



DGOOrçamento
Direção-Geral de Orçamentos



GOVERNO DE
PORTUGAL

MINISTÉRIO DAS FINANÇAS

Budgeting in Italy

PT Peer review

36th Annual Meeting of OECD Senior Budget Officials
Rome 11.June.2015

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AGENDA

I – NOTEWORTHY BUDGETING FEATURES

II - OECD CONCLUSIONS AND PT EXPERIENCE

III – COMMON CHALLENGES / OPPORTUNITIES (PT/IT)

IV – FINAL QUESTIONS



I - NOTEWORTHY IT BUDGETING FEATURES

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- “Bollino Blu”
Ex-ante assessment of budget impact of proposed laws and amendment
- Spending Reviews
Externally led and distinctive character of each review
- Centralized control of Budget by RGS



II. OECD CONCLUSIONS AND PT EXPERIENCE

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OECD conclusions (Italy)

- Establishing a **central budget function** in each of its ministries to coordinate and streamline the work of line ministries
- **Expenditure ceilings** for each ministry at the beginning of the budget formulation process

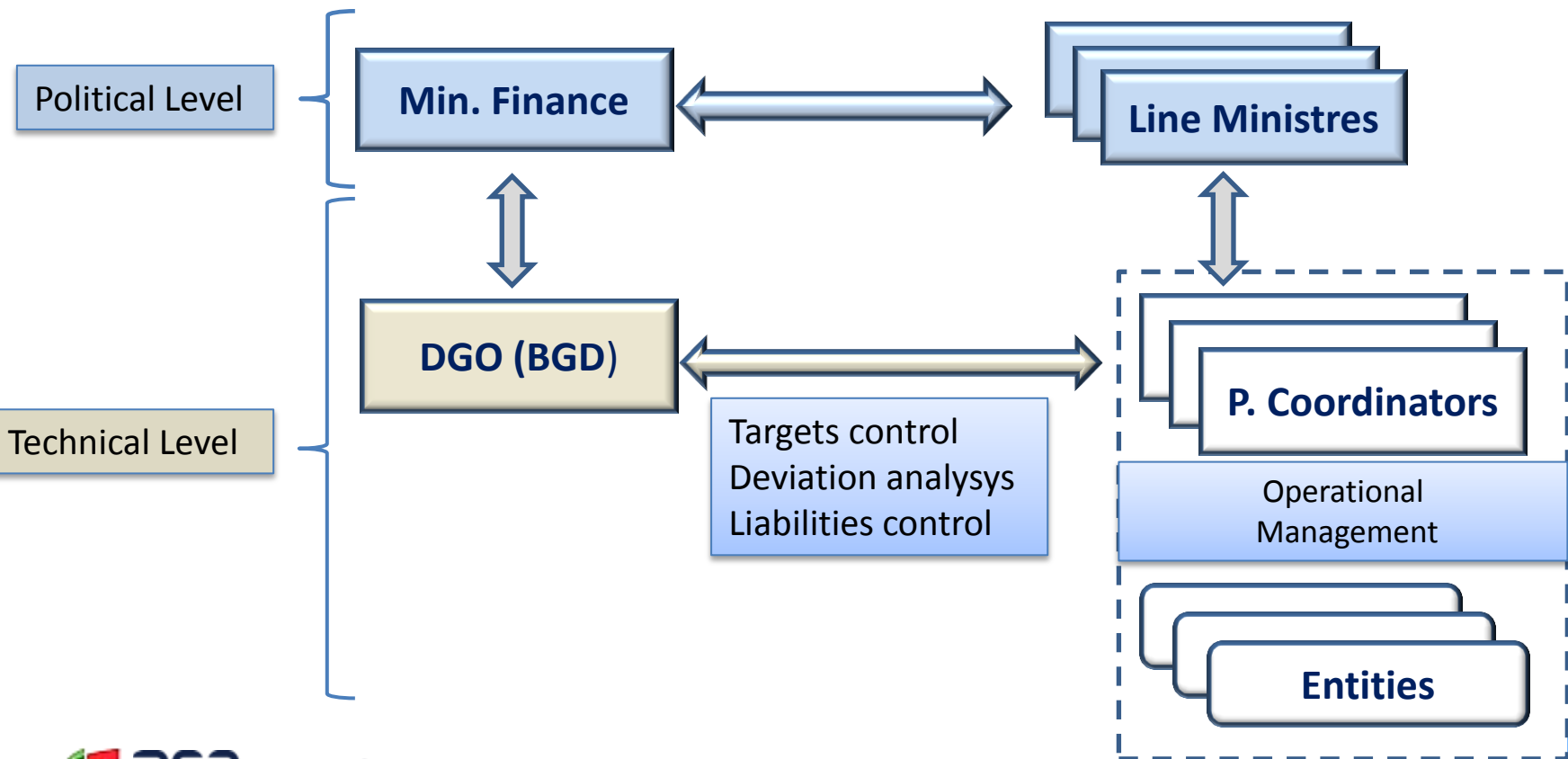
Developments in Portugal

