



## OVERVIEW OF RESULTS FOCUSSED MANAGEMENT AND BUDGETING IN OECD MEMBER COUNTRIES

### Introduction

The purpose of this paper is to give a background for and overview of how results focussed budgeting and management is implemented in OECD Member countries and selected non-member countries. Specifically the paper will address:

- the occurrence and use of performance information in the budget;
- the use of accrual accounting and budgeting;
- the flexibility in budgeting for government bodies.

The comparison builds on the surveys from 1999, 2000 and 2001 of budgeting practices in OECD Member countries. The surveys are undertaken under the auspices of the OECD network of Senior Budget Officials. The responses to the questionnaires are given by members of that network and is thus not a result of investigations in the countries involved by the OECD secretariat<sup>1</sup>.

The surveys from 1999 and 2000 only include responses from OECD Member countries whereas the survey from 2001 also includes responses from Brazil and Chile, which are permanent observers of the Senior Budget Officials network. Some countries have opted not to respond to all questions. Please refer to the tables in the annex for identification of the non-respondents for each issue covered in the text.

### Performance information in the budget

In 1999 and 2000, three quarters of the OECD Member countries participating in the surveys reported that they routinely include performance information in their budget documentation. Out of these three quarters, around 70 percent include such information for most of the programmes in the budget whereas the remainder include the information for a limited set of programmes. In 1999, only 36 percent of the countries including performance information in the budget documentation reported that the inclusion of this information was a legal requirement for some or most programmes.

There is a longstanding debate in OECD Member governments as to the appropriate role of the national audit offices in regard to performance information. Ministries of Finance generally hold the view that audit should be limited to financial information whereas audit offices typically would like to have a stronger role.

In 2000, eight countries reported that performance information was audited for most programmes whereas five countries reported that it was only audited for some programmes. 13 countries, corresponding to almost half of the countries responding to this particular question, reported that performance information was not audited. Unfortunately, this distribution does not reveal whether the audit was undertaken by the audit offices, the ministries of finance or internal controllers.

---

1. It should be noted that some of the questions involve an element of subject judgement on behalf of the responder. The distribution of answers by country can be found in the annexes to this paper. Readers are encouraged to report to the OECD secretariat if the country information is inaccurate.

## Outcomes and outputs

The term “performance” is often used to denote a move in the focus of budgeting and management from inputs and work processes to a focus on outputs and outcomes. As a term, however, “performance” is imprecise because it does not make a distinction between “outputs” and “outcomes” and as it does not make a distinction between evidence of internal performance (*i.e.* operations) and external performance (*i.e.* outputs and outcomes inflicted on the surrounding environment of the entity in question).

### Box 1. Definition of inputs, processes, outputs and outcomes

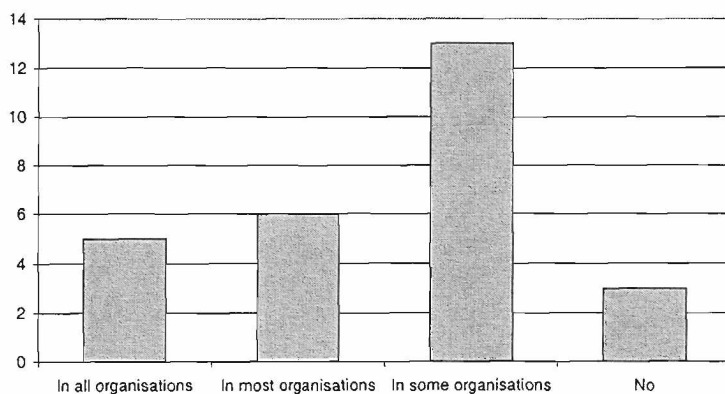
*Inputs* are what an organisation or manager has available to achieve an output or outcome. Inputs can include employees, equipment or facilities, supplies on hands, goods or services received. *Costs* are the expenses incurred using the inputs. *Outputs* are the goods or services (usually the latter) which government bodies provide for citizens, business and/or other government bodies. *Processes* are the ways inputs are aligned to bring about outputs. *Outcomes* are the impacts on, or the consequences for, the community from the outputs or activities of the Government. Outcomes reflect the intended and unintended results from government actions and provide the rationale for government interventions.

Examples of input could be secretaries, computers or office space. An example of an output from a Ministry of Finance could be a monthly delivery of reports of Government financial performance and the annual financial statements. An example of an output target could be that 90% of economic reports are delivered within the timeframes agreed and are rated excellent or above average by principal users. An example of an outcome from such a ministry could be that government finances are sustainable. An example of an outcome target could be that Government Finances will produce a budgetary surplus of two percent in the next fiscal year.

Source: Outcome Focussed Management and Budgeting, The OECD Journal of Budgeting, Volume 1, Issue 4, forthcoming.

In the 1999 and 2000 surveys on budgeting developments, the secretariat only asked whether “performance information” was included in the budget documentation. In the 2001 questionnaire, the Senior Budget Officials in the OECD Member countries, as well as in Brazil and Chile, were asked whether the distinction between outcomes and outputs were used in all, most or some organisations in their respective public sectors. The result is depicted in Figure 1.

