

From changing our budget to changing our culture

Impacts of Austria's budget reform

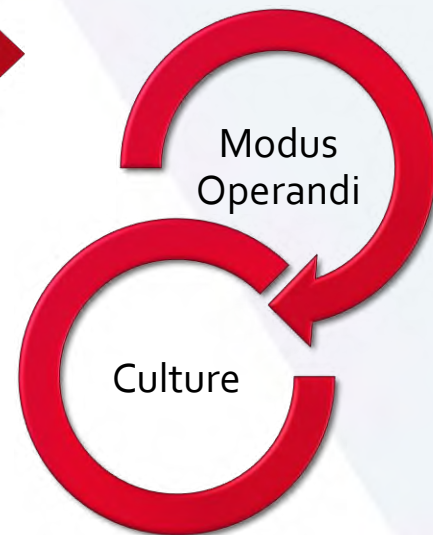
Alexander GRUENWALD
Deputy Head of Department III/C/9
Strategic Performance Management and Public Sector Innovation
Vilnius, 27 November 2019

Austria's journey towards more accountability and transparency



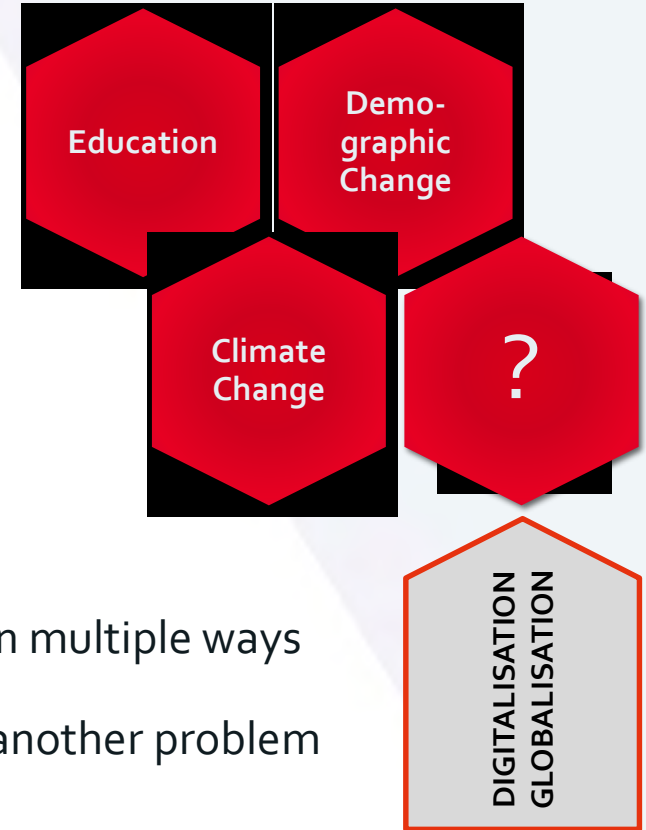
- Increased efficiency (“Doing the things right!”)
- Increased effectiveness (“Doing the right things!”)

→ **Better solutions for „Wicked Problems“**



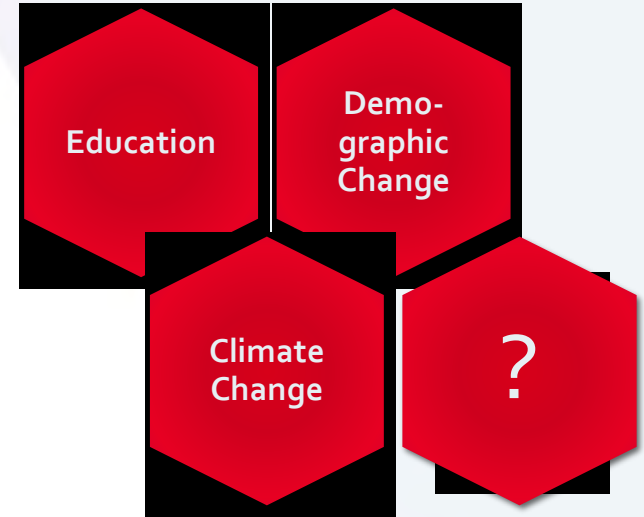
Wicked problems

- Lack of definitive formulation
- Good or bad rather than true or false solutions
- No template to follow
- Lack of immediate and ultimate test of solutions
- Discrepancies in wicked problem can be explained in multiple ways
- Every wicked problem is unique and a symptom of another problem



Action is needed!

