

## CBO or OBR

An increasing number of countries have established agencies which are independent of Government which provide non-partisan technical evaluations of overall budget policies implemented by the government. These are often referred to collectively as "Fiscal Councils".

Two of these are the **Congressional Budget Office** in the United States and the **Office for Budget Responsibility** in the United Kingdom.

The precise functions, lines of responsibility, and funding for these vary:

- The CBO is funded by and reports to the Congress (as opposed to the Executive). And like most other fiscal councils, it provides independent technical analysis of the fiscal outlook on the basis of the adopted policies. But unlike a number of councils, it also provides detailed analysis of specific budget components on the revenue and spending sides, and it provides analysis of both proposals and adopted policies.
- The OBR is funded directly from the government budget and reports to parliament. Like most other fiscal councils, it provides independent technical analysis of the overall fiscal outlook on the basis of the adopted policies, and regular assessments of the conformity of overall government fiscal policy with the "fiscal rule" which the government has adopted. But unlike many councils, its GDP projections are not just commentary; they are the official projections used to form the government budget.

The suggested Global Macro-financial Risk Council would follow the fiscal council model in being independent of government – with its independence to be secured by the form of its funding. It would provide commentary on the overall policies adopted. And its primary audience would be the general public, rather than governments.

But its functions would differ from those of fiscal councils in various ways. Its purview would extend to the global economy rather than to a single country, and its

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focus would be to identify "global fault lines" and to recommend minimal steps necessary and sufficient to address them, rather than to provide commentary on other aspects of adopted policies.

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