Figure 1. Is the distinction between outputs and outcomes used in public sector organisations?  
(Number of countries, 2001, N=27)



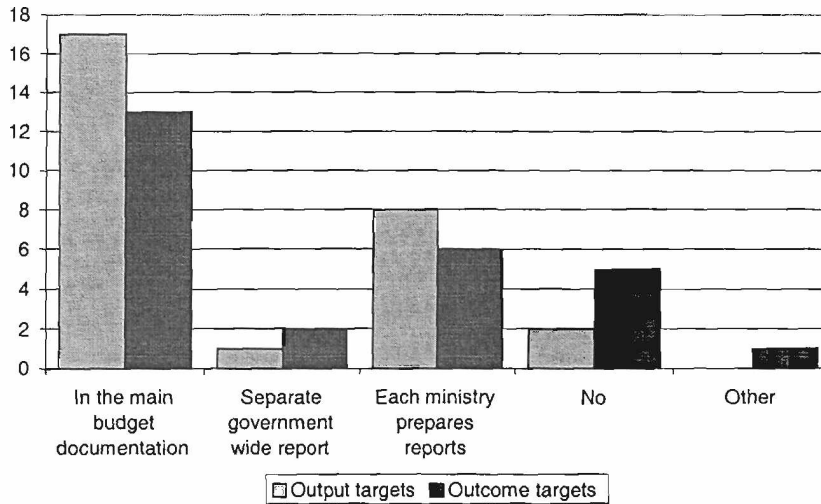
11 countries, equal to 40 percent of the countries answering this question, reported that the distinction was used in all organisations. Australia did not respond to the questionnaire but should be included in this group which would raise the total to 12 countries. Only Austria, Spain and Turkey reported that the distinction was unknown while the remaining group reported that the distinction between outputs and outcomes was used in some organisations.

These numbers are likely to be inflated as there is much confusion in countries as to the meaning of terms involved. Nevertheless, Figure 1 supports the impression that the distinction between outcomes and outputs is being used.

*Outcomes, outputs and the budget*

Figure 2 depicts whether output and outcome targets are routinely included in the main budget documentation and if so, in what format.

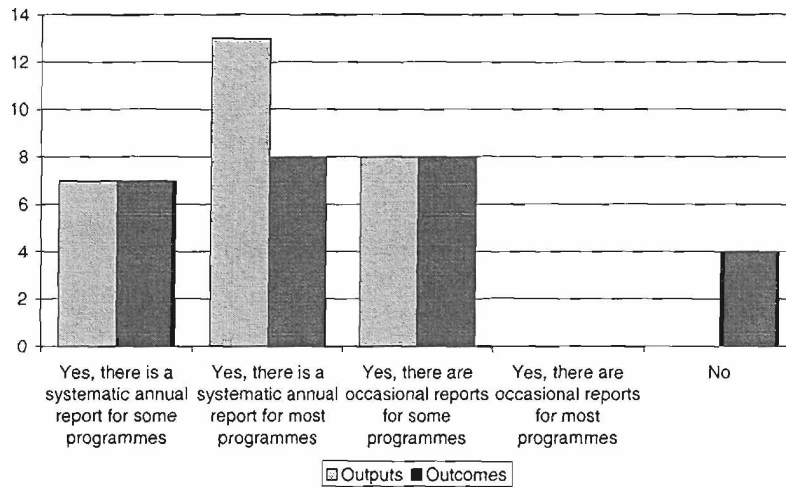
Figure 2. **Are targets routinely shown in the budget documentation delivered to parliament?**  
(Number of countries, 2001, N=25 for outcomes, N=26 for outputs)



Note: 1) Two countries, USA and Denmark, reported that they include output and outcome targets in the main budget documentation as well as in reports for each ministry.  
2) Two countries, Denmark and Greece, reported that only "some" targets are included.

Generally, more countries reported that they are including output targets than there are countries including outcome targets. Predominantly, the targets are included in the main budget documentation. Only Iceland responded that a separate government-wide report with output targets is being issued and only Brazil and the United Kingdom reported that they issue separate government-wide reports on outcome targets.

