

COTE 2010

Challenges to Development

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GOVERNANCE AND NATIONAL BUDGETING- TRINIDAD AND TOBAGO IN AN INTERNATIONAL COMPARATIVE CONTEXT

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Content of Presentation

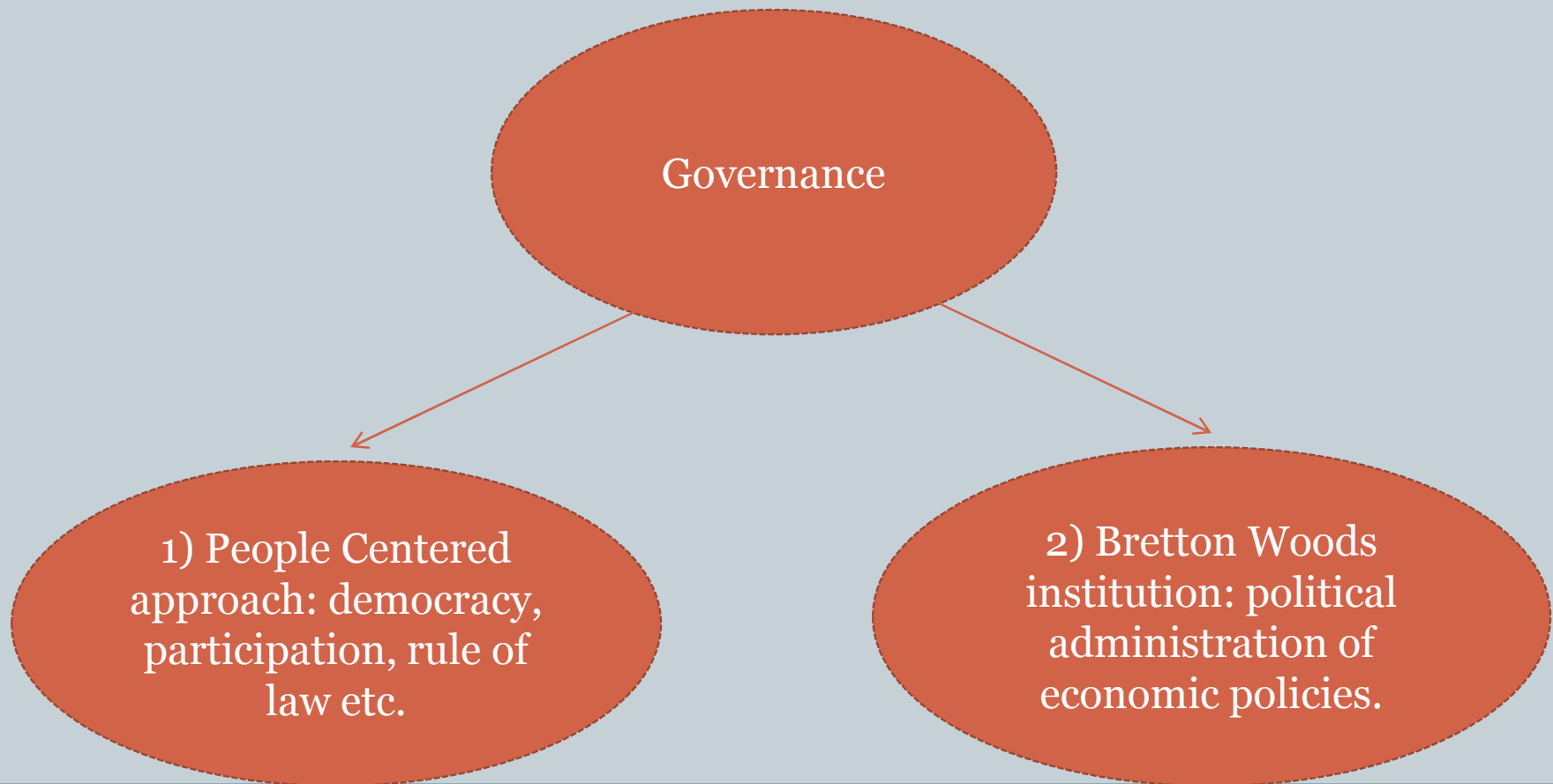
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- Background: The issue of Governance and Development.
- The Role of the National Budget: as a tool for Good Governance.
- Governance in the context of Trinidad and Tobago-
The National Budget and Budget Information.
- Conclusions and Recommendations.
- Bibliography of references.

The Issue of Governance and Development

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Figure 1: Perspectives on Governance.



