

Spending Reviews in OECD Countries

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Why spending reviews matter today

- > Public finances face **sustained pressures across countries**
 - > High and persistent public debt levels
 - > New emerging priorities (aging populations, defence, climate transition)
 - > Demographic changes (increasing pension and healthcare expenditures)
- > Need to improve the **quality, effectiveness, and efficiency of public spending.**
- > However, a significant share of **expenditure is embedded in baseline appropriations**
- > Traditional budgeting is often incremental and **focuses on marginal changes** rather than the full stock of expenditure
- > This is where spending reviews come in.

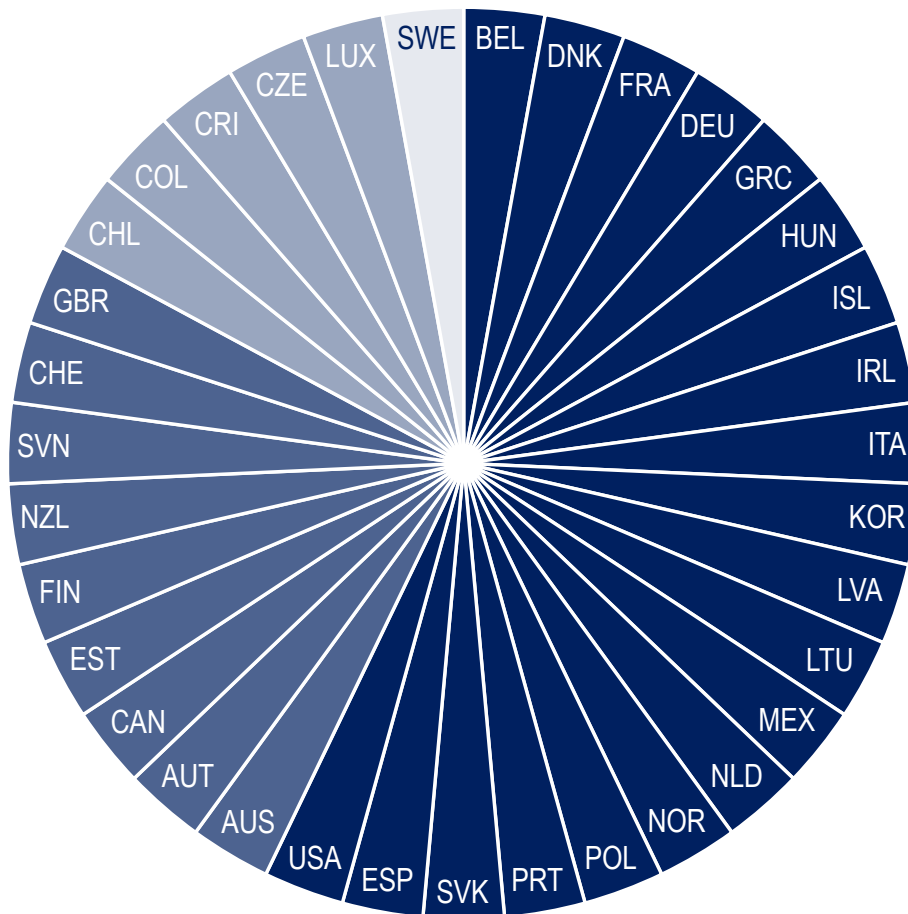


Spending reviews as a core PFM instrument

- > Spending reviews are a formal procedure that enable the **systematic assessment of existing expenditures**
 - > *Top-down process **led by the MoF**, which ensures the link with the budget*
 - > *Line ministries play an important role in the process, bringing sectoral knowledge and expertise*
- > They deliver the strongest value when they **feed directly into budgetary decisions**
 - > **Risk:** than remaining stand-alone analytical exercise, spending reviews should make quantifiable recommendations that will be adopted in the budget.
- > *OECD experience shows that spending reviews succeed when they are designed to **support difficult fiscal choices** - not just better information.*
 - > *Spending Reviews that deliver concrete budgetary results are particularly relevant at the moment*



