

Supporting the implementation of two pilot spending reviews in Poland

Context

Poland introduced spending reviews in 2015, which are coordinated by the Value-for-Money team within the Polish Ministry of Finance. The Value-for-Money team is responsible for developing the spending review methodology, conducting spending reviews in cooperation with relevant stakeholders and monitoring the implementation of the results from spending reviews.

After conducting several rounds of spending reviews, the Value-for-Money team encountered methodological and structural challenges, such as a lack of cooperation with spending entities and linkages with the budgetary process. To address these challenges, in 2020, the Value-for-Money team requested support through the Technical Support Instrument (TSI). The key objective of this support was to revise the methodology of spending reviews based on OECD best practices. In 2021, the Value-for-Money team requested follow-up support to conduct two pilot spending reviews based on the revised methodology. The key objective of this follow-up support was to test the revised methodology, identify the challenges and propose recommendations on how to improve the process based on lessons learnt from two pilot spending reviews.

This follow-up project provided hands-on support to the Ministry of Finance to carry out two pilot spending reviews in healthcare and support for innovation in small and medium enterprises (SMEs), both sectors where improving the quality of public spending was highly relevant in the context of the COVID-19 recovery.

The project “Spending Reviews in Healthcare and Support for Innovation in SMEs” was carried out with funding by the European Union *via* the TSI and implemented by the OECD in cooperation with the European Commission.

Support provided

The OECD supported the Value-for-Money team, within the Polish Ministry of Finance, in implementing pilot spending reviews in healthcare and support for innovation in SMEs. The OECD provided hands-on assistance throughout the conduct of the reviews by providing feedback on the outputs produced, organising capacity-building and peer-exchange workshops, and having regular discussions with the Value-for-Money team on the progress and challenges encountered.

More specifically, the OECD provided direct assistance during the design, conduct and follow-up phases of the pilot spending reviews. The OECD helped define the specific topics for the reviews and offered regular feedback and advice during the preparation of the Terms of Reference.

Additionally, leveraging the revised spending review methodology, the OECD provided operational guidance on key methodological and governance aspects of conducting the two pilot spending reviews: the OECD organised exchanges with OECD experts on health and SMEs, as well as international workshops where Polish officials involved in the two spending reviews had an opportunity to discuss the challenges encountered and learn from international experiences.

Based on the lessons learned during the pilot reviews, the OECD provided recommendations on how to improve the process for future spending reviews, taking into account OECD best practices.

Results achieved

In line with OECD recommendations, Poland has taken significant steps to strengthen the spending review framework. Notably, specific provisions on spending reviews are now included in the Public Finance Act, demonstrating a strong commitment to conducting spending reviews in Poland. The new legal basis provides the required authority for conducting spending reviews and supports their long-term sustainability.

The OECD support has contributed to the increased capacities within the Value-for-Money team and line ministries for conducting spending reviews based on the new methodology. Additionally, the successful implementation of the two spending reviews has resulted in increased support for spending reviews from decision-makers and other relevant stakeholders, which will contribute to the sustainability of spending reviews in Poland going forward.

As a result of the OECD support – the newly adopted legal basis for spending reviews, growing political support, and strengthened capacities for conducting spending reviews – Poland is now well-equipped to continue using them as a tool to improve the quality of public expenditure.

Key recommendations

Drawing from the lessons learned during the pilot spending review, the OECD has identified key considerations for Poland to further enhance its spending review methodology. The following areas should be addressed to ensure the effectiveness of the spending review process, following the recommendations provided by the OECD:

- **Further improve the linkages with the budget process** by carrying out spending reviews on a regular basis, engaging with the Budgetary Departments in the spending review process, concluding with policy options that can be implemented in the budget, and ensuring spending review decisions are considered as part of the budget discussions.
- **Improve the topic selection process** by establishing indicative criteria to identify suitable and relevant topics, streamlining relevant templates and developing a repository of potential topics for spending reviews.
- **Continue improving capacities to conduct spending reviews** by organising regular training sessions for officials within the Ministry of Finance and line ministries, using external experts for specific tasks without fully outsourcing the spending reviews to ensure ownership, publishing the revised Spending Review Manual and organising introductory sessions for the Working Groups.
- **Reinforce monitoring mechanisms** by creating a monitoring system using a traffic light system, presenting it to relevant stakeholders and publishing the implementation report on the Ministry of Finance website.

More detailed recommendations were developed and outlined in the relevant outputs of the project.