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# Promoting Transparency, Oversight and Participation in Budgeting during Emergencies

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# Introduction

The benefits of open and accountable government are a longstanding focus of advocates of fiscal transparency. Fiscal accountability enables governments to ensure that public resources reach their targeted beneficiaries and achieve their intended policy outcomes. Government commitment to fiscal openness and accountability acquired renewed significance with the onset of COVID-19 and the introduction of related emergency fiscal policy packages.

In May 2021, the International Budget Partnership (IBP) published a rapidly executed assessment of transparency and accountability arrangements in the fiscal policy responses implemented in 120 countries in response to the pandemic. IBP's report was important given preexisting concerns with growing inequality, weakening democracy, and the universal demand for efficient and equitable handling of public resources when the crisis hit.

With more than two-thirds of the governments assessed providing limited levels of accountability in the implementation of early COVID-19 fiscal responses, the overall findings of IBP's report, "Managing COVID Funds: The Accountability Gap," were bleak. However, the assessment also unearthed examples of good practices that can – and should – be showcased to enable governments to learn how to better manage public resources in times of emergency. The message from the report was clear: When a crisis hits, no one government agency has all the answers. It takes all hands on deck to formulate an effective response and a resilient, inclusive recovery. The good practices in the report highlight the benefits that engagement from the accountability ecosystem can bring.

This paper draws on the findings of 15 case studies of COVID-19-related fiscal policy responses from around the world that were documented by IBP after it published its report in May 2021: Canada, Côte d'Ivoire, Chile, Ecuador, Indonesia, Jamaica, Malaysia, Nepal, Paraguay, Philippines, Senegal, Sierra Leone, South Africa, Togo and the United Kingdom. These cases were chosen based on the findings from the rapid assessment, and they showcase various types of good-practice responses that illustrate how governments can achieve speedy policy responses without undermining accountability. The paper offers lessons to governments, oversight bodies (legislatures and supreme audit institutions [SAIs]) and other external stakeholders in fiscal accountability (including development agencies and civil society organizations) on emergent good practices in ensuring fiscal transparency, citizen engagement and effective oversight during crises. IBP recognizes that different contextual and institutional factors will determine how and why governments adopt lessons from good practices. For this reason, the paper focuses on identifying cross-learning themes that governments can emulate, while at the same time recognizing the constraints on replicating and adapting some of the lessons.

The first section of this paper gives a brief overview of the transparency and accountability processes adopted by the countries documented in the 15 case studies. The second section focuses on lessons learned from the case studies and offers reflections on how good practices can be replicated to deal with the COVID-19 crisis and prepare for future emergencies. In a virtual learning exchange organized by IBP and the World Bank on February 1-2, 2022, government and external oversight actors from the 15 countries and beyond discussed the case studies and the lessons that can be learned from them. Their inputs have been incorporated in the lessons learned section of this paper.<sup>1</sup>

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<sup>1</sup> The learning exchange unearthed three additional lessons that participants agreed were important for governments and external actors when developing their emergency responses: leadership buy-in, a systems approach that includes multi-stakeholder response, and technology initiatives.

# Part I: Overview of good-practice responses to COVID-19

At the start of the COVID-19 crisis, the IMF famously urged governments to “do whatever it takes but keep the receipts.” Some countries have done much more than keep the receipts. The 15 country case studies below provide an account of what open fiscal policy responses can look like in an emergency such as the COVID-19 pandemic. The cases include good practices initiated by two main actors: executive agencies (usually a country’s Ministry of Finance) and oversight bodies (legislatures and SAIs). The exception is South Africa, where the government at the local level engaged in a civil society initiative to improve access to basic services.

The 15 case studies showcase a variety of transparency measures undertaken by the countries, including the development of publicly accessible web portals with information on COVID-19-related budgets and public spending. The case studies also highlight measures adopted to facilitate public participation, as well as the proactive oversight roles played by legislatures and SAIs. Considering the disproportionately adverse impact of the COVID-19 crisis on women, two of the case studies – Canada and Togo – focus on government accountability through a gender lens and highlight the measures implemented to support women. The table below gives an overview of the case studies in terms of both the actors involved and the types of responses.