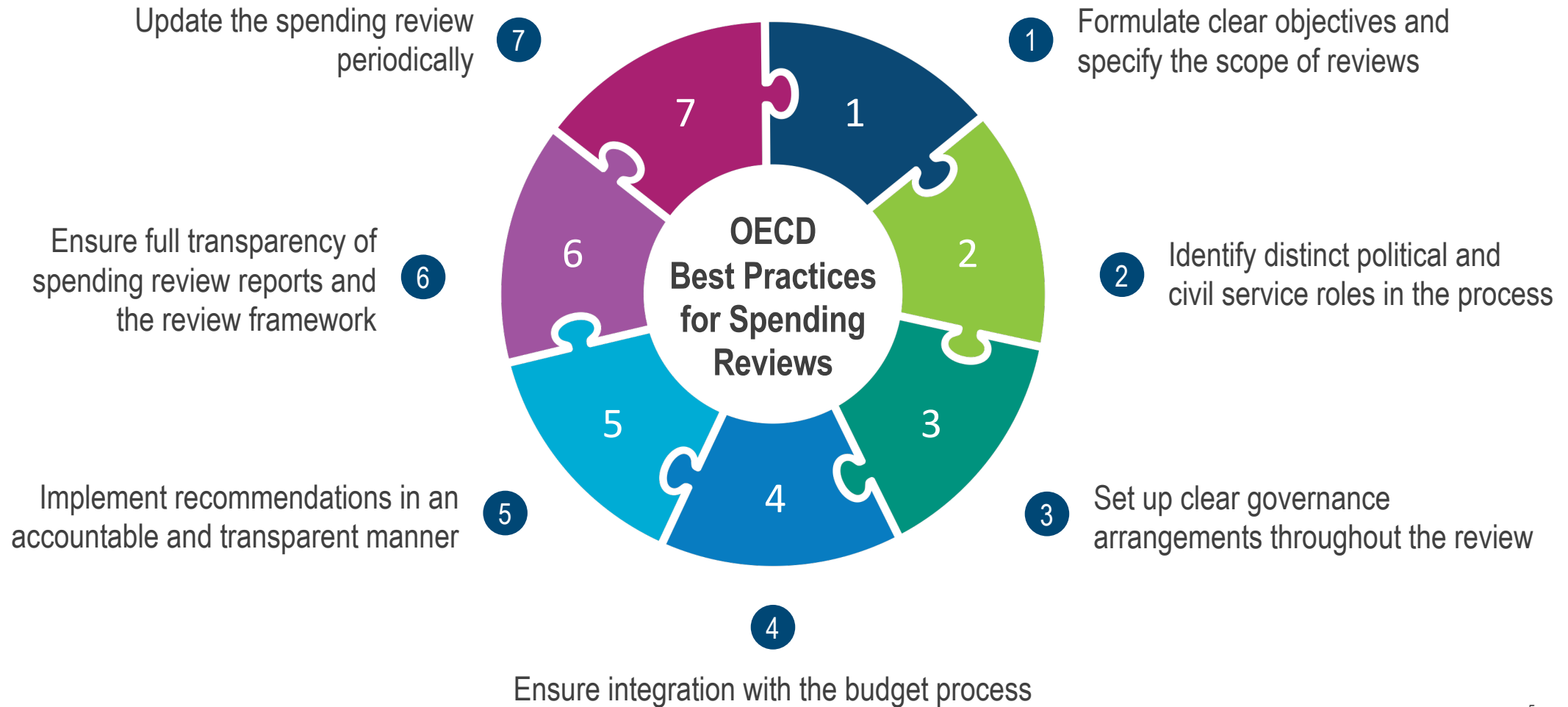
Nearly all OECD countries conduct or have conducted spending reviews



- **Annual spending reviews**
20 countries
- **Periodic spending reviews**
9 countries
- **Only pilot spending reviews**
have been carried out for now
5 countries
- **Spending reviews are under consideration**
1 country



