes", which highlights key spending areas in easily understandable manner. At the moment, it does not include performance information. However, the Irish are considering to eventually embed performance information within this website.

Estonia

Estonia has developed "Tree of truth", where they highlight whether performance targets have been achieved. It uses colour coding to highlight which targets were or were not achieved. Green indicates that the goal has been met, orange – progress towards the expected result and red – no progress towards expected result.

Canada

Government of Canada InfoBase allows visualising performance and budgeting information. The results are presented visually allowing to identify the share of targets met or not met. The interactive dashboard allows building tables with relevant information and download it in csv format.

France

France displays performance information on a dedicated website. Users can filter information by mission and see the snapshot of the financial information and share of targets that have or have not been met.

Source: Government of Ireland (2023^[7]), Where your money goes?; Statistics Estonia (2023^[8]), Tree of truth; Government of Canada (2023^[9]), GC InfoBase; Ministry of the Economy, Finance and Industrial and Digital Sovereignty of France (2023^[10]), Performance data.

3.7. Building administrative capacities to engage in performance-informed budgeting

Flanders has been improving the capacities of public service for conducting broad comprehensive reviews, in-depth spending reviews and developing performance information. Investing in capacities and raising awareness of the benefits of the reforms across the administration will facilitate the institutionalisation of performance-informed budgeting. It is important that capacities are built both internally within the Department of Finance and Budget and in other departments.

3.7.1. Capacities to conduct broad comprehensive reviews and in-depth spending reviews in-house to ensure ownership of the results

During the 2020 broad comprehensive review cycle, most of the reviews were conducted by external parties. While reviews conducted externally can offer unbiased perspectives on public spending, this approach might result in a lack of ownership over time and thus the lack of integration of spending review outcomes into the budget cycle. Experiences from OECD countries suggest that the process is generally more effective when kept within the administration, ensuring that the recommendations and policy options are feasible and realistic. As shown in Table 3.3, when the review function and process are external to the government, there is a risk of these exercises being viewed as external audits and evaluations, rather than as integral parts of the budgetary process. This perception can affect the implementation of the findings.

Table 3.3. Costs and benefits of spending reviews conducted by external parties

Costs	Benefits
Lack of ownership within Ministry of Finance and Line Departments	Provides appearance of objectivity and impartiality in the review
Limited linkage to budget process (recommendations can be ignored by the government)	Dedicated staff that carries out the review and is not burdened with other duties at the same time
Confusion as an external audit or evaluation	

A sustained approach to building in-house capacities for conducting broad comprehensive reviews and in-depth spending reviews in Flanders is essential to ensure ownership of the results. Over time, there is a risk that externally conducted reviews are seen as audits or external evaluations, and line departments become less engaged, leading to results not being implemented.

To build capacities in-house, Flanders should focus on developing the necessary skills and knowledge within the administration. Initially, this could start with focused training programmes to equip staff with the required analytical and financial skills. Such training should cover areas like data analysis methods, public financial management principles, how to develop budget-relevant policy options. It is useful to hold an information session at the launch of the review when working groups are formed as it provides line departments and other stakeholders involved to get acquainted with the process and ask any relevant questions.

3.7.2. Central unit within the Department of Finance and Budget to co-ordinate reform efforts

In Flanders, the development of the performance-informed budgeting framework is a responsibility shared by staff from both the budgetary and policy sections within the Department of Finance and Budget. They play a crucial role in ensuring consistency across various departments and organising capacity-building measures. Despite this, there is not a singular point of contact within the Department to serve as a reference for line departments. This lack of a centralised contact point can potentially lead to co-ordination challenges and inconsistencies in the implementation and understanding of the performance-informed budgeting framework across different departments.

To address this challenge, several OECD countries have established specific units within budget departments or appointed at least one person within the budget department to have a formal responsibility of co-ordinating the spending review and performance budgeting process across the administration, as shown in Box 3.10.

Box 3.10. Building up capacities for Spending Reviews

Latvia: In 2016, Latvia integrated spending reviews into the state budget. Since then, Latvia has looked at how to improve the process by analysing spending and strengthening capacities within the administration. In 2018, a separate division (Budget Development Division) was established in the Ministry of Finance, to consider possible revisions to public expenditure.

