

22nd session of the Committee of Experts on Public Administration

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Agenda item 8: Public financial management in times of emergency and implications for the credibility of budgets

The paper by committee of experts on public administration 2022/23 on agenda item 8: 'Public financial management in times of emergency and implications for the credibility of budgets' incorporates all relevant issues pertinent to strengthening budget credibility in developing countries like ours. Implementing the recommendations incorporated in the report will inevitably contribute towards achieving sustainable development. The recommendations by the expert committee emphasised on important budgetary aspects such as reprioritizing sustainable goals, capacity building for budget coordination, evidence based budget deviation, reliable data, and digitization at all levels of government. However, achieving budget credibility especially at the time of emergency is challenging and failure to strengthen credibility hinders the effort towards achieving sustainable development by 2030. The recommendations will inevitably add value to governments' effort to improve the quality of budget implementation. In this regard, it is important to note that the government of Ethiopia worked hard to revise its budget in order to mitigate the adverse effects of the Covid19 pandemic on the basis of some of the recommendations included in the experts' recommendation. But there are also concerns to build budget credibility at all levels of government in the federal set up put in place.

My comments or concerns refer to:

- The report appears to emphasise on factors considered as global emergencies such as Covid19, inflation and energy crisis related to Ukraine war. However, many developing countries like us appear to be in a continuous emergency due to political instability and overt armed conflicts, economic challenges, drought/impact of climate change and high inflation, in addition to the above factors for global emergencies. It would be good if the report amplifies these realities of developing countries;
- Political context seem to be underemphasized. In an authoritarian system, the executive branch of government dwarfs the other branches of government -the legislature and the judiciary, and some independent and autonomous institutions. Some of these concerns could be related to the autonomy of national banks, the legislature's oversight power, and anti-corruption commission;
- It is correctly recommended that budgetary decisions should be based on credible data. The credibility of data often compromised by the unforeseen impacts of capital flight, money laundry, corruption, and so on. It would be important if the impact of these adverse realities are taken out and specifically addressed in the recommendation so that governments give appropriate attention to. Furthermore, strengthening the role of local CSOs in supporting the oversight activities of the legislature could also be considered;
- One of the recommendations refers to 'development aid' from international donors and financial institutions coming in the form of loans and grants to strengthen the financial capacity of developing countries. However, various studies have shown that 'aid' has very limited impact in augmenting development efforts of governments. It would be good if emphasis is also given to obligatory financial support (compensation to climate change) to

poor and vulnerable countries to enhance green economy and to mitigate the adverse impacts of climate change.