- ✓ To strengthen **regulation, supervision and accountability** of Line Ministries
- ✓ Development of the **Medium Term Budgetary Framework**

II - OECD CONCLUSIONS AND PT EXPERIENCE

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- ✓ Strengthen MoF regulation/supervision and accountability of Line Ministries



II - OECD CONCLUSIONS AND PT EXPERIENCE

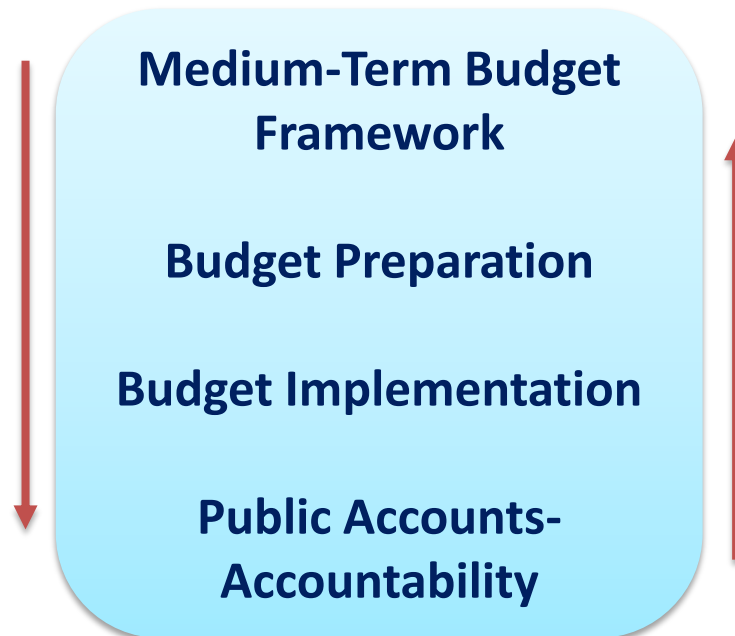
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DGO



Program
Coordinator

Shared Responsibilities





II - OECD CONCLUSIONS AND PT EXPERIENCE

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Competences of budgetary programmes' coordinators

Validate entities monthly projection for revenue and expenditure

Allocate general revenue based funds and validate entities' global available funds

Comprehensive analysis of implementation deviations

Propose measures to achieve the programmes' objectives and solve entities' budget risks

Issue a prior opinion on:

- > Incorporation of new measures, projects and reinstatement of projects
- > Budget changes that require government authorization