Figure 3. Is actual performance against outcome targets reported? (Number of countries, 2001, N=25 for outcomes, N=26 for outputs)

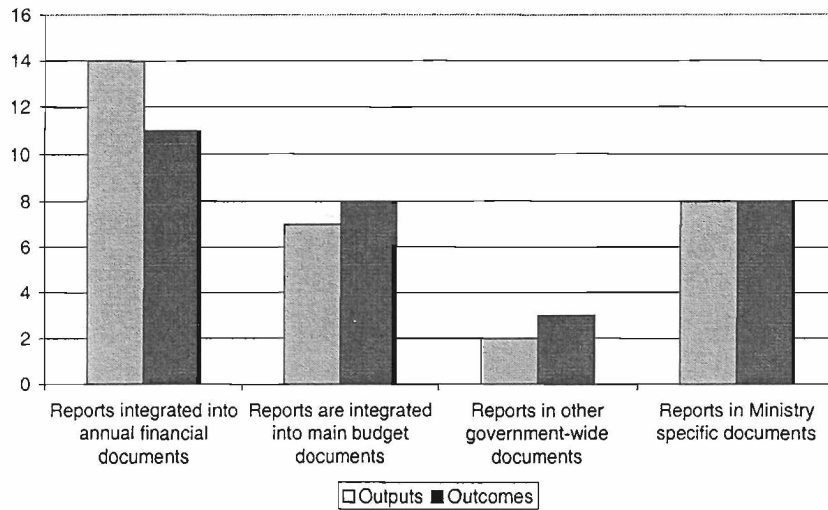


Twenty countries reported that “there is a systematic annual reporting on how public organisations have performed against output targets” for some or most of their programmes. The similar number for outcome targets is 15. Belgium, Norway Turkey and Chile responded that outcomes are not reported against even though at least the first three of these countries reported that they include outcome targets in the main budget documentation presented to parliament.

Interestingly, Austria, Hungary, Iceland and Korea inform that they issue occasional reports on how public organisations have performed against outcome targets even though these are not included in the any budget documentation. No country is reported not to account for the delivery on output targets at all.

Performance against targets can be reported in different formats and documents relating to the budgeting and accounting procedures. As illustrated in Figure 4 below, countries most commonly integrate the reporting in the annual financial documents. 14 countries do this for output targets whereas 11 countries do this for outcome targets. Less common is integration in the main budget documentation. Reporting in government-wide documents is rare. Eight countries reported that they include information on performance against targets in reports for each individual ministry.

Figure 4. Format for reporting on output and outcome targets for some or most programmes (Number of countries, 2001, N=20 for outcomes, N=23 for outputs)



Characteristically, however, a number of countries reported on performance in more than one format (this is why the columns in Figure 4 sum up to more than the number of countries answering the question).

As regards reporting on output targets, Luxembourg includes reporting in the budget as well as in reports specific to each ministry. Norway and Spain reported in the budget as well as in the accounts. Sweden and the USA include reporting on output targets in budgets, accounts and reports specific to each ministry. And Switzerland include the information in the accounts as well as in reports for each ministry.

As regards reporting on outcome targets, France include information in the accounts as well as in the budget and Luxembourg include the information in the budget as well as in reports specific to each ministry. As in regard to outputs, Spain and Norway reported on outcomes in the budget as well as in the accounts whereas Sweden spreads its reporting over the accounts, the budget and ministry specific reports. Switzerland, include reporting on output and outcome targets in the accounts but supplements with performance information in reports for each ministry. The USA integrate reporting on outcomes in the budget and in ministry specific reports whereas Brazil reports in the accounts, the budget and in government wide reports.

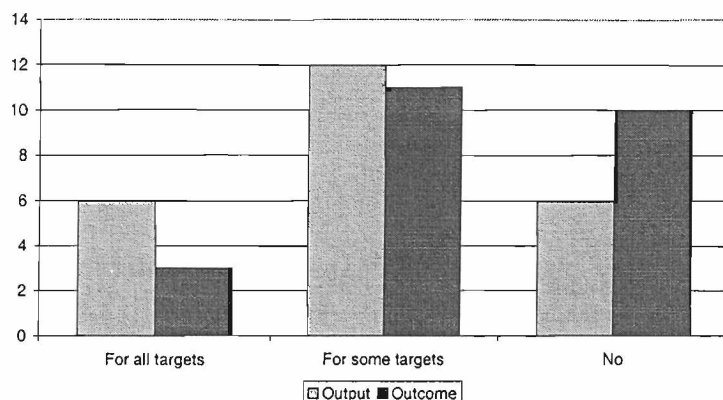
In some countries, the Senior Budget Officials have reported that the performance information against outcome and output targets are given for *most* government programmes whereas others have indicated that the information only applies to *some* government programmes. Around half of the countries responded that the reporting on outcome and output targets only regards some programmes.

The partial reporting and the many different and potentially overlapping formats raise the questions of whether countries have yet found the optimal way of reporting on performance targets.

## Expenditure and targets

Figure 5 depicts whether “expenditures are specifically linked” to each output and outcome target.

Figure 5. Are expenditures linked to each target? (Number of countries, 2001, N=24 for outcomes, N=24 for outputs)



Italy, Luxembourg, New Zealand, Turkey, Brazil and Chile reported that expenditures are linked to all output targets whereas only Italy, Turkey and Brazil reported that the same is the case in regard to outcome targets. Half of the 24 countries answering this question link expenditures to *some* output targets whereas 25 percent (Italy, Luxembourg, New Zealand, Turkey, Brazil and Chile) reported that all output targets are linked to expenditure.