Each case study provides a detailed description of the particular response undertaken in that country, as well as a discussion of what has been achieved through the response. These achievements vary depending on the type of response. For example, in Jamaica the real-time audit of the government’s COVID-19 stimulus package saved the country an estimated JMD 245 million in payments that would have been made to ineligible beneficiaries. In Nepal and Sierra Leone, early engagement by the countries’ fiscal oversight institutions led to investigations of corruption and mismanagement. In South Africa, public feedback through the Asivikelane initiative enabled the government to improve access to water, sanitation and waste removal services affecting more than a million people living in informal settlements. Similarly, in Senegal the government was able to better target its emergency response to people living with disabilities due to the work of the monitoring committee established to solicit public feedback on the country’s emergency measures. In countries such as Ecuador and Paraguay that developed COVID-19-related open data portals, increased transparency in public procurement has led to greater public scrutiny of government contracts.

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Table 1: Overview of good practice case studies

No.	Country	Actors responsible	Type of response
1.	Canada	Ministry of Finance (and other executive agencies)	Designed emergency fiscal response measures using a gender analysis approach that assessed the potential impact of various policy initiatives on gender, income and intergenerational inequalities.
2.	Chile	Ministry of Finance	Established a detailed and easy-to-navigate portal on the adoption and implementation status of the government's emergency fiscal policies.
3.	Cote d'Ivoire	National government (interministerial management committee)	Published information on portals that provided biweekly and monthly updates on the management and functioning of two major funds through which pandemic relief measures were provided, including information on eligibility conditions and subsidies paid to beneficiaries.
4.	Ecuador	National Public Procurement Service	Created an emergency procurement platform to provide real-time open data access to all COVID-19-related procurement contracts.
5.	Indonesia	Ministry of Finance	Used three information portals (two of which are managed by the Ministry of Finance) on the emergency responses to provide detailed and updated information on the government's economic recovery program.
6.	Jamaica	Supreme audit institution	Conducted real-time audits of the systems that the government had established to manage an emergency relief cash transfer program, which enabled the government to improve the efficacy and integrity of these systems.
7.	Malaysia	Ministry of Finance	Established a special unit to report to the public, gauging its opinion, and to gather feedback on the implementation of emergency fiscal measures.
8.	Nepal	Legislature	Investigated alleged irregularities in procurements during the early stages of the pandemic to ensure those responsible would be held accountable and course corrections would be made.
9.	Paraguay	Ministry of Finance (and other government bodies)	Published detailed and accessible information on a portal about the government's budget and spending (including contracts, acquisitions, subsidies and debts) to tackle the COVID-19 pandemic.

**Table 1: Overview of good practice case studies (continued)**

No.	Country	Actors Responsible	Type of response
10.	Philippines	Legislature	Oversaw the implementation of fiscal measures implemented by the government to tackle the pandemic through a Joint Congressional Oversight Committee that used weekly reports submitted by the president's office and independent assessments conducted by the Congressional Policy and Budget Research Department.
11.	Senegal	President's office	Created a committee, which included members from civil society and consumer associations, to gather public feedback on and monitor the implementation and effectiveness of the government's fiscal program to tackle the pandemic.
12.	Sierra Leone	Supreme audit institution	Conducted real-time audits of the government's fiscal measures that found evidence of irregularities and triggered ongoing investigations by the national Anti-Corruption Commission.
13.	South Africa	Local governments and civil society organizations	A civil society/local government collaboration through the Asivikelane initiative gave an active voice to informal settlement residents in major cities who faced severe basic service shortages during the COVID-19 crisis.
14.	Togo	Ministry of Finance and Ministry of Digital Economy	Implemented an innovative gender-sensitive cash transfer program to support low-income communities during the pandemic and used a dedicated website to publish comprehensive information on the program.
15.	United Kingdom	Supreme audit institution and legislature	Investigated the government's COVID-19-related fiscal spending, including a high-profile inquiry into emergency government procurement.

## Part II: Lessons learned from effective responses to COVID-19

Based on the lessons learned from these case studies, this section offers suggestions for how governments and other stakeholders can better prepare for future crises or evolve their existing practices to the current pandemic. The lessons learned from the various types of fiscal policy responses are divided into two broad categories: the enabling context created by governments and early engagement by oversight bodies (legislatures and SAIs) and other external stakeholders (development agencies and civil society organizations). Key elements from the two categories are briefly discussed below.