Norway: The Ministry of Finance has a spending review unit to build capacity and scale up the use of spending reviews. The unit is located within the budget department and works closely with line ministries to prepare recommendations on spending review reports for government.

Flanders should create a team of 2-3 policy analysts that support the implementation of performance-informed budgeting practices, co-ordinate the broad spending review efforts across the administration, and engage with line departments on the quality of performance information and other operational elements related to the reform. Importantly, this unit should closely collaborate with staff responsible for budgetary affairs to ensure the linkages with the budget process and avoid the performance framework becoming a parallel system. It is important that the staff of this unit is composed of senior enough staff to be able to effectively engage with senior officials from the line departments but also should have sufficient time to overlook relevant process and consult stakeholders on methodological issues upon request.

3.7.3. Performance-informed budgeting community to exchange on the progress made and gaps to be addressed

To strengthen administrative capacities, it can be beneficial to identify good practices within the administration and create a platform where those practices can be shared with peers. Estonia, for example, created a platform where ongoing spending reviews were discussed, and stakeholders within line ministries and the finance ministry could brainstorm on what is needed to improve the process, as shown in Box 3.11. A similar format can be adapted for broader performance-informed budgeting reforms.

Box 3.11. Building a spending review community in Estonia

Estonia has been gradually implementing spending reviews since 2016 and focused on building up capacities for carrying out spending reviews since 2019. In this context, the Ministry of Finance in Estonia has built up a “spending review community” consisting of people from the Ministry of Finance, selected line ministries, the government’s office, National Audit Office and potentially from other agencies. This serves as a platform where the Ministry of Finance gathers these stakeholders and discusses the progress of the spending review process in Estonia. This kind of platform enhances a broader ownership of the process and facilitates a sound review process.

The spending review community is a sounding board where these key stakeholders can have an open discussion on important aspects such as:

- Necessary capacity building within line ministries.
- Development of the overall process; what is working well and what can be improved.
- What additional training is needed.
- Possible topics for the next rounds.

The MoF is the moderator, but the discussions within the community are open, transparent and focused on a joint goal of strengthening the spending review process. The community is responsible for spreading the benefits of the process within relevant organisations.

Flanders should consider establishing an inter-departmental platform where issues concerning the implementation of performance-informed budgeting can be discussed. This allows line departments to share ideas, thoughts, and concerns over the reforms.

References

- Downes, R., L. von Trapp and J. Jansen (2018), “Budgeting in Austria”, *OECD Journal on Budgeting*, Vol. 18/1, <https://doi.org/10.1787/budget-18-5j81804wg0kf>. [2]
- Government of Canada (2023), *GC InfoBase*, <https://www.tbs-sct.canada.ca/ems-sgd/edb-bdd/index-eng.html#infographic/gov/gov/results>. [9]
- Government of Ireland (2023), *Where your money goes?*, <https://whereyourmoneygoes.gov.ie/en/>. [7]
- House of Representatives (2023), *Accountability day*, <https://www.houseofrepresentatives.nl/accountability-day>. [5]
- Ministry of Finance of Lithuania (2022), *Budget at a glance*, https://finmin.lrv.lt/uploads/finmin/documents/files/BIUDZETAS%20GLAUSTAI_2022_EN.pdf. [6]
- Ministry of the Economy, Finance and Industrial and Digital Sovereignty of France (2023), *Missions, programmes, actions : trois niveaux structurent le budget général*, <https://www.budget.gouv.fr/reperes/budget/articles/missions-programmes-actions-trois-niveaux-structurent-le-budget-general>. [1]
- Ministry of the Economy, Finance and Industrial and Digital Sovereignty of France (2023), *Performance data*, <https://datavision.economie.gouv.fr/performance/>. [10]
- OECD (2023), “OECD Best Practices for Parliaments in Budgeting”, *OECD Journal on Budgeting*, Vol. 23/1, <https://doi.org/10.1787/33109e15-en>. [4]
- Statistics Estonia (2023), *Tree of truth*, <https://tamm.stat.ee/tulemusvaldkonnad/riigivalitsemine/indikaatorid/191?lang=en>. [8]
- Tryggvadottir, A. and I. Bambalaite (2024), “OECD Performance Budgeting Framework”, *OECD Journal on Budgeting*, Vol. 23/3. [3]

4

OECD Recommendations for strengthening performance-informed budgeting practices in Flanders, Belgium

Flanders has laid strong and important foundations for performance informed budgeting practices. This includes the introduction of spending reviews, with the aim to improve the efficiency and accountability of public spending, as well as taking the first steps towards the implementation of performance budgeting. Opportunities exist to further strengthen spending reviews and performance budgeting to ensure it plays a relevant role in budgeting and decision-making, as shown in Table 4.1.