Ten countries reported that outcome targets are not linked to expenditure. Half of these countries reported that they are not presenting any outcome information in the budgeting documentation – there are thus no outcome targets to link expenditures to. The other half include outcome targets in the main budget documentation but does not link any of them to expenditure.

One country (Hungary) reported that expenditures are linked to outcome targets even though this country also reported that outcome targets are not included in the budget documentation presented to parliament.

Five of the six countries reporting that they do not link expenditure to output targets also reported that they are not linking expenditure to outcomes either. Austria, Denmark, Japan, Korea and Spain belong to this group. The United Kingdom reported that they are linking expenditure to “some outcome targets” but not to output targets.

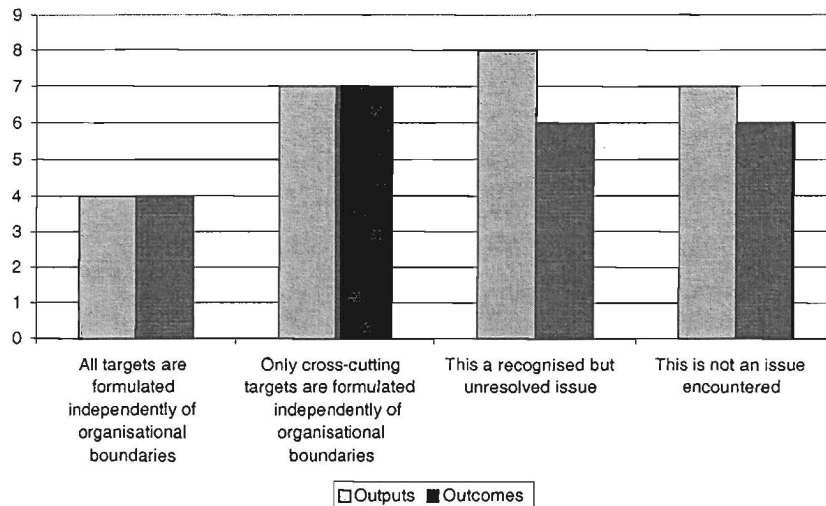
In general, the findings in Figures 1 to 5 support the impression that countries are more at ease in dealing with output than with outcome targets.

## Coherence

An issue often encountered in regard to results focussed management and budgeting is the dilemma between setting targets for individual managers and organisations on one hand and providing for coherence in policy and delivery from a whole of government perspective on the other.

Figure 6 illustrates how this is dealt with in countries as reported by Senior Budget Officials in 2001.

Figure 6. **Targets and coherence (Number of countries, 2001, N=23 for outcomes, N=26 for outputs)**



France, Greece and Sweden reported that output and outcome targets are set independently of organisational boundaries as regards both outcome and output targets. The Netherlands reported that outcome targets are set independently of organisational boundaries whereas the issue of cross-cutting outputs is not encountered. Turkey, on the other hand, reported that all output targets are formulated independently of organisational boundaries whereas the issue of cross-cutting outcome targets is not encountered.

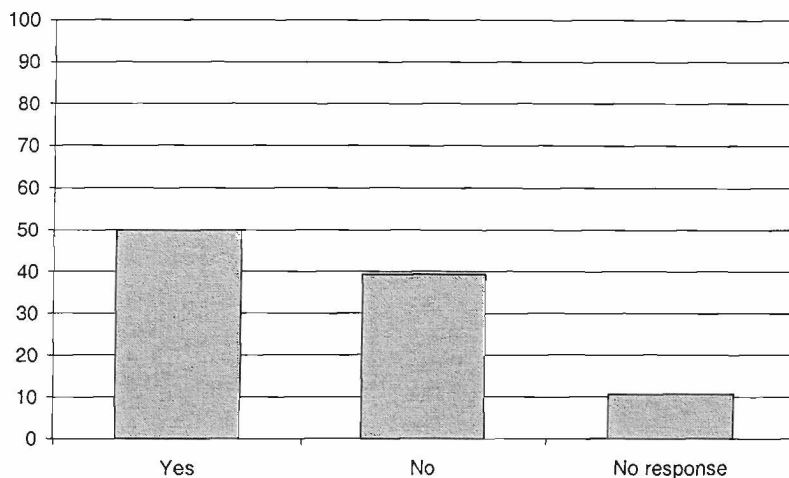
Seven countries reported that cross-cutting outcome and output targets are formulated independently of organisational boundaries whereas other outcome targets are linked to the organisations delivering on these targets. A little more than one third of the countries responding to this question reported that the issue of cross-cutting output targets is a recognised but as yet unresolved issue whereas more than one fourth reported the same observation as regards outcome targets. A similar number of countries responded that this is not an issue encountered at all.

## Performance information and allocation

A frequently voiced concern is that performance information is not used in decision making. This proposition has fairly important implications as it would indicate that systems are not designed to successfully address one of their main purposes and because the sometimes substantial efforts going into designing and running the systems would then not result in the expected benefits.