### Lesson 1: Governments actively created an enabling environment for an accountable emergency response

COVID-19 was a difficult emergency for governments to manage, requiring swift and unprecedented actions amid great uncertainty. While no government was fully prepared for the ramifications of the pandemic, some government responses stand out for being transparent, inclusive and accountable. The lessons learned from the case studies point to the importance of making an institutional commitment to an inclusive and transparent fiscal policy response, investing money and staff into the response and capitalizing on existing technical competencies. Leadership in certain countries prioritized transparency, inclusion and accountability in emergency responses through various actions, including the following:

#### Set the tone for accountability and institutionalized the governance of emergency responses through rules, regulations, legal frameworks, processes and agencies

The promotion of an enabling environment that encourages transparent and inclusive responses can take different forms – among them, political signaling. When governments are explicit about their focus on accountability, this focus can become a guidepost that informs actions. Ideally, the tone for accountability should be set by high-level leaders. For example, the finance ministers of Jamaica and Indonesia championed the call for transparency and accountability. In Jamaica, the support exceeded verbal commitment: the country's Minister of Finance played an active role in assisting auditors in accessing necessary information from various agencies and departments.

An enabling environment can also take the form of institutionalizing an inclusive approach to policymaking by making that the norm. The Canadian government lent political support and institutional commitment to the principles of gender-sensitive policy, which provided the enabling environment for the development of a gender-based analysis plus (GBA+) approach for its COVID-19 economic response plan.



Promoting an enabling environment can also be about institutionalizing special government bodies by administratively anchoring them. The government of Malaysia established a new unit, LAKSANA, as an early response to the COVID-19 pandemic, with the objective of monitoring and coordinating the government's COVID-19 stimulus packages. The unit had a clear transparency role, publishing reports to the public (thus allowing the public to monitor the progress of the overall implementation of the stimulus packages) and soliciting feedback from the public on the implementation of the largest financial support package. LAKSANA was initially headed by the director of the National Budget Office at the Ministry of Finance, but as of September 2021 it has been further anchored by being upgraded to a separate agency under the Ministry of Finance, where it has its own director and a staff of nine.

In terms of institutionalizing response programs, the novel cash transfer program in Togo, Novissi (meaning "solidarity" in the local Ewe language), has provided lessons for future cash programs. Novissi was initiated by the government of Togo in 2020 to support eligible Togolese citizens in the informal sector whose daily incomes had been disrupted by the pandemic. The program was originally housed jointly by the Ministry of Digital Economy and the Ministry of Finance but is likely to move to the Ministry of Social Affairs, where its budget can be presented on a program basis and can be transparently assessed as part of the overall budget for social protection programs.

## Adapted existing transparency, inclusion and accountability approaches to become targeted responses to the emergency

Many of the case studies concern responses to the COVID-19 pandemic that were not developed from scratch as the emergency unfolded but were instead built on existing reforms. Adapting existing practices is both pragmatic and speedy.

In Chile, for example, the Public Expenditure Commission, a ministerial advisory commission to improve transparency, quality and the impact of public expenditure, had been established just before the pandemic hit. The main objective of the commission was to support and advise the Ministry of Finance on the design and implementation of an agenda to modernize the budget and public spending systems, with the aim of improving transparency, effectiveness, efficiency and the impact of the use of public resources. As soon as the COVID-19 emergency arose, the commission made the decision to reprioritize its work. It was a great advantage that the Public Expenditure Commission, with its transparency and accountability mandate, had already been established and could simply be adapted to focus on COVID-19-related financing.

In Ecuador, the government, civil society and academia had similarly embarked on reforms to increase transparency in the public procurement system through the Open Government Partnership platform and had included a commitment in its National Action Plan to create an easily accessible and understandable open public procurement data platform to promote public access to information. Thus, the government's response to COVID-19 was to launch an open public procurement data platform.

The government of Indonesia responded to the pandemic by using information technology to communicate to the public the measures it was taking to tackle the crisis, provide periodic updates, and deliver emergency services. This response also took advantage of opportunities that already existed.

The pandemic began just as President Jokowi was making a strong push to modernize the government with data-driven decision-making, and prior to the pandemic the government had already developed several initiatives to address opportunities and problems arising from emerging technologies, including hiring IT personnel and communication experts. So the pandemic simply accelerated the adoption of technological solutions that had already been initiated by the government. Likewise, in Cote d'Ivoire the government had been pushing for greater financial transparency even before the pandemic. Thus, when the pandemic hit and COVID-19-related support funds were established, achieving transparency in relation to these funds was high on the agenda.

