



LEGISLATIVE OVERSIGHT OF EMERGENCY RESPONSES

Experiences during the coronavirus (COVID-19) pandemic

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The pandemic brought challenges to oversight

Budget oversight thrives when legislatures and committees are given opportunities to engage in the established routines of the budget cycle.

2020 has been anything but routine.

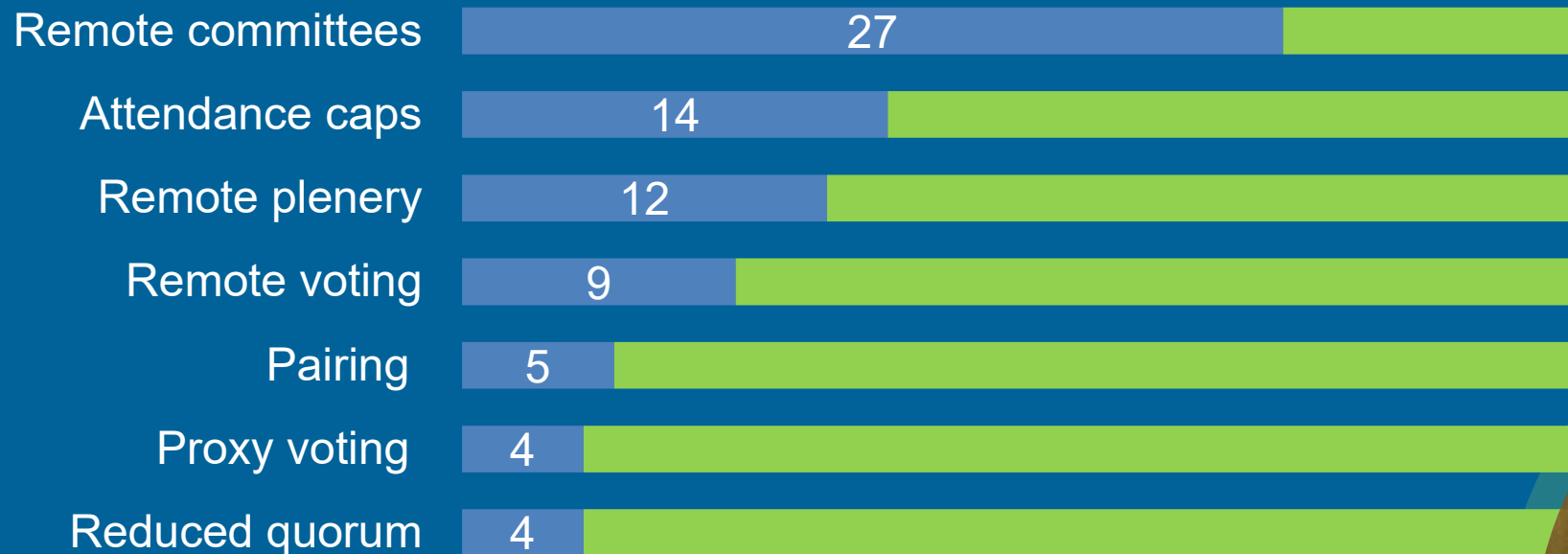
The pandemic challenged oversight on two fronts:

1. It threatened the practical ability of legislatures to sit.
2. It pressured governments to enact policy quickly.



It disrupted sittings

Legislative sessions were halted and legislatures had to adapt to remote working and safety precautions:



Number of OECD legislatures that introduced measure shown in blue.





It demanded urgency

Governments had to respond quickly to support public health and the welfare of households and businesses.

Governments asked legislatures to grant them the flexibility to respond quickly by expediting, changing or setting aside established budget routines.

Many compromised to allow fast action while maintaining some oversight, or at least putting in place mechanisms to do so once urgency subsided.



Fast action with **existing tools**

- Reallocations across budget programmes
- Supplementary budgets
- Provisions to suspend fiscal rules
- Contingency reserves and rainy-day funds

Government reaches agreement on fifth supplementary budget proposal for 2020 

Government Communications Department, Ministry of Finance | 3 9 2020 13 36
PRESS RELEASE 550/2020



On Thursday 3 September, the Government decided on its fifth supplementary budget proposal for 2020. In its proposal, the Government proposes EUR 60 million in temporary financing to compensate for the costs incurred due to the COVID-19 epidemic. The proposal focuses only on the essential appropriations that must be processed before the sixth supplementary budget proposal for 2020, which the Government plans to submit to Parliament on 29 October 2020.