One aspect of decision making sometimes expected to be supported by performance information is allocation of financial resources. Figure 7 depicts the use of performance information in budget (re)allocation as reported in 1999.

Figure 7. Is there evidence that performance data is regularly used in determining budgetary allocations? (Percent, 1999, N=28)



Note: Numbers for this graph are not provided in the annex.

50 percent of the Senior Budget Officials were of the view that there was evidence that performance data was determining budget allocations whereas 40 percent did not see such evidence. Almost all of those officials who held the view that the performance information was used for allocation decisions reported that the information is used for allocation within programmes and agencies and within ministries, whereas only one in three was of the view that performance information is used for allocation between ministries and programmes.

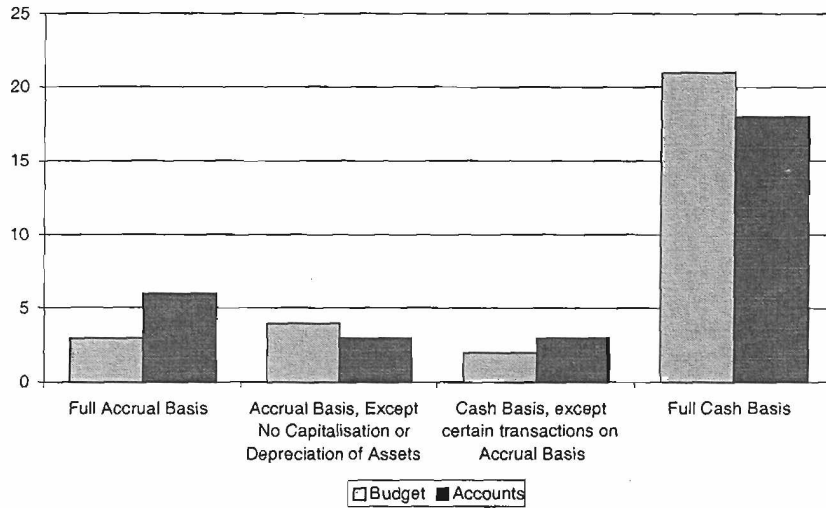
### Accrual accounting

Accrual accounting and budgeting is at the top of the public management and budgeting agenda in the OECD member countries as well as in the international public management and budgeting community. Accruals are of interest in connection to results focussed management and budgeting because some see accrual accounting and budgeting as a prerequisite for accurate costing of outputs and outcomes. Costing or even pricing, again, is seen as necessary in order to be able to compare the costs of different providers of the same type of outputs and thus to make them compete on efficiency. Furthermore, costing of outcomes is seen by some as necessary if an outcome approach is to be used for reallocation purposes.

As accrual accounting and budgeting can be seen as a more accurate way of including costs and benefits, the use of accruals is of interest in regard to a results approach to budgeting and management.



Figure 8. Accrual accounting (Number of countries, 2000, N=27)



The majority of OECD Member countries are budgeting and accounting on a cash basis. Only Australia, New Zealand and the United Kingdom reported to be budgeting on a full accrual basis and only the first two of these countries also use accruals as accounting basis for the consolidated financial statements. Australia and New Zealand, however, are joined by Finland and Sweden when it comes to full accrual accounting. Close to 70 percent of the 27 OECD Member countries providing answers to this question still budget on a full cash basis whereas 60 percent use cash as an accounting basis.

Canada, Korea, Sweden and Switzerland are considering moving to a full accrual based budget whereas Denmark, Germany and Portugal are considering introducing additional accrual information in the budget.

#### Flexibility in budgeting for government organisations (agencies)

A significant trend in budgeting and management in OECD countries in the last 10-20 years has been to give government organisations (institutions, agencies) increased managerial freedom. An important aspect of this has involved increased managerial discretion over how to allocate expenditures between capital, land and labour. The philosophy has been that managers should be given increased managerial freedom in exchange for increased accountability for results. The information about results or performance in the sections above thus only addresses one side of the equation whereas the other side, the increased degrees of freedom, is dealt with in the following.

One indication of the degree of freedom is the number of appropriations given to government bodies for their operating expenses. In principle, bodies with only one appropriation will have larger degrees of freedom than bodies with more appropriations because transfers between appropriations is typically more complicated than transfers within an appropriation. If a body thus receives one appropriation for operating expenses, the manager of the organisation in question is in a position to decide on the mix of inputs him or herself as opposed to a situation where parliament has decided on the mix of input through different appropriations (for example, one for salaries, one for office space and one for office supplies).

