

International Budget Partnership Remarks

Committee of Experts on Public Administration, 17th Session

Building capacities and effectively mobilizing, allocating and managing budgetary resources for implementation of the 2030 Agenda

United Nations, New York

April 24, 2018

The 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda call for governments to report on their spending and progress towards the achievement of the Sustainable Development Goals. Agenda 2030 specifically commits to ‘build effective, accountable and inclusive institutions at all levels’ and the Addis Ababa Action Agenda pledges to ‘increase transparency and equal participation in the budgeting process.’ The Financing for Development Forum in 2017 further recognized ‘the importance of better disaggregation of budget and expenditure data at the national and subnational levels, including by sex, to improve tracking of spending related to the Sustainable Development Goals and efforts to improve gender equality, accountability and transparency. And, the overview paper for this committee’s meeting notes the expectation of governments to collect and share public data and seek consultative approaches in policymaking to help determine whether the investment of public funds achieves their intended outcomes.

The emphasis of transparency and accountability in these commitments reflects the growing body of evidence that the best way to improve the allocation and management of public resources is through budget systems that are transparent, open to public engagement and scrutiny, and that have robust oversight institutions. Such budgeting practices can positively impact growth, efficiency, and equity.

However, recent research from the International Budget Partnership indicates that governments are generally failing to deliver on these pledges. In January 2018, the International Budget Partnership released the Open Budget Survey 2017, the only independent, comparative, and regular measure of budget transparency and accountability in the world. The Open Budget Survey 2017 shows a modest decline in average global transparency scores, halting progress toward greater transparency that surveys over the past decade have identified. This means that governments are making less information available about how they raise and spend public funds than they did two years ago. This finding is particularly discouraging given that roughly three-quarters of countries assessed publish insufficient budget information.

Nearly 40 percent of budget documents that should be published worldwide, as recommended by international good practice, are not available to the public. These documents are either not produced at all, produced for internal use only, not released online, or published too late to be useful.

Even where documents are published, basic information needed to track sector spending, budget implementation, and the goals and outcomes of spending are missing. Some 59 percent of countries make data available on actual spending against budget during implementation, but only 45 percent make final spending against budget available. While two-thirds of countries surveyed have a basic functional classification, less than half provide enough information to track spending in critical sectors such as health and education. Further, 85 countries, or 74 percent of those surveyed, fail to provide displays of expenditures, such as by sex, by age, by income, or by region, to illustrate the financial impact of policies on different groups of citizens.

Problems associated with a lack of budget transparency and comprehensive reporting are compounded by few opportunities for public participation in budgeting and by the existence of weak and ineffective oversight institutions. We agree with the overview paper's assertion that, "participation...should have an integral place in the budgeting processes." Yet, while tested mechanisms for enabling citizen participation exist, not a single country out of the 115 surveyed offers participation opportunities that are considered adequate.

The success of the SDGs depends in no small part on the national budget policies adopted to support their implementation, and whether the resources mobilized are spent in an effective and efficient manner. The Open Budget Survey 2017 results point to the data void that makes it difficult for the development community to monitor and enforce government commitments on the SDGs or to know why progress is being achieved toward some goals and in some countries at a faster pace than it is being achieved toward other goals and in other countries.

The good news is that there are a few simple ways governments can make their budgets more transparent and participatory.

- To support transparency around the SDG financing for development, governments should publish on their websites and in a timely manner all budget documents that they already produce, such as the executive's budget proposal, enacted budget, year-end reports, and audit reports.
- To facilitate analysis over time, governments should ensure that budget information is released consistently from one budget cycle to another.
- To enable SDG tracking initiatives, governments should prioritize their transparency efforts on information that is of particular interest to citizens, such as information related to sector spending, budget implementation, and the goals and outcomes of spending.
- To bring citizen voices into resources discussions on SDGs, governments should establish formal mechanisms for public participation throughout the budget process.