## Invested new resources in advancing an open and inclusive emergency process

For government responses to be effective, they need to have some backing in the form of dedicated staff and financial resources. The Indonesian government, for example, invested heavily in information technology to describe measures it was taking to tackle the COVID-19 crisis, provide periodic updates, and deliver emergency services to the public. Many features of the country's data portal were developed with outside support, from the World Bank, UNICEF and other development agencies. Likewise, the government of Jamaica, which sets the budget for the auditor general's department (the country's SAI), provided a substantial enough envelope for the auditor general to effectively respond to the COVID-19 crisis by carrying out a real-time COVID-19 audit.

Investing in technological solutions, such as fast-tracking digitization and integrated financial management information systems (IFMIS), can also be very important in enabling the generation of accurate and real-time information flows in times of emergency, when people are not able to go to offices or use traditional means to generate data.<sup>2</sup>

## Leveraged existing skills and competencies toward an open and inclusive emergency response

Governments can improve their emergency response by investing in skill development and training, and by making use of available technical capacity, which can exist within the government itself and be readily accessible from external supporters.

For example, in Paraguay the government was able to launch a new data platform with information on COVID-19 resources in record time because it used technical capacity for resource mapping that already existed within the Ministry of Finance. The government was also able to get technical support from experts at the Inter-American Development Bank. Likewise, in Ecuador the government was able to draw on expertise from the international Open Contracting Partnership in developing its open public procurement data platform. Technical training for its administration was also provided by a national nongovernmental organization. The platform enabled public institutions to improve their negotiating capacity and efficiency in contracting and purchasing goods and services during the pandemic.

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<sup>2</sup> This was highlighted by a workshop participant from Cambodia who noted that the government understands the importance of using IT/digital platforms and is in the process of creating an IFMIS system, which, he argued, will be important for building trust in government.



In Canada, because the country had practiced gender mainstreaming in federal policy and decision-making for more than two decades, the government could draw on existing capabilities when the pandemic hit, adopting a GBA+ approach in its COVID-19 economic response plan.

Useful skills and technical competencies may also be available in civil society. In South Africa, the Asivikelane campaign (“let us protect each other,” in Zulu), which aims to improve access to and quality of basic services in informal settlements during crises, has used creative experiments by civil society to enable inclusive government responses to the COVID-19 emergency.

## Undertook course corrections based on external feedback

An effective emergency response also depends on government willingness to listen to citizens and external feedback and then to course-correct. In the United Kingdom, Nepal, Indonesia, Jamaica and Sierra Leone, governments responded to feedback from oversight and external actors in order to improve the implementation of their response packages. Willingness to plan and implement policies in an open and collaborative way allowed these governments to keep citizens informed and promote more equitable and effective outcomes. For example, the feedback received by Senegal’s COVID-19 monitoring committee highlighted that people living with disabilities were not included in the initial beneficiary list prepared by the government for emergency assistance. Once the problem was identified, people living with disabilities were included in the beneficiary list and received 100,000 meal kits. Similarly, results from Jamaica’s real-time audits of the systems the government had established to manage its emergency relief cash transfer program enabled the government to improve the efficacy and integrity of these systems.

## Lesson 2: Oversight bodies and other external stakeholders engaged early in the implementation process and created better linkages with each other

Two important insights have emerged from the case studies in relation to the role of oversight bodies and other accountability stakeholders in emergency situations. The first highlights the importance of early engagement, and the second shows how collaboration among actors can make response efforts more effective. In addition, governments should view legislatures, SAIs and civil society groups advocating for fiscal and budget transparency as key collaborators in making public finance management systems work better for citizens and government.

### Engaging early in the process of government planning and emergency response implementation

Government oversight bodies and external stakeholders in fiscal accountability, including audit institutions, parliamentary oversight committees, civil society and media, have an important early role to play when an emergency such as the COVID-19 pandemic occurs. Several of the case studies found that by engaging early on, these actors had ensured that government standards were upheld.

