

Strengthening Accountability through Fiscal Transparency Practices

Fiscal Openness and Opportunities

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#FiscalTransparency

Contents

- 1) Definition of Fiscal Transparency (FT)
- 2) Norms and Standards for FT
- 3) The High-Level Principles of FT,
Participation and Accountability

Definition of Fiscal Transparency

- Timely publication of high quality information on how governments raise taxes, borrow, allocate, spend, invest, and manage public assets and liabilities
- Includes past, present and future reports of public finances
- Wider than **budget transparency**, including all public assets, liabilities and contingent obligations, stocks and flows
- Activities undertaken outside the budget sector by autonomous government agencies or extra-budgetary funds are also considered

1. Fiscal Transparency Norms and Standards – 20 Years of History

1997: East Asian financial crisis sets out a codification on FT

1998: IMF Code of Good Practices on Fiscal Transparency + FT Manual = Reports on Observance of Standards & Codes (ROSC)

2000s: International Federation of Accountants (IFAC) initiated the International Public Sector Accounting Standards program (IPSAS)

2001: IMF's Statistics Dept. revised Gov. Finance Statistics Manual (GFSM) accrual basis, government balance sheet, standard for reporting analytical fiscal statistics

2. Fiscal Transparency Norms and Standards

2001: PEFA program indicators for quality of PFM in countries receiving development assistance

2002: OECD issued Best Practices on Budget Transparency

2006: Open Budget Survey (OBS) + Open Budget Index (OBI) to improve governance and combat poverty, from civil society perspective

2008: US State Dept. begins FT in countries recipients of assistance funds

2008 GLOBAL FINANCIAL CRISIS

2012: IMF's new FT Code & FT Evaluation

2012: GIFT H-L Principles + coordination between standard setters

2014-2016: New versions of the FT-Code, PEFA program, OECD Principles, OBS, PP principles and OECD Toolkit on budget transparency

High Level Principles on Fiscal Transparency, Participation & Accountability

United Nations General Assembly – Dec. 2012

- Preamble, plus 2 parts:
 - Access to Fiscal Information (principles 2-4)
 - The Governance of Fiscal Policy (principles 5-9)

- Framed by 2 fundamental rights principles:
 - A public right to fiscal information (from UDHR Art. 19)
 - A right to participate directly in fiscal policy design & implementation (from ICCPR Art. 25)

I. High Level Principles on Fiscal Transparency

- Access to Fiscal Information

1. **Right to seek, receive and impart information on fiscal policies**
2. Governments should **publish clear and measureable objectives** for aggregate fiscal policy
3. Presentation of **high quality financial and non-financial information** on past, present & forecast
4. Governments should **communicate the objectives** they are pursuing and the **outputs** they are producing

II. High Level Principles on Fiscal Transparency

- Governance of Fiscal Policy

5. All transactions should have their basis in **law**
6. **Government sector** clearly **defined**, & relationships with **private sector disclosed**
7. **Roles and responsibilities** clearly assigned between the legislature, the executive & the judiciary
8. No government **revenue** without the **approval of the legislature**
9. The **Supreme Audit Institution** should have statutory independence & the appropriate resources

III. High Level Principles on Fiscal Transparency

- A new fundamental civil right

10. Citizens should have the right and they, and all non-state actors, should have **effective opportunities to participate directly** in public debate and discussion over the design and implementation of fiscal policies.

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