- Focus on outcomes rather than inputs or outputs
- Clear chains of responsibility and accountability
- Collaboration across internal silos
- Evidence-based/-supported policy making
- Collaboration across sectors and disciplines
- Framework conditions for innovation and change

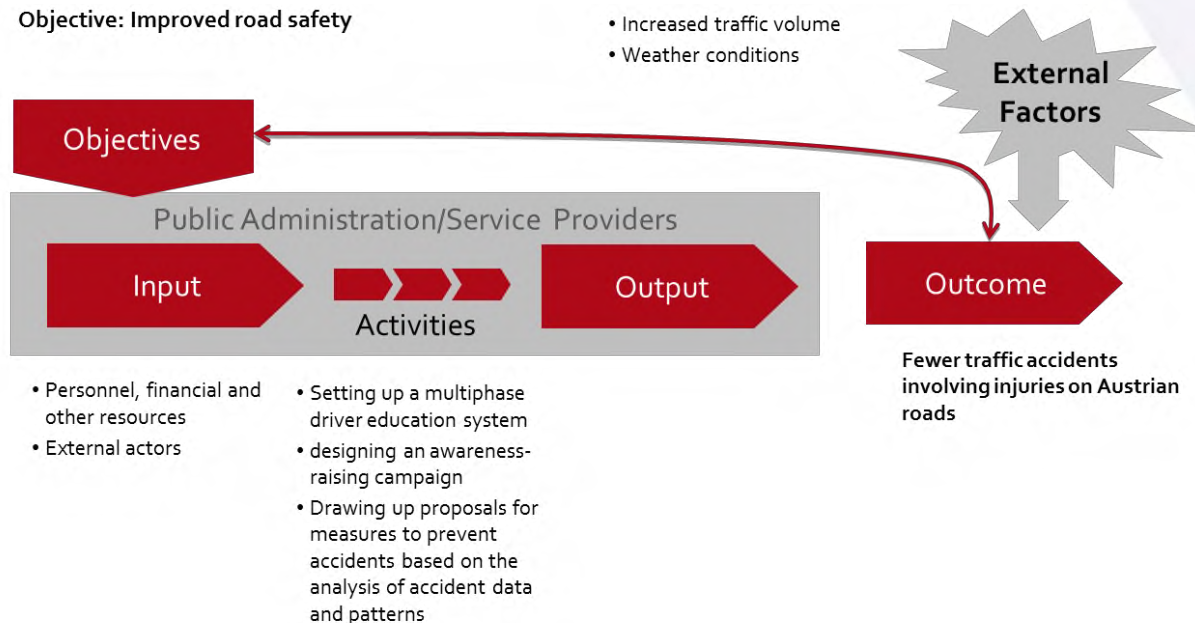


Focus on outcomes rather
than inputs or outputs

Performance-informed budgeting: Outcome Orientation

Objective: Improved road safety

- Increased traffic volume
- Weather conditions



Instruments

Performance-informed Budgeting

- Planning
- Implementing
- Evaluation
- Reporting

Regulatory Impact Assessments

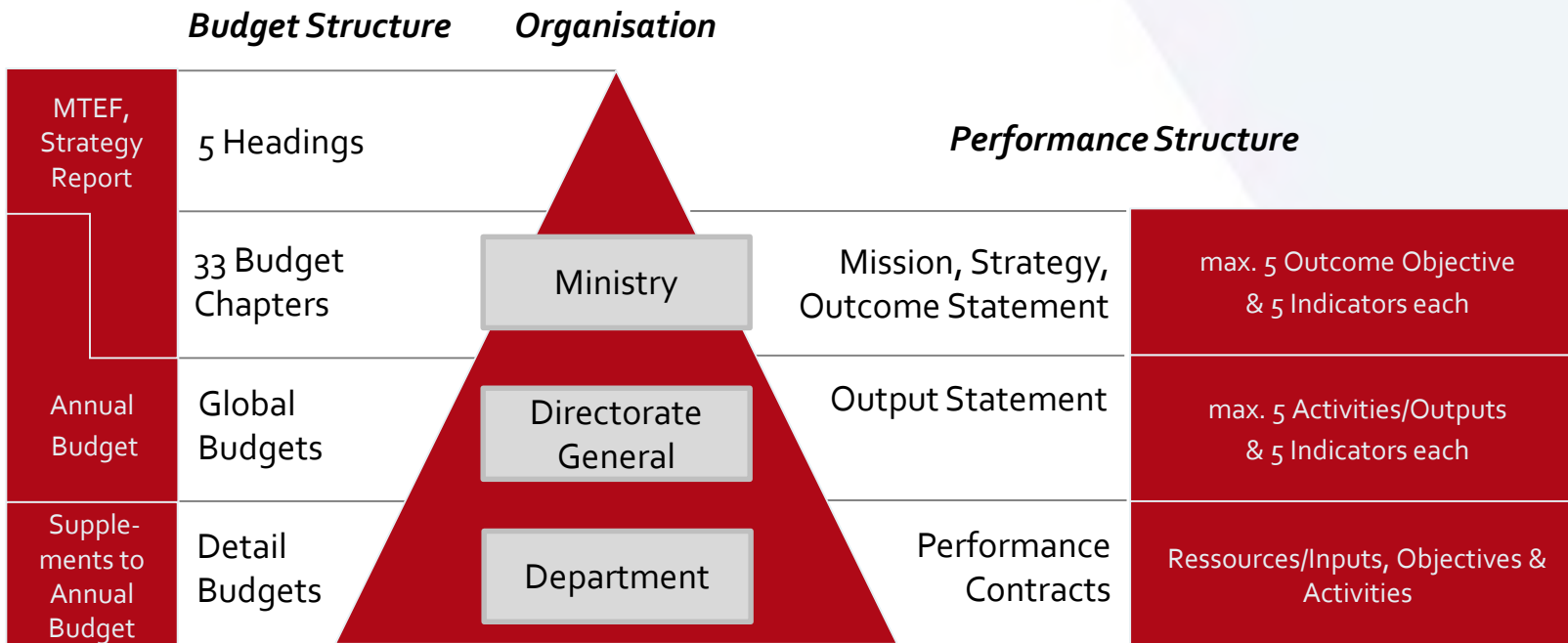
- Conceptual Framework
- Ex-Ante Assessment
- Ex-Post Evaluation
- Reporting