Table 4.1. A path forward for implementing performance-informed budgeting in Flanders

Recommendation	Action
1. Strengthen the link between spending reviews and the budget process	<ul style="list-style-type: none"> • Ensure that results of broad comprehensive reviews and in-depth spending reviews are ready before the budget negotiations phase starts in March. • Allow smaller in-depth spending reviews to run on a rolling basis during the same year. • Ensure that spending review recommendations are reflected in the budget and over the medium term by analysing budget trends and performance information.
2. Improve the quality of performance information developed by departments	<ul style="list-style-type: none"> • Improve the links between performance objectives and performance indicators by presenting performance indicators alongside performance objectives in summary tables in the Policy and Budgetary Explanation Notes (BBTs) and ensure indicators measure progress towards achieving objectives. • Put a limit on the number of performance objectives and indicators to be included in the BBTs (1-2 strategic objectives per policy field, up to 4 operational objectives per strategic objective and 1-2 performance indicators per operational objective). • Ensure quality assurance of performance information by discussing the relevance and consistency of performance information presented by departments.
3. Improve the presentation of performance information	<ul style="list-style-type: none"> • Reduce the volume of BBTs by including only relevant information and keeping detailed breakdowns of information for internal purposes that can be provided upon request. • Use standardised and binding templates to present performance information in the BBTs and update them regularly based on feedback from stakeholders. • Once available, integrate the template into the IT systems to facilitate data collection and monitoring efforts.
4. Strengthen the role of the parliamentary budget committee and sectoral committees in scrutinising performance information	<ul style="list-style-type: none"> • The budget committee should be responsible for discussing the main aspects of the budget but delegate responsibility to sectoral committees for scrutinising relevant performance information. • Sectoral committees should engage with departments on the performance information they present and hold them accountable for what is presented. • Present information on the results achieved by policy domains to Parliament during an Accountability Day in early Spring.
5. Communicate budget developments and performance information to a broader audience to create a performance culture and ensure accountability	<ul style="list-style-type: none"> • Develop a “budget at a glance” to present the key aspects of the budget in an accessible manner. • Include a statement from the government on the key priorities for the fiscal year and on key aspects of the budget in the “budget at a glance” and make use of infographics and other visual aids. • Once relevant IT systems are developed, develop interactive dashboards where stakeholders can build tables and download performance information in accessible formats.
6. Strengthen capacities within the administration for performance-informed budgeting practices	<ul style="list-style-type: none"> • Gradually build up capacities to conduct broad comprehensive reviews and in-depth spending reviews in-house to ensure ownership of the results. • Hold an information session at the launch of the broad comprehensive reviews when working groups are formed to explain the process and provide a platform to ask questions. • Develop a leaflet on performance-informed budgeting, which includes the key concepts, ways to use performance information and glossary of the key terms and distribute it to decision makers. • Create a team of 2-3 policy analysts within the Department of Finance and Budget that coordinates the spending review efforts across the administration and engages with departments on the quality of performance information and other operational elements related to the reform. • Establish a performance-informed budgeting community to exchange on the progress made and gaps to be addressed.

Performance-Informed Budgeting in Flanders, Belgium

Since 2014, the Flemish government has undertaken a series of reforms of its budgetary system, including the implementation of performance-informed budgeting, which includes both the implementation of spending reviews and performance budgeting. The aim of the reforms is to better integrate policy development and resource allocation and improve the accountability and transparency of the Flemish public sector. This report takes stock of performance-informed budgeting practices in Flanders. It provides an assessment of their key strengths and highlights where improvements can be made. Finally, it includes recommendations to further strengthen the approach to performance-informed budgeting in Flanders.



PRINT ISBN 978-92-64-62480-1
PDF ISBN 978-92-64-48921-9



9 789264 624801