From Input to Impact

Austria's Budget Reform

An approach to more accountability, transparency and sustainability in governance

STRATEGIC DEVELOPMENT PLANNING
Approaches to the Preparation of the Post-2020 Strategic Framework

Zagreb, 4 December 2017
The Federal Performance Management Office

Conceptual framework, consultancy & training, quality assurance, performance reporting

Mission
Performance Management in Austria

- Outcome orientation was introduced in 2013 as a budgetary principle in the Austrian constitution
- Focus: managing public administration based on its contributions towards achieving outcomes in society
- Information: Outcome statements, outputs and indicators per budgeting chapter and for new regulation

Key Pillars
- Performance-Informed Budgeting (“Outcome Orientation”)
- Outcome oriented impact assessment (Regulatory Impact Assessment)
Model of Outcome Orientation

Objective: Improved road safety

Objectives

- Increased traffic volume
- Weather conditions

Input

- Personnel, financial and other resources
- External actors

Activities

- Setting up a multiphase driver education system
- Designing an awareness-raising campaign
- Drawing up proposals for measures to prevent accidents based on the analysis of accident data and patterns
- A regulation on multiphase driver education
- An awareness-raising campaign on „drunk driving”
- Defining and implementing accident prevention measures in cooperation with external actors

Output

Fewer traffic accidents involving injuries on Austrian roads

External factors
Target Groups and Benefits

Parliament
- Sound basis for discussing legislative projects and for decision making
- Issue-driven discussions

Interested Public/Lobbies
- Information about cost-benefit analysis of the federal government
- Possibility to give relevant in-depth feedback

Ministries
- Improved steering and optimized control
- Increased motivation of civil servants
- Feedback about effectivity and efficiency of measures taken

Federal Government
- Improved collaboration across policy fields
- Increased transparency and legitimacy (Presentation of achievements)
- Improved steering
Performance Budgeting Framework

Budget Chapter

Mission statement

Max. 5 outcome objectives at least 1 Gender

Global Budget 1 – 5 primary activities at least 1 Gender

Global Budget 1 – 5 primary activities at least 1 Gender

Global Budget 1 – 5 primary activities at least 1 Gender

Detail budget

Detail budget

Detail budget

Detail budget

Detail budget

Detail budget

Detail budget

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Objectives and Activities

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Performance Contracts

Annual Budget Statement

Explanatory Budget documents
Austrian Approach
...on performance information in the budget documents

- Development of a hierarchy of information to provide information on different abstraction levels for various stakeholder
  - Budget Chapters provide overview about ministries core mission, outcome objectives and indicators
  - Global budget and detail budgets provide more output oriented information on specific sub fields, programs and agencies
  - Impact Assessments provide specific assessments for new or amended regulations and major projects
Performance Management Cycle

1. Strategic planning
2. Outcome statement
3. Output statement
4. Performance contracts
5. Management by objectives
6. Evaluation of outputs & outcomes
7. Reporting

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"Supply Chain" of Public Services

**Political Authority**

**Commissioning**

- Effects on commissioning
  - Organizational learning through vertically organised learning processes

**Executing Organization**

- Government Strategies & Programmes & Projects
- **Output** – Results of the Organization

**Target Group Individual**

- **Effects** on Target Group
  - intersubjectively observable (Effects)
  - subjectively perceived (Outcomes)

**Social Systems**

- **Effects** (tw.: Impact) to be distinguished in the Social System in terms of:
  - Time Horizon: short-, middle-, long term
  - Systemic Boundaries: Participants, Relatives, Schools, Businesses, ...
  - Levels: societal-, sanitary-, educational, economical (e.g. SROI-Variants), ...

**Input** – Ressources for and within the Organization

**Effects on the Organization:**

- Further Development of Projects and Programmes
- Human Resources development
- Organizational development ...

**Evaluation and Monitoring**

_Schörghuber, Rosenbichler 2010_

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Outcome Orientation – An Integrated Approach

- Vertical coordination: across levels of government and international strategies (SDG’s & EU2020)
- Horizontal coordination: across policy fields on cross-cutting issues (RTI, gender equality)
Austrian Approach
...on vertical and horizontal integration

- Focus on integration and coherence during quality assurance by FPMO of
  - performance information in draft budget
  - all impact assessments

→ Objective is to encourage ministries to link performance information, impact assessments, ministerial and international strategies to provide a more coherent performance framework

- Additional focus on assessing and visualizing this connection during the ex-post evaluation through new reporting formats
Quality Assurance

1. strategic planning
2. outcome statement
3. output statement
4. performance contracts
5. management by objectives
6. evaluation of outputs & outcomes
7. reporting

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# Quality Criteria for Performance Information

<table>
<thead>
<tr>
<th>Quality Criteria</th>
<th>Description</th>
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<tr>
<td>Relevant</td>
<td>Focused on ministry’s priorities; providing meaningful information</td>
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<tr>
<td>Consistent</td>
<td>Linkage of outcomes and outputs, objectives and performance indicators</td>
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<td>Comprehensible</td>
<td>Clearly formulated and easy to understand</td>
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<td>Contextualised</td>
<td>Based on the Federal Government’s Programme and the respective ministry’s sphere of competence</td>
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<td>Comparable</td>
<td>Consistent use of objectives and indicators</td>
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<td>Verifiable</td>
<td>Using quantitative or qualitative performance indicators</td>
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Evaluation & Reporting

1. strategic planning
2. outcome statement
3. output statement
4. performance contracts
5. management by objectives
6. implementation
7. evaluation of outputs & outcomes

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Why Evaluating?

- **Transparency and legitimacy**
  - Accountability towards parliament and society

- **Effectiveness of policies for society**
  - Ex-Post Evaluations show the implications of the policies funded by the federal government on different demographic groups
  - Systematic data collection across all institutions allows horizontal analysis of all policies geared towards certain target groups

- **Basis for rational management, evidence-based policy making and continuous learning**
  - continuous development of policy fields
  - annual reporting on outcome and output statements
  - organizational learning (i.e. external factors, effectiveness and efficiency of measures taken)
  - basis for future planning (of outcome and output statements)
Austrian Approach

…on increasing accountability and oversight

- Based on the new structure of the budget, increasing accountability and oversight is mainly depended on
  - Continuing efforts to increase the quality of the available information
  - Systematic training of civil servants to increase capacity and know how
  - Improving and modernizing the presentation of the available data

- Well structured evaluation, monitoring and reporting procedures are vital for increasing quality and relevance
Digital Reporting: Data Output

+ Background Description (environment, international developments, relevant stakeholders)

+ Narrative Overall Assessment of target achievement (environment, international developments, relevant stakeholders)
Digital Reporting: Annual Performance Report

Database

AVAILBLE ONLINE
www.wirkungsmonitoring.gv.at
Compiling and Visualizing Performance Information
The Road Ahead

- Keep pushing
  - Improve skills throughout public administration
  - Provide support, appropriate tools and a centralized quality assurance
  - Support the necessary cultural change, that impacts are made transparent “by default”

- Keep publishing
  - New ways of visualizing data, reporting and drawing a bigger picture
  - Engage with public and parliament
  - Transparently publish all information on performance budgeting and all Impact Assessments

- Be patient
Evidence-Based Decision Making

„In Austria evidence-based interventions are very difficult when ideological questions are concerned (i.e. in the field of education)“

Univ.-Prof. DDr. Christiane Spiel

- Evidence-based decision making ≠ Automated decision making

- Evidence provides decision makers with a maximum of relevant information

- Political considerations, experience and process structures remain crucial
Thank you for your interest!

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