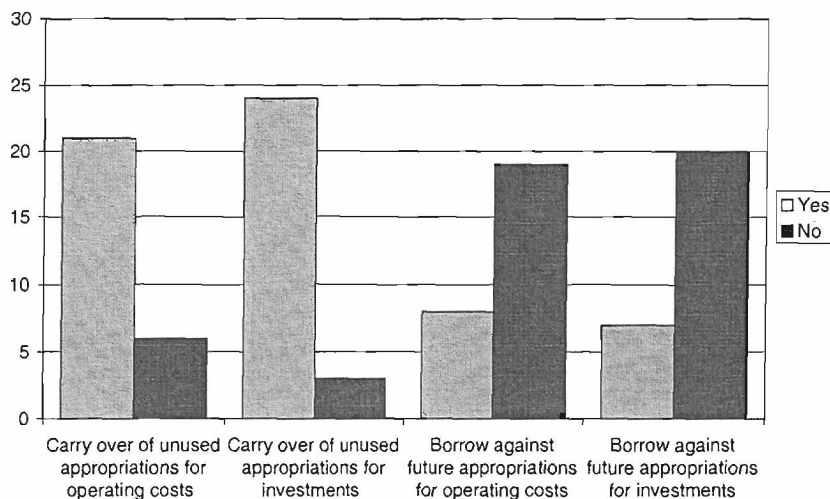
More than one third of the 27 countries participating in the survey in 2000 reported that government bodies receive *one* appropriation for all their operating expenditures. An equal number reported that government bodies receive *more than two* appropriations, *i.e.* detailed appropriations for a number of inputs. Seven countries reported that government bodies receive two appropriations – *i.e.* one for salaries and one for other operating expenditures.

Nevertheless, just as having only one appropriation does not in itself necessarily free government bodies from input controls, so does having more than one appropriation not necessarily imply a total lack of flexibility provided budget rules allow for transfers between the different appropriations.

Out of the 17 countries that operate with more than one appropriation for operating expenditure, only Switzerland and Turkey forbid transfers between the appropriations. The remaining countries allow for transfers with certain restrictions, typically approval by the Ministry of Finance.

Another element of managerial freedom regards flexibility in spending over time; *i.e.* carry-over and borrowing facilities as depicted in Figure 9 below.

Figure 9. **Borrowing and carry-over facilities (number of countries, 2000, N=27)**



Countries generally allow government bodies to carry over unused appropriations for operating costs although six out of the 21 countries that allows such carry-overs conditions this on the approval of the Ministry of Finance. As regards investments, even more countries allow for carry-overs and almost none of them conditions this on approval from the Ministry of Finance.

The other side of carry-overs concerns borrowing against future appropriations. Only 8 countries allow for this when it comes to operating costs and then usually only within tight limits, *i.e.* 1-5 percent of appropriations. Seven countries allow for borrowings as regards investments.

## Conclusion

The purpose of this paper was to give a background for and overview of how results focussed budgeting and management is implemented in OECD Member countries and selected non-member countries in regard to:

- the occurrence and use of performance information in the budget;
- the use of accrual accounting and budgeting;
- the flexibility in budgeting for government bodies (agencies).

It was documented that most governments today include performance information in their budget documentation and that information is subject to some form of audit in half of the countries. Though the current debate in the international public management and budgeting community on the distinction between outcomes and outputs is relatively new, the distinction between the two categories of results is used in most or all organisations in 11 out of 27 countries participating in the survey.

A fairly large number of countries reported that the most common format for presenting output and outcome targets to the legislature is in the main budgeting documentation.

The overall picture is not entirely clear when it comes to the format of reporting on performance against outcome and output targets. The accounts are the most popular format but there are substantial variations. Six countries use more than one format in regard to outcomes and seven countries use more than one format as regards reporting on outcome targets. Furthermore, it appears that the reporting in up to half of the countries setting targets does not cover the whole range of government activities.

Only a limited number of countries link performance targets to expenditures for all government programmes though around half of them have established links for some of their programmes. A limited number of countries use performance targets without any linking to expenditure at all.

Countries have different approaches to dealing with cross-cutting issues in regard to performance targets. More than half the countries reported that this is either a recognised but unresolved problem or an issue not encountered. Of the remaining half, most have opted for a mix between targets bound to the organisations delivering on public services and targets to which different organisations can contribute.

Half of the countries reported that performance information is used for allocation purposes during the budget procedure but also that the use is confined to allocation within ministries and programmes

As regards accounting and budgeting basis, 60 percent of the countries participating in the survey still operate on a full cash basis whereas 10 and 20 percent use accruals for their budgeting and accounting respectively. The remaining countries operate mixed systems.

Most countries have given substantial degrees of freedom to managers of public bodies as regards the use of funds for operational expenditures. Almost half of the countries, however, still require that the Ministry of Finance approve transfers between different kinds of input. Almost all countries allow for carry-overs of unused funds for operating expenses and investments whereas borrowing against future appropriations is only permitted in under one third of the countries.