The early response by the SAI in Jamaica is telling in this regard. The audit institution embarked on real-time auditing of the government's COVID-19-related financing. Real-time audits can be particularly beneficial in conjunction with an emergency response when the public financial machinery is not functioning normally. Auditors can then work closely with the government to build and protect the integrity of systems in real time, as opposed to finding problems after the fact. This, in turn, can help public bodies do their jobs more effectively and prevent mismanagement. In a health emergency like COVID-19, early engagement by auditors can ultimately save lives – for instance, by unearthing bottlenecks in vaccine distribution.

Another accountability actor that has an important role to play early in an emergency is the public accounts committee (PAC), or an equivalent legislative committee. Similar to SAIs, these committees can help governments uphold their standards by shining a light on deficiencies in a government's response, which can result in course correction. Through early engagement with the government's COVID-19-related procurement practices, the PAC in Nepal was able to highlight irregularities in some early COVID-19-related contracts, which ensured the government's procurement standards were better managed during the remainder of the pandemic. Likewise, in the United Kingdom the PAC launched inquiries into COVID-19 financing early in the pandemic. These early inquiries focused, to a large extent, on the processes and procedures of COVID-19-related financial management, signaling that the exceptional nature of the COVID-19 period was no reason to override existing public financial rules.

The mandate an SAI or a PAC enjoys determines its ability to engage early in an emergency. In several countries, SAIs have a mandate to initiate audits as they see fit and can issue audit reports as they deem appropriate. This strong mandate provides the flexibility needed for SAIs to respond swiftly to changing contexts, and it also gives SAIs the authority to insist that government officials collaborate during emergencies (when officials may have particularly high demands on their time).

In Nepal, the PAC was able to play an active financial oversight role at the start of the pandemic because the committee had the autonomy to start scrutinizing government action of its own accord and did not have to wait for the SAI to act. The parliament could therefore examine alleged irregularities in COVID-19-related procurement and make a difference in real time.

## Creating system-wide and multi-stakeholder emergency responses in the face of resistance

Emergencies are periods of flux that necessitate a collaborative, multi-stakeholder approach. One agency or institution may not alone have the ability to change the accountability culture in a country. Instead, there must be a system-wide and multi-stakeholder response involving executives, legislatures, auditors and civil society actors working together to advance accountability. Useful collaboration in this regard can take many forms. For example, a workshop participant from the South African SAI highlighted the benefits gained by the SAI from stakeholder collaboration, both in terms of its collaboration with civil society organizations and anti-corruption bodies and in terms of the benefits to the SAI of having a direct link to the president during the pandemic. In contrast, the SAI in Sierra Leone faced resistance from the government, with the latter expressing unwillingness to respond to the draft audit findings that had been submitted by the audit service, which in turn led to an accountability stalemate.

Fruitful collaboration can also be fostered between civil society and legislators. In the Philippines, civil society groups played an important role by conducting independent budget monitoring of the government's COVID-19 response, which the Philippine senators used in their oversight role. Collaboration between civil society and government can also be beneficial. In Canada women's rights groups collaborated with federal and provincial government to help the government respond to the pandemic through a gender-based lens, and in South Africa community groups from informal settlements collaborated with government at the local level to help it meet residents' service delivery needs during the pandemic.

Finally, the media can play an important role as an accountability actor, both on its own and in conjunction with other accountability actors. The media was, for example, an important ally of the PAC in Nepal when it began its investigation into COVID-19-related procurement early in the pandemic. When the government tried to stall the flow of information, the media was able to find the information required so that the inquiry could go ahead.

## Conclusion

As the COVID-19 crisis rages on and countries continue to mobilize resources to tackle the economic and health impacts of the crisis, it is imperative that governments get serious about enhancing accountability, especially if they are concerned about promoting equity and justice. Ultimately, a call for accountability is a call for equity and justice. It is a call for ensuring that assistance reaches those who need it most and that underserved communities do not bear the harshest brunt of the crisis.

This paper and IBP's research on good-practice COVID-19 responses from around the world shows that governments can achieve speedy policy responses to an emergency like COVID-19 without undermining accountability. When speed and accountability are pursued in tandem, the public receives better services, which builds confidence that the government can deliver. The overall lesson for governments, donors and civil society organizations is not to wait for a crisis to invest in building transparent, inclusive and accountable public finance management systems. Investing in these systems up front makes it easier to sustain them and to adapt them to needs that arise during emergencies. Governments and donor agencies should invest in accountability systems now, so that when a crisis strikes, governments can rely on or adapt systems and processes, thereby fully benefiting from accountability dividends.

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