Fast action by **empowering the executive**

- Declaring states of emergency
- Issuing decrees by heads of state
- Empowering cabinet or individual ministers with emergency expenditure and law-making authority

Czech government declares state of emergency in response to coronavirus

17.3.2020 | News





Fast action with improvised budget procedures

- Invoking fast-tracked approval procedures
- Limiting the role of upper chambers
- Relying on emergency advances and retroactive funding approval
- Leveraging loans and guarantees
- Using extra-budgetary entities and external grants
- Limiting explanatory budget statements and other fiscal planning information





Fast action by **minimising civil society input** in policy formation

Many parliaments pushed for more financial assistance to civil societies

- E.g. the Dutch Parliament amended a bill to give more aid to foodbanks.

But: the role of civil societies in policy formation was set aside

- Emergency bills were negotiated in back rooms, expertise and views excluded from decisions initially.

Some exceptions:

- Poland (extensive talks with representative of community groups worst affected guided several dozen bills). UK heard evidence on its Domestic Abuse Bill from the Step Up Migrant Women Coalition.

Does sidelining consultation save time?

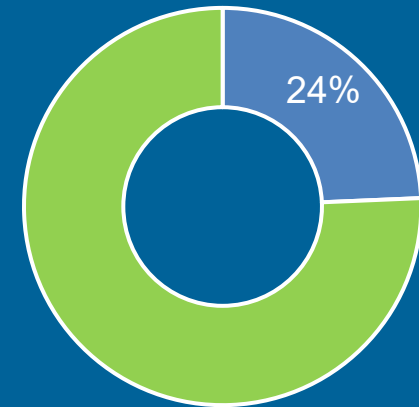
- Consultation can identify gaps in services, boost take-up of benefits, find alternative faster delivery mechanisms.



Solutions to maintain oversight

- Set financial limits on emergency spending
- Required sunset clauses and contingent renewal mechanisms
- Required additional monitoring and reporting
- Cross-party **COVID-19 committees**

One in four OECD legislatures established a special COVID-19 committee





Support of Independent Fiscal Institutions (IFIs)

Independent fiscal institutions pushed for transparency and accountability in emergency responses:

- Providing **economic and fiscal forecasts and scenario analysis** when governments were reluctant to do so
- Providing **impartial assessments of fiscal space** to respond to the crisis and opinions on setting aside fiscal rules
- **Drawing attention to over-reach** relating to extraordinary executive powers





In many instances, the solutions were influential

Across the OECD, there are examples where legislatures exerted influence over emergency responses:

- By tempering proposals for broad executive powers for long periods
- By ensuring marginalised groups were represented
- By ensuring sufficient information would be available so that the public could judge the government's responses and hold it to account

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Economic impact of coronavirus: Gaps in support Contents

1 The people missing out on support

17. On 20 March, the Chancellor announced the Coronavirus Job Retention Scheme (CJRS) with people in employment.²⁸ All UK employers were entitled to apply for a grant, intended to help the wages and retain staff during the crisis.

18. The Chancellor's announcement of support for the self-employed in the form of the Self-Emp six days later.²⁹ Up until this time, we had received many evidence submissions highlighting the need for support for those employed through PAYE, who now had access to a secure income. Many called for the principle of the job retention scheme to apply to freelancers and self-employed workers. The Chancellor urged him to take more action to help the self-employed.³⁰ While those ineligible for welfare benefits, many who submitted evidence told us that they were not entitled to Universal Credit.³¹



Oversight as countries recover: key issues

- Ensure that financial reporting and other oversight information is reinstated
- Re-examine emergency measures for effectiveness, technical errors, and unintended consequences
- Bring back feedback and consultation in designing recovery programmes, **including with civil societies**



Bring back **engagement with civil societies** during the recovery program.

The crisis is a chance to modernize how legislatures engage stakeholders like civil societies.

Parliaments have been slow to adopt digital tools to reach wider groups.

That is changing (finally).