ANNEX 1. RESULTS FROM THE OECD BUDGETING DATABASE

Table 1. Is a distinction between outputs and outcomes used in government organisations? 2001

	Yes, in all organisations	Yes, in most organisations	Yes, in some organisations	No
Australia				
Austria				X
Belgium			X	
Canada		X		
Czech Republic			X	
Denmark			X	
Finland		X		
France			X	
Germany				
Greece			X	
Hungary			X	
Iceland			X	
Ireland				
Italy	X			
Japan	X			
Korea			X	
Luxembourg			X	
Mexico			X	
Netherlands			X	
New Zealand		X		
Norway		X		
Poland				
Portugal			X	
Slovak Republic				
Spain				X
Sweden	X			
Switzerland			X	
Turkey				X
United Kingdom		X		
United States	X			
Brazil		X		
Chile	X			

Table 2. Outputs, outcomes and the budget, 2001

	Are output targets routinely displayed in the budget documentation presented to the legislature	Is actual performance against the output targets reported?	Are expenditures specifically linked to each output target?	Are outcome targets displayed in the budget documentation presented to the legislature?	Is actual performance against outcome targets reported?	Are expenditures specifically linked to each outcome target?
Australia	-	-	-	-	-	-
Austria	No	Occasionally	No	No	Occasionally	No
Belgium	Yes	Occasionally	For some	Yes	No	Yes for some
Canada	Yes	Annually for some	-	Yes	Annually for most	Yes for some
Czech Rep.	Yes	Occasionally	-	Yes	Occasionally	Yes for some
Denmark	Yes, some	Annually for most	No	Yes, some	Annually for most	No
Finland	Yes	Annually for most	For some	Yes	Annually for some	No
France	Yes	Annually for some	For some	Yes	Annually for some	Yes for some
Germany	-	-	-	-	-	-
Greece	Yes, some	Occasionally	For some	Yes, some	Occasionally	Yes for some
Hungary	No	Annually for some/ occasionally	For some	No	Occasionally	Yes for some
Iceland	Yes	Occasionally	For some	No	Occasionally	No
Ireland	-	-	-	-	-	-
Italy	Yes	Annually for most	For all	Yes	Annually for most	Yes for all
Japan	Yes	Annually for most	No	Yes	Annually for most	No
Korea	Yes	Occasionally	No	No	Occasionally	No
Luxembourg	Yes	Annually for some	For all	Yes	Annually for some	Yes for some
Mexico	Yes	Annually for most	For some	-	-	-
Netherlands	Yes	Annually for some	For some	Yes	Annually for some	Yes for some
New Zealand	Yes	Annually for most	For all	No	No	No
Norway	Yes	Annually for most	For some	Yes	Annually for most/ occasionally	Yes for some
Poland	-	-	-	-	-	-
Portugal	-	-	-	-	-	-
Slovak Rep.	-	-	-	-	-	-
Spain	Yes	Annually for some	No	Yes	Annually for some	No
Sweden	Yes	Occasionally/ annually for most	For some	Yes	Annually/ occasionally	Yes for some
Switzerland	Yes	Annually for most	For some	Yes	Annually for most	-
Turkey	Yes	Annually for most	For all	Yes	No	Yes for all
UK	Yes	Annually for most	No	Yes	Annually for most	Yes for some
USA	Yes	Annually for most	For some	Yes	Annually for most	No
Brazil	Yes	Annually for most	Yes	Yes	Annually for some	Yes for all
Chile	Yes	Annually for some	Yes	-	No	No

Table 3. Targets and coherence, 2001

	All targets are formulated independently of boundaries		Only cross-cutting targets are formulated independently		This is a recognised but unresolved issue		This is not an issue encountered	
	Output	Outcome	Output	Outcome	Output	Outcome	Output	Outcome
Australia								
Austria							x	x
Belgium					x	x		
Canada			x	x				
Czech Republic			x	x				
Denmark					x	x		
Finland					x	x		
France	x	x						
Germany								
Greece	x	x						
Hungary							x	x
Iceland							x	x
Ireland								
Italy							x	x
Japan					x			
Korea			x	x				
Luxembourg			x	x				
Mexico					x			
Netherlands		x					x	
New Zealand			x	x				
Norway					x	x		
Poland								
Portugal								
Slovak Republic								
Spain							x	x
Sweden	x	x						
Switzerland							x	
Turkey	x							x
United Kingdom			x	x				
United States					x	x		
Brazil			x	x				
Chile					x	x		

Table 4. Cash or accrual budgeting and accounting, 2000

	Budgeting				Accounting			
	Full Accrual Basis	Accrual Basis, Except No Capitalisation or Depreciation of Assets	Cash Basis, except certain Transactions on Accrual Basis	Full Cash Basis	Full Accrual Basis	Accrual Basis, Except No Capitalisation or Depreciation of Assets	Cash Basis, except certain Transactions on Accrual Basis	Full Cash Basis
Australia	X				X			
Austria				X				X
Belgium				X				X
Canada		X				X		
Czech Rep.				X				X
Denmark			X(1)				X(1)	
Finland		X(2)			X			
France				X			X(5)	
Germany				X				X
Greece								
Hungary				X				X
Iceland		X				X		
Ireland				X				X
Italy								
Japan				X				X
Korea				X				X
Luxembourg				X				X
Mexico				X				X
Netherlands				X				X
Norway				X				X
New Zealand	X				X			
Poland				X			X(6)	
Portugal				X				X
Spain				X				X
Sweden				X	X			
Switzerland				X				X
Turkey				X				X
UK	X(3)							X(3)
USA			X(4)		X			