Implementing Outcome Orientation

Starting 2009	<ul style="list-style-type: none">• Medium-term expenditure framework• Strategy report
Starting 2013	<ul style="list-style-type: none">• Accrual Accounting• Global budgets• Outcome Orientation “Wirkungsorientierung”<ul style="list-style-type: none">• Managing public administration based on its contributions towards achieving outcome in society (PIB)• Outcome statements, outputs and indicators per budgeting chapter• Performance Management cycle: plan, implement, evaluate• Outcome oriented impact assessment

Clear chains of responsibility
and accountability

Outcome Orientation: Conceptual Framework



Outcome Orientation: Coordination of cross-cutting policy fields

Institutional Framework:

- Gender Equality = cross-cutting Policy-Field
- **By law: Per Budget Section min. one gender related outcome objectives**
- Autonomous Ministries and Supreme Organs
- Stakeholder Involvement

Challenge:

Establish process to coordinate gender equality related outcome objectives

Goal:

Parties involved work into the same direction

Coordination of Gender Equality

1. Acceptance, Discussion and Commitment
→ Important step: Definition
2. Design Communication Process
→ Meetings and Workshops (starting in 2014)
→ Clustering Outcome Objectives
3. Generate Accountability
4. Develop Coordination Process
→ Top Down and Bottom Up
→ Annual Report
→ Develop Outcome Objectives, Reports, Indicators (+ Metaindicators)



Coordination of Gender Equality



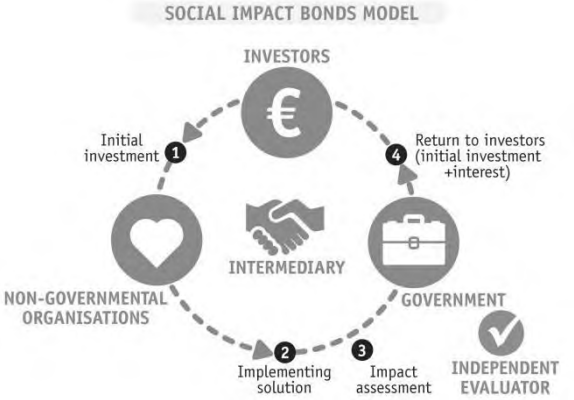
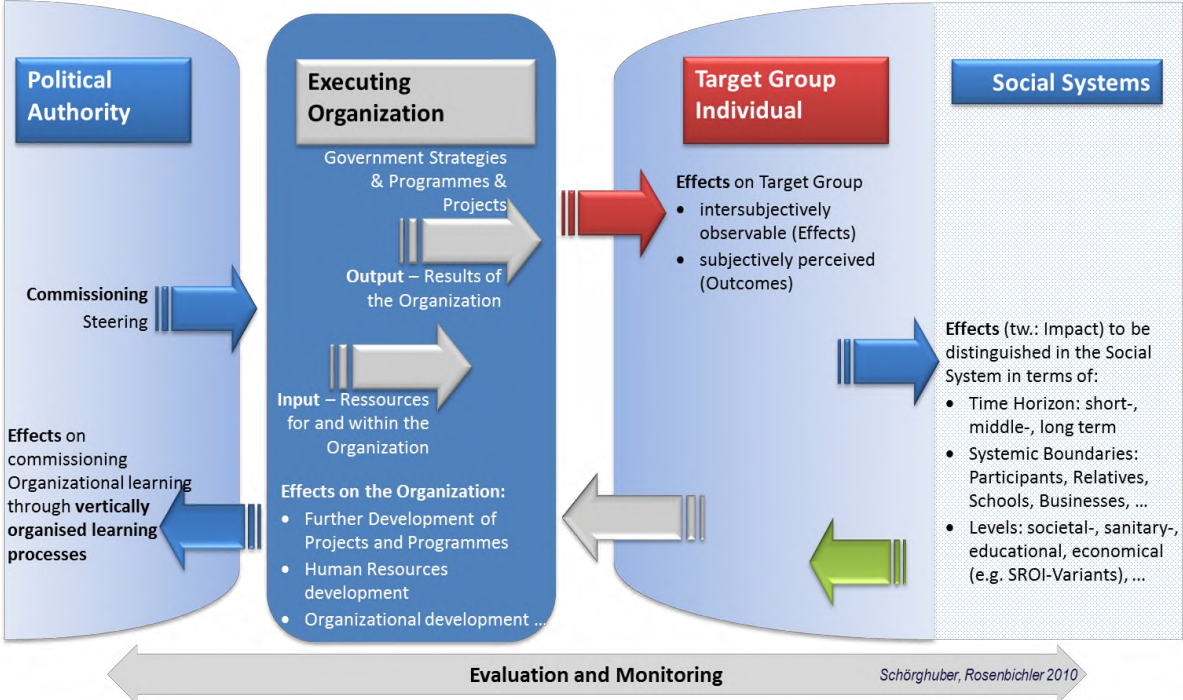
- ↓ **Top down:** Develop Structure (Basis: EU 2020 Strategy)
- ↑ **Bottom up:** Discuss and adapt Structure (Basis: regular Meetings & Workshops)
- + **Advantage:** Acceptance, Practicability, Easing Coordination Process, Developing (new) Activities, Enabling Joint Projects