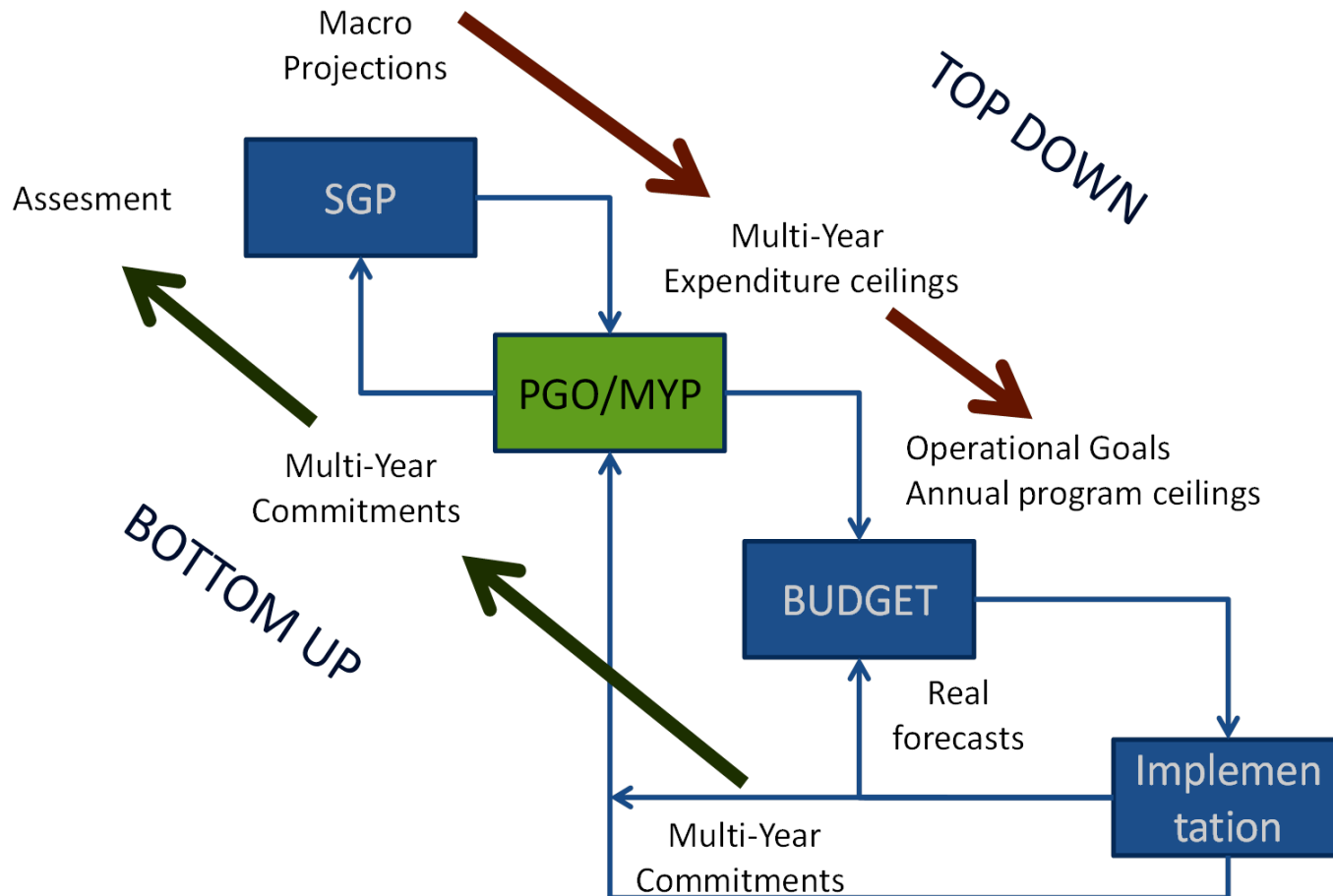
Collaborate with the Ministry of Finance in budgeting implementation and in setting the multiannual framework

Prepare a report on the previous year's programmes implementation, to be submitted to the Parliament, until 31 March