The Issue of Governance and Development

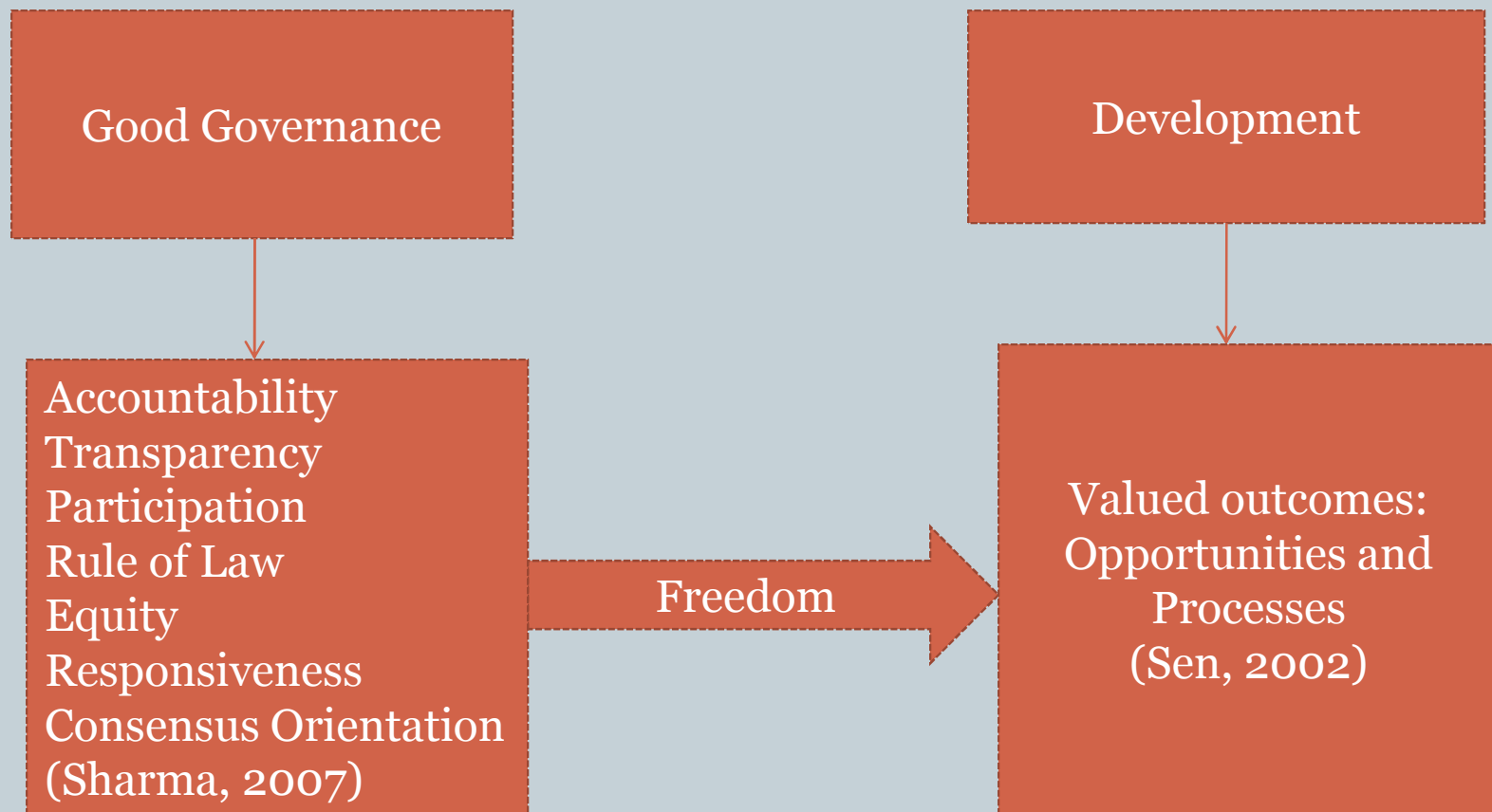
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- Governance: *“...the traditions and institutions by which authority in a country is exercised...” which includes “..the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them...”*
Kaufmann et al (2009).

The Issue of Governance and Development

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Figure 2: The nexus between Good Governance and Development.



The Role of the National Budget as a tool for Good Governance

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- *“The budget is the single most important policy document of governments, where policy objectives are reconciled and implemented in concrete terms.”*
- Budget Transparency: *“the full disclosure of all relevant fiscal information in a timely and systematic manner.”*

(OECD, 2002, p.p. 7)

The Role of the National Budget as a tool for Good Governance

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- Budget Reports: The Budget, pre-budget report, monthly reports, mid-year report year end report, pre-election report, long-term report.
- Specific disclosures: Economic assumptions, tax expenditures, financial liabilities and financial assets, non-financial assets, employee pension obligations, contingent liabilities.
- Integrity, control and accountability: Accounting policies, systems and responsibility, audit, public and parliamentary scrutiny.

The Role of the National Budget as a tool for Good Governance

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- Fiscal Transparency:
 - 1) Clarity of Roles and Responsibilities;
 - 2) Open Budget Processes;
 - 3) Public Availability of Information; and
 - 4) Assurances of Integrity.

(IMF, 2007)

The Role of the National Budget as a tool for Good Governance

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- Open Budget Index- budget transparency and inclusive budgeting.
- Findings supported by literature:
 - there is a strong correlation between transparency and quality of governance;
 - transparency is associated with lower levels of corruption, better socioeconomic and human development indicators, and greater economic openness.

(IBP, 2008)

Governance in the context of Trinidad and Tobago- The National Budget.

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2007/2008 Open Budget Index

- Score: 33%
- Rank: 55th (out of 85)
- Provides Minimal Information

2008/2009 Open Budget Index

- Results pending (October 19th, 2010, to be presented at SEDU seminar October 21st, 2010)

Governance in the context of Trinidad and Tobago- Budget Information

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- The 6 Question Campaign:
 - 2 Questions pertaining to maternal health;
 - 2 Questions regarding developmental aid; and
 - 2 Questions focusing on the environment.
- Results
 - No information provided for Trinidad and Tobago.
 - In an international context, 38% of requests made by 80 countries were met by administrative silence.

Conclusions and Recommendations

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- There is a link between Good Governance and Development.
- The elements of Good Governance- accountability, transparency and participation are mutually reinforcing.
- The national budget can enhance good governance by incorporating the elements/characteristics of accountability, transparency and participation.

Conclusions and Recommendations

- **Governments:** Produce and make publicly available the key budget documents and other related budget information.
- **Donors and international financial institutions:** encourage recipient governments to ensure that information on international developmental aid is maintained.
- **Civil Society:** publicize and demand explanations for instances in which governments do not make publicly available budget documents and budget information.

(IBP, 2008)

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The end.