Facts and Figures from 2017

- 7 Clusters (capacity-building and sensitization, decision making positions and processes, protection from violence, family and working life, health, infrastructure and environment, labour market and education)
- 33 Budget Chapters with 33 Gender related Outcome Objectives and 42 Links to Clusters in total

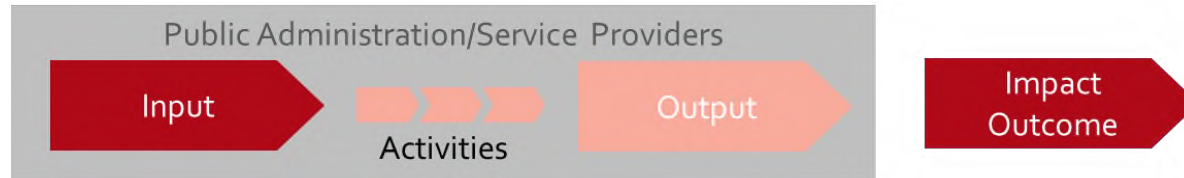


Supply Chain of Public Services



Outcome Orientation: Gate Opener for Innovation and Change

- Monitoring of outcome objectives, outputs and activities on a yearly basis
→ **Continuous spending/programme review !** („WHO does WHAT, HOW in the most efficient/effective way?“)
- Framework to evaluate new projects on a yearly basis
→ **Continuous organisational learning and process optimisation!**
- Medium-term outcomes are the starting point of all considerations
→ **Increased degrees of freedom regarding outputs and processes!**



The road ahead...

Keep pushing

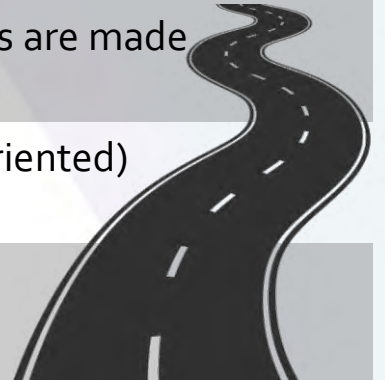
- Aline budget, performance and organisational structure
- Improve skills (Organisational change, innovation methods, digitalisation, data management, ...) throughout public administration
- Design outcome oriented appraisal interviews
- Improve technical infrastructure to collect and crunch data
- Provide support and a centralized quality assurance
- Support the necessary cultural change, that impacts are made transparent "by default"

Keep publishing

- New ways of visualizing data and reporting (user-oriented)
- Engage with public and parliament (on-/offline)

Be patient

- Time lag (changing organizational structures and procedures)



Many thanks for your interest!

Alexander GRUENWALD
Deputy Head of Department III/C/9
Strategic Performance Management and Public Sector Innovation
alexander.gruenwald@bmoeds.gv.at

www.bmoeds.gv.at

www.oeffentlicherdienst.gv.at

www.wirkungsmonitoring.gv.at

www.faktenatlas.at

www.govlabaustralia.gv.at