II - OECD CONCLUSIONS AND PT EXPERIENCE

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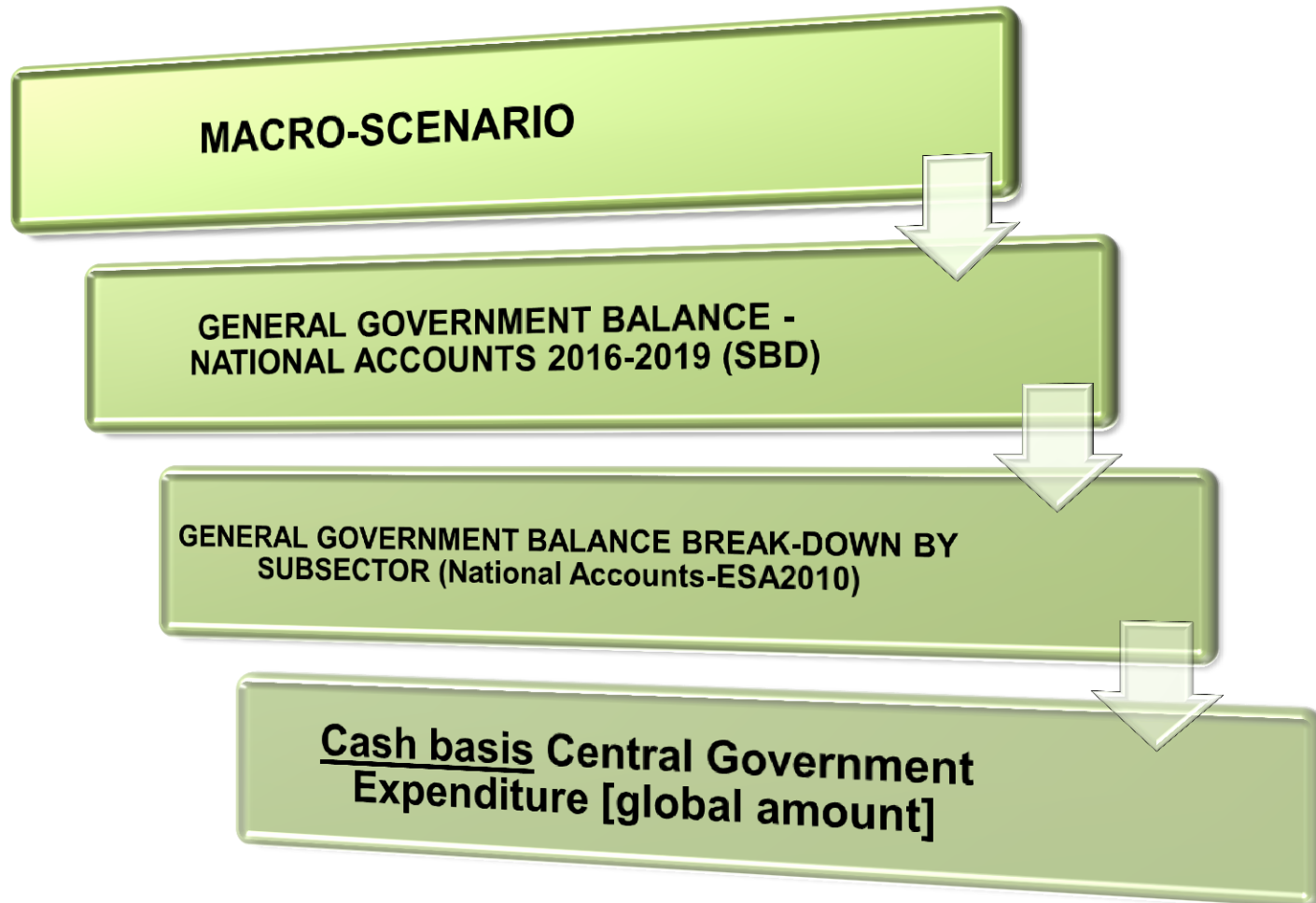
✓ Medium-Term Budget Framework