1. Denmark – Interest Expenses and Employee Pensions Treated on Accrual Basis.
2. Finland – Transfer Payments Not on Accrual Basis.
3. United Kingdom – Budget on Full Accrual Basis Effective Fiscal Year 2001-02. Statements on Full Accrual Basis Effective Fiscal Year 2005-06.
4. United States – Interest Expenses, Certain Employee Pension Plans, and Loan and Guarantee Programmes Treated on Accrual Basis.
5. France – Interest Expense and Certain Other Transactions Treated on Accrual Basis. Full Accrual Basis to be Introduced.
6. Poland – Employee Pensions Treated on Accrual Basis.

Table 5. Flexibility in budgeting for government organisations – appropriations and transfers, 2000

	Number of appropriations for each government organisation	Are transfers between different appropriation lines possible	Are transfers between capital investments or transfer programmes and operating expenditures permitted?
Australia	One	-	No
Austria	Two	Yes – MOF approval	No
Belgium	-	-	-
Canada	One	-	No
Czech Republic	Two	Yes – MOF approval	Yes – MOF approval
Denmark	One	-	No
Finland	One	-	No
France	More than two	Yes – MOF approval 1)	No
Germany	More than two	Yes – MOF approval 2)	Yes – Restrictions
Greece	More than two	Yes – MOF approval	No
Hungary	More than two	Yes – restrictions	No
Iceland	One	-	No
Ireland	More than two	Yes – MOF approval	Yes – MOF approval
Italy	One	-	No
Japan	More than two	Yes – MOF approval	No
Korea	Two	Yes – MOF approval	Yes – MOF approval
Luxembourg	-	-	-
Mexico	Two	Yes – MOF approval	Yes – Restrictions
The Netherlands	One	-	Yes – MOF approval
New Zealand	One	-	No
Norway	One	-	No
Poland	Two	Yes – MOF approval	Yes – MOF approval
Portugal	More than two	Yes – MOF approval	Yes – MOF approval
Slovak Republic	-	-	-
Spain	Two	Yes – restrictions	No
Sweden	One	-	No
Switzerland	More than two	No	No
Turkey	Two	No	No
United Kingdom	More than two	Yes – MOF approval	Yes – Restrictions 4)
United States	More than two	No 3)	No

1. Up to 10 Percent.

2. Some transfers can be made without prior approval from the finance ministry.

3. Transfer authority varies from organisation to organisation. Transfers frequently require approval of congressional committee.

4. Transfers from operating appropriations to capital can be freely made; specific restrictions apply for others.



Table 6. Flexibility in budgeting for government organisations – loans and carry-overs, 2000

	Is it possible to carry forward unused appropriations?		Is it possible for managers to borrow against future appropriations?	
	For operating costs?	For investments?	For operating costs?	For investments?
Australia	Yes	Yes	No	No
Austria	Yes	Yes	No	No
Belgium	-	-	-	-
Canada	Yes (up to 5 %)	Yes (up to 5%)	Yes 2)	Yes 2)
Czech Rep.	No	No	No	No
Denmark	Yes	Yes	Yes (up to 2 %)	No
Finland	Yes	Yes	No	No
France	Yes – MOF approval (up to 10 %)	Yes	Yes	Yes
Germany	Yes	Yes	Yes 3)	Yes 3)
Greece	No	Yes	No	Yes 3)
Hungary	Yes – MOF approval	Yes	No	No
Iceland	Yes	Yes	No 4)	No
Ireland	Yes – MOF approval (up to 5 %)	Yes	No	No
Italy	No	Yes	No	No
Japan	Yes – MOF approval	Yes	No	No
Korea	Yes (up to 5 %)	Yes	No	No
Luxembourg	-	-	-	-
Mexico	No 1)	No 1)	No	No
The Netherlands	Yes (up to 1 %)	Yes (up to 1%)	Yes (up to 1 %)	Yes (up to 1 %)
New Zealand	Yes	Yes	No	No
Norway	Yes (up to 5 %)	Yes	Yes (up to 5 %)	No
Poland	Yes – MOF approval	Yes	No	No
Portugal	Yes – MOF approval	Yes	No 4)	No 4)
Slovak Republic	-	-	-	-
Spain	No	No	No	No
Sweden	Yes (up to 3 %)	Yes	Yes (up to 3 %)	Yes (up to 10 %)
Switzerland	Yes	Yes	No	No
Turkey	No	Yes	No	No
United Kingdom	Yes	Yes	Yes 3)	Yes 3)
United States	Yes (up to 50 %)	Yes	No	No

1. Annual appropriations are, however, valid 3 months into the next year.
2. The finance ministry operates a small reserve fund from which organisations may borrow for specific needs
3. The finance ministry may approve such borrowing on a case-by-case basis. Specific restrictions apply.
4. All overspending in one year is deducted from next year's appropriation.

