Parliamentary fiscal scrutiny and SDGs: Money as a lens for progress

Accelerating Progress on Agenda 2030: Good Practices for Parliamentary Action
Sustainable Development Goals (SDG)

• The SDGs are ambitious with 17 integrated goals on critical matters such as poverty, gender equality, etc. to be achieved by 2030.
• Progress on these goals will require substantive resources and commitment by governments and oversight from legislatures.
• There are a number of challenges associated with the SDGs including the availability of baseline information, resources, and progress reporting.
Parliament’s fiscal scrutiny role

• The power of the purse resides with parliament.
• Parliamentarians have an obligation to approve, reject, amend or even propose how public money is collected and spent…this is the foundation of democracy.
• Parliamentarians have an opportunity to leverage their fiscal oversight function throughout the financial cycle to survey government (in)action on various matters, including progress on the Sustainable Development Goals (SDGs).
Fiscal scrutiny

• Legislative fiscal scrutiny means looking beyond the budget to cover the executive’s contextual assumptions and plans as well as to evaluate their outcomes.

• Fiscal scrutiny has become more complex as government spending increases; yet it remains a core function of legislatures.

... and no, you don’t have to be an economist, financial expert, or accountant.
Money as a lens for analysis

• Allen Schick’s framework for fiscal analysis:

<table>
<thead>
<tr>
<th>Aggregate Fiscal Discipline</th>
<th>Budget totals should be the result of explicit, enforced decisions; they should not merely accommodate spending demands. These totals should be set before individual spending decisions are made, and should be sustainable over the medium-term and beyond.</th>
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<tbody>
<tr>
<td><strong>Overall ability to balance money in and money out</strong></td>
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<td>Allocative Efficiency</td>
<td>Expenditures should be based on government priorities and on effectiveness of public programs. The budget system should spur reallocation from lesser to higher priorities and from less to more effective programs.</td>
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<td><strong>Aligning money to priorities</strong></td>
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<td>Operational Efficiency</td>
<td>Agencies should produce goods and services at a cost that achieves ongoing efficiency gains and (to the extent appropriate) is competitive with market prices.</td>
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<td><strong>Performance; value for money</strong></td>
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Fiscal scrutiny in practice

• Fiscal scrutiny is a helpful way of assessing SDGs:

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<tr>
<th>Fiscal scrutiny</th>
<th>Questions for the assessment of progress on SDGs</th>
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<tr>
<td><strong>Contextual analysis</strong>: accounting of a country’s</td>
<td>- Can the government afford to act or not to act on SDGs?</td>
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<td>broad economic environment.</td>
<td>- Is the overall economy healthy? Sustainable?</td>
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<td>- Has the government made defined commitments to one or more SDGs?</td>
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<td>- What policy actions have been taken to address those SDGs?</td>
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<td>- Have resources been allocated to these commitments?</td>
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<td><strong>Planning</strong>: assessment of the executive’s content</td>
<td>- How will progress on SDG commitments be monitored and assessed?</td>
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<td>and tools in their plans that extend from budget to</td>
<td>- What information is needed?</td>
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<td>estimates to the tabling of the public accounts.</td>
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<td><strong>Performance evaluation</strong>: assessment of whether</td>
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<tr>
<td>the government’s contextual assumptions and plans</td>
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<td>hold up in reality.</td>
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Asymmetry in information can be a challenge.
Tracking progress on SDGs

• SDGs are ambitious and integrated. How can parliamentarians evaluate progress on SDGs?

• Consideration of SDGs should be happening at three levels:
  1) Proposals for action: requires action, e.g. policy, program, law.
  2) Allocation of resources: requires alignment of spending to priorities (**money as a lens**).
  3) Performance assessment: requires regularly tracked data, e.g. resources, results (**connecting money and outcomes**).
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<tr>
<th>Consideration</th>
<th>Tools and resources</th>
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| Proposals for action     | - Library of parliament/research service: comparative assessments; current state evaluation  
                          | - Civil society and civil society organizations: policy proposals; activities  
                          | - Political party research staff: policy analysis and proposals            
                          | - Parliamentary committees: policy analysis and proposals proposals       
                          | - Etc.                                                                    |
| Allocation of resources  | - Executive branch: reports on appropriations and plans                   
                          | - Parliamentary committees: budget/appropriations and policy-focused committees 
                          | - Political party research staff: analysis of alignment of spending to priorities 
                          | - Etc.                                                                    |
| Performance assessment   | - Supreme audit institution: reporting on spending, performance and compliance 
                          | - Parliamentary committees: public accounts committee and policy-focused committees 
                          | - Political party research staff: analysis of outcomes from spending       
                          | - Civil society and civil society organizations: oversight of results and comparison with benchmarks |
Tracking progress on SDGs (cont.)

• Tools:
  • Oversight of progress using government data sources; data and analysis from NGOs; constituent surveys; multilateral data and analysis, etc.
  • Parliamentary committees, library of parliament, supreme audit institution, etc.
  • Comparative assessments with other countries, their progress and metrics for evaluation.

• Resources:
  • ParlAmericas, IFSD & GIFT Toolkit on Fiscal Openness: consider how, as a parliamentarian, you can exercise your oversight function and promote openness throughout the financial cycle.
Opportunities for engagement

• SDGs cross governments and political cycles.

• There is variance in country adoption, integration and reporting of SDG performance metrics.
  • Involve civil society in awareness and monitoring of SDGs, e.g. committee appearances, data;

• Parliamentarians have many opportunities for action and oversight on the progress of SDGs throughout the financial cycle:
  • Targets and progress on SDGs (through indicators developed by the global community) can be part of the budget formulation and approval processes;
  • Outcomes on the performance of SDGs can be undertaken at the close of the fiscal year;
  • In-year analysis of government (in)action can be raised throughout the financial cycle.
Panel discussion

Moderator:

- Arthur E. Holder (Barbados), Speaker of the House of Assembly and ParlAmericas Board Member

Panelists:

- Senator Stephan Rassmusen (Paraguay)
- Maria Eugenia David Du Mutel de Pierrepont, Director of Studies, Analysis and Evaluation, Budget Office of the Congress of Argentina
Case study: GBA+ (SDG 5.2)

• Governments around the world are focusing on gender equality.

• A goal designed to promote overall economic growth and well-being, gender equality issues cross a variety of policy areas from sexual health, violence, to the labour-market.

• How can you determine what’s being done in your country?

• Consider the case of ‘San Theodorous,’ a fictitious country reporting on its activities related to SDG 5.2. As a parliamentarian, what can you say about its progress?
International Budget Partnership (IBP) Study

• The IBP is analyzing data related to the role of legislatures in amending budgets.

• Objective: Understand more about the types of amendments that legislatures make, and why they make them.

• Results will inform legislators about the way they approach the budget and the reasons their peers amend the budget, which can strengthen legislative budget review.

• Results of study will be provided at the ParlAmericas OPN Gathering in March 2020.
Get in touch

Helaina Gaspard, Ph.D.
Email: helaina.gaspard@ifsd.ca
Mobile: 1 613 983 8461
Institute of Fiscal Studies and Democracy (IFSD)
University of Ottawa
www.ifsd.ca