Strengthening Accountability through Fiscal Transparency Practices

Fiscal Openness and Opportunities

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#FiscalTransparency
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2) Norms and Standards for FT
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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
2000s: International Federation of Accountants (IFAC) initiated the International Public Sector Accounting Standards program (IPSAS)
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
Preamble, plus 2 parts:
  o Access to Fiscal Information (principles 2-4)
  o The Governance of Fiscal Policy (principles 5-9)

Framed by 2 fundamental rights principles:
  o A public right to fiscal information (from UDHR Art. 19)
  o 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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