II - OECD CONCLUSIONS AND PT EXPERIENCE

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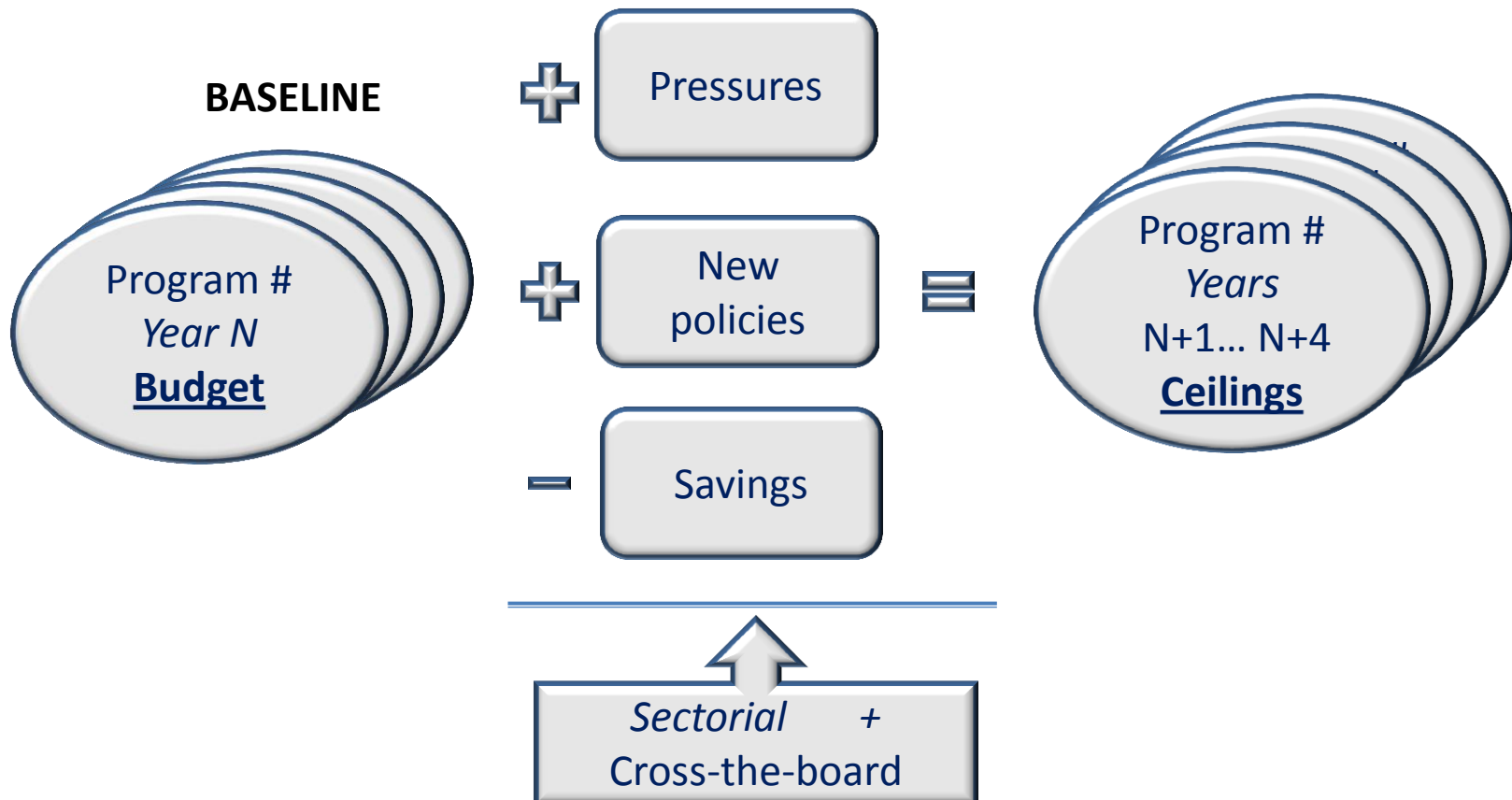
TOP-DOWN APPROACH



II - OECD CONCLUSIONS AND PT EXPERIENCE

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BOTTOM-UP APPROACH





III - COMMON CHALLENGES / OPPORTUNITIES

1/2

- Budget structured in Programmes and performance and results approach

The context

- Large quantity of indicators;
 - Indicators provided are input oriented
 - Administrative focus prevalence;
 - Difficulties in identifying services to be provided and linked indicators
- *Need for OECD/countries – best practices sharing*



III - COMMON CHALLENGES / OPPORTUNITIES

2/2

- Build up line ministries capacity
 - Complementing the budget central function at MoF
 - Development of a macro level approach
 - Enhancement the strategic role of the budget central authority



IV – FINAL QUESTIONS

- What are the responsibilities of the cost centres in the budget process?
- Impact assessment framework: what are the tools in place? Are there standard information to be provided with the law proposals? Is there any participation of the line ministries?
- Which was the process design in order to build the present structure of Program indicators?
- What are the reasons for the weak development of performance and results approach and views to further improvement?



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THANK YOU