



21st session of the Committee of Experts on Public Administration

Written statement by the Global Initiative for Fiscal Transparency

Agenda item 7: Issues in public financial management and budgeting for the SDGs. Transparent and participatory budgeting for the Sustainable Development Goals

Considerations on budget tagging and public participation in the budget cycle as tools for advancing the Sustainable Development Goals

Democratic systems require the public participation in decision-making processes affecting the public. The integration of the public in the design and implementation of public policies can result in effective solutions. An engaged society can help improve the alignment of authorities' priorities with the communities and constituencies' priorities. Considering that the national budget reflects the priorities and trade-offs of a government, including public participation in the decision-making process along the budget cycle, can enhance the outcomes in the use of public resources.

Public participation has increasingly become a powerful tool during the implementation and monitoring of fiscal policies. However, there are crucial aspects of public participation, such as the inclusion of vulnerable groups such as, for example, the inclusion of children, youth, and women. For certain policy objectives, integrating the vision and perspectives of these groups is critical to ensuring that the goals are met. For the budget process, this means that a more inclusive and integrated budget tagging needs to be performed.

Even though many countries have taken significant steps towards mainstreaming SDGs in their budget cycle and also to incorporate public's participation, most have not yet identified the budget allocations related to specific goals, nor ways to incorporate public's inputs in a substantive manner.

As stated by the preface of Principles of Public Participation in Budgetary Policies by the Global Initiative for Fiscal Transparency: "The scope of public participation in the fiscal area

includes the annual budget cycle, new policy initiatives, plans or revisions of revenues, expenditures, financing, assets, and liabilities, and extrabudgetary funds and agencies. It also covers the design, production, and supply of public goods and services, as well as the planning, evaluation, and implementation of public investment projects: it goes from national and sectoral planning to the preparation, assessment, and selection of projects, their performance, audit, and review”.

If we acknowledge that one of the main enabling factors to mainstream the SDG agenda is ownership of the process by the finance national authorities, it is clear that actions and tools cannot be applied in isolation. Therefore it is key to ensure that there is a common understanding of the link between the work for budget transparency; the operational procedures for the organization, coordination and classification of data in the possession of Ministries of Finance, Ministries of Planning, and other public financial management authorities; the work towards program based budgeting (where it exists); and the link between budget information with public policy objectives through prioritization exercises, such as an SDG tagging methodology.

In recent years, the Global Initiative for Fiscal Transparency has deepened its work in the above-mentioned linkages, through research, technical assistance, and peer learning, both with Ministries of Finance and international cooperation partners. From this experience, we have drawn some considerations:

1. It is key to ensure inter-agency ownership for institutionalization and effective implementation of any budget tagging methodology, but even so more, for SDG tagging.

Particularly for countries that are implementing their Program Based Budgeting reform at the same time that their SDG tagging, costing, and financing strategies, in depth discussions, capacity building, and dissemination among all relevant stakeholders such as line-ministries and budget units will benefit implementation.

The role of the collaboration between the Ministries of Finance and the Ministries of Planning, when they both exist, is key, and their work should be supervised at the executive level as one and the same when addressing the public financing of the SDGs, as it is perceived as such by the public, but not by the public officials who implement the policies.

Along the training and continuous inter-agency communication, a broader process of discussions ensuring feed-back and progress reporting, should take place in as many entry points of the operational procedures as possible, but at least as (1) a round-table high level dialogue, and (2) through a specific process embedded in central Financial Management Information Systems.

International experience on this point is vast and available through the Global Initiative for Fiscal Transparency network and other international financial institutions.

2. Address Financial Management Information Systems adaptation and interoperability from the start.

SDG budget tagging is enhanced, institutionalized and more efficient with a Financial Management Information System that is centralized and allows the direct interoperability of budget execution, programmatic structure and performance indicators information.

Regular milestone assessments of the Program Based Budget modules of the systems in place (when they exist) and its interoperability should be institutionalized as part of the core public financial management IT support strategy, not as an adjective function, but as a core operational function.

Peer to peer learning and collaborative assistance could be provided on the matter from the international community.

3. Ensure timely, comprehensive and verifiable/evidence-based reports that allow the enhancing of current transparency efforts.

Continue and expand high quality reporting and fiscal transparency efforts as a crucial condition for effective implementation of the SDG budget tagging as no Ministry of Finance in the world has the capacity to monitor implementation without a fluid and open information system (with decentralized control).

The Global Initiative for Fiscal Transparency and partners approach to public financial management includes transparency policies and experiences that can continue to be shared through more active steward engagement.

4. Incorporate quantitative identification of the intended or target population of specific programs in the Program Based Budgeting process.

5. Adopt internationally evidence-based methodologies to develop Performance Based Indicators aligned with the SDG's (goals, targets and indicators).

A rights-based (inclusive) approach to the budget, that includes groups such as women, child, youth, people with disabilities and other specific vulnerable groups, and SDG budget tagging, could enhance the Program Based Budgeting approach by including the quantitative identification of the intended or target population/demographic approach of specific programs (especially those with direct beneficiaries).

The Global Initiative for Fiscal Transparency network members and coordination team have extensive experience in the matter.

6. Put citizens at the center of development goals.

Following international experience some of the more strategic social development indicators should be designed and developed through systematic consultations with interested and affected stakeholders, who could also have a role in monitoring and evaluation system.

International stakeholders and the Global Initiative for Fiscal Transparency community can share lessons learned and provide technical collaborative assistance.

7. Introduce public participation mechanisms along the way.

There is a wide range of opportunities for public participation in the process of mainstreaming SDGs in the budget cycle, from public consultations, for example, in the indicator design, to direct consultations to beneficiaries or affected population, as well as during the monitoring process. Including public participation from the beginning of the process and along the way will enrich the process as well as help align societal and governmental priorities.

International stakeholders and the Global Initiative for Fiscal Transparency community can share lessons learned and provide technical collaborative assistance.