

OECD Independent Fiscal Institutions Review Slovak Council for Budget Responsibility (CBR)

Rada pre rozpočtovú zodpovednosť (RRZ)

HIGHLIGHTS

2020



Slovak Council for Budget Responsibility (CBR)



The Slovak Council for Budget Responsibility was established post-crisis (2012). It was introduced alongside a package of measures to address Slovakia's rising debt levels, including debt limits, automatic sanctions and correction mechanisms, tougher fiscal rules for local government and enhanced fiscal transparency. The Council was set up to monitor the Government's compliance with fiscal and transparency rules, monitor public finances, assess fiscal sustainability and undertake costing activities.

Undertaken at the request of the Council, this Review provides options and recommendations to strengthen the institution in light of national developments and international experience. The EU's Structural Reform Support Programme (SRSP) provided funding for this Review, and the activities were implemented in cooperation with the European Commission.

OECD Independent Fiscal Institution (IFI) reviews provide a detailed assessment of how an IFI is performing against the OECD Principles for IFIs and assess the context, resources and independence, outputs and methodologies and the impact of its work. The methodology is anchored in an evaluation framework developed within the OECD Network of Parliamentary Budget Officials and IFIs. It leverages conventional evaluation tools such as stakeholder interviews, benchmarking and peer review. Each review offers a set of interconnected and mutually supporting recommendations aiming to strengthen the IFI's potential to undertake fiscal oversight in a sustainable and impactful way.

THE CBR IN 2020

Enabling legislation

Constitutional Act 493/2011 on Budget Responsibility

Leadership:

Governed by a three-person Board.

Staffing:

Approx 15 full time equivalent employees

Advisory panel

Five experts

Budget:

EUR 1.37 million (2018)

Reports required in legislation each year:

Four

OVERVIEW OF REVIEW FINDINGS

The Slovak Council for Budget Responsibility is a critical component of Slovakia's strengthened fiscal framework. It was a national initiative and has had strong cross-party backing from the beginning. The Council has become a credible source of fiscal policy analysis and has a team of highly qualified staff that are well regarded among national peers.

Stakeholders widely perceive the Council to be independent and non-partisan, and recent analysis by the think tank INEKO ranked it as the most independent public institution in Slovakia. The Council has leveraged the strong analytical skills of its staff to develop an impressive suite of economic models that it uses to deliver its eight annual reports. The Council has played a leading role in convening EU IFIs and is highly respected by its peers for the quality of its analysis.

KEY CHALLENGES

The Council faces several ongoing and related challenges. The most prominent among them are:

1. The Council has recently experienced challenges in acquiring timely and comprehensive information. In particular, the Council requires better information from the Statistical Office and, to some extent, from the Ministry of Finance and other government institutions to fulfil its mandate.
2. The Council is constantly working to full capacity, exposing it to business continuity risks. This makes it difficult for the Council to engage in proactive work (such as costings), to undertake strategic work for the institution, and to develop a more proactive approach to communications.
3. The legal process for leadership appointments has not been followed. For example, the term of the Council's first Chair has ended, but as yet a new Chair has not been appointed. In addition, the Council's legislation does not prevent leadership candidates with political affiliation being appointed.

KEY RECOMMENDATIONS

To enhance the effectiveness of the Council and bring it in line with the OECD Principles for IFIs and EU Common Principles, the review recommends the following:

1. The development of Memoranda of Understanding (MoUs) between the Council and both the Statistical Office and the Ministry of Finance to underpin arrangements for sharing data. The Council could also publish summary statistics on responses to its access to information requests.
2. A modest increase in the Council's analytical staff to ensure back-up across important work streams and allow more proactive work. The Council would also benefit from its leadership having additional capacity to undertake strategic work for the institution, and from a dedicated communications expert to increase the impact of its work.
3. Adherence to the legal process for leadership appointments and increased transparency around the process. Furthermore, there should be restrictions precluding the nomination of a Board member with political affiliation.



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Contact: Scherie.Nicol@oecd.org