OECD Best Practices for Spending Reviews

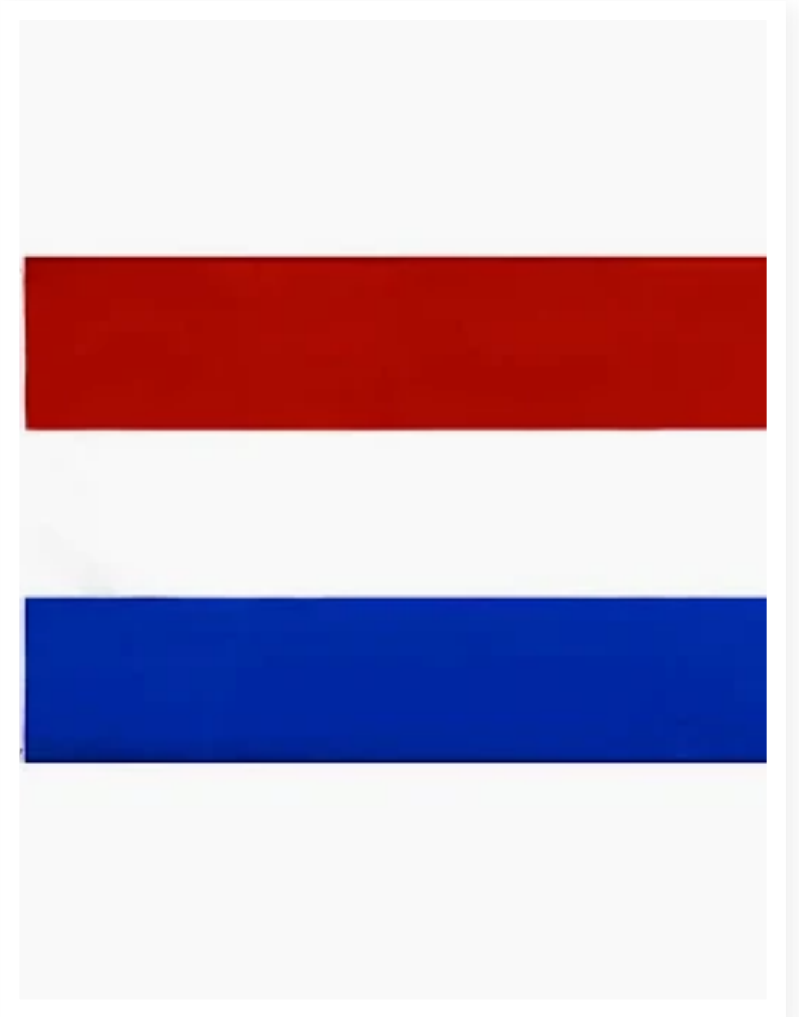




NL – Cross-sectoral strategic review

- > **Spending review on mental health and mental health care (2025)**
- > Cross-sectoral review covering health, labour market, education and social policy
- > Focus on rising demand, system pressures and fragmentation of responsibilities
- > Combined expenditure analysis with broader social and economic impacts
- > Identified gaps in access, coordination and efficiency of care delivery
- > Developed policy options including prevention, integrated care and incentive reforms
- > Emphasis on improving coherence across policy domains rather than short-term savings

Strategic review supporting policy choices in a complex, high-pressure sector





DK - Efficiency review with savings objective

- > **Spending review of police and prosecution authorities (2025)**
- > Clear savings target of DKK 1.1 billion (around 2% of expenditure)
- > Covered the full organisation, with deep dives into major spending areas
- > Strong use of operational data, including staffing, procurement and workload
- > Identified efficiency gains from better use of staff time and reducing idle capacity
- > Proposed measures included reallocating tasks, addressing productivity differences and exploring use of AI
- > Estimated savings of DKK 650–930 million when fully implemented

Strong example of operational, efficiency-driven review with direct fiscal impact





Key takeaways

- > Countries use different types of spending reviews depending on **fiscal pressures, strategic priorities and institutional capacities**
- > Across approaches, **integration with the budget process** is what determines impact
- > Ultimately, spending reviews add value when they **support real budgetary decisions** on savings, reprioritisation and reallocation

Thank you!

Learn more: oe.cd/spending-reviews

