

# **National Planning and Government Expenditure (Budgets) Linkages for Sustainable Development**

Workshop on  
Developing a Generic Tool for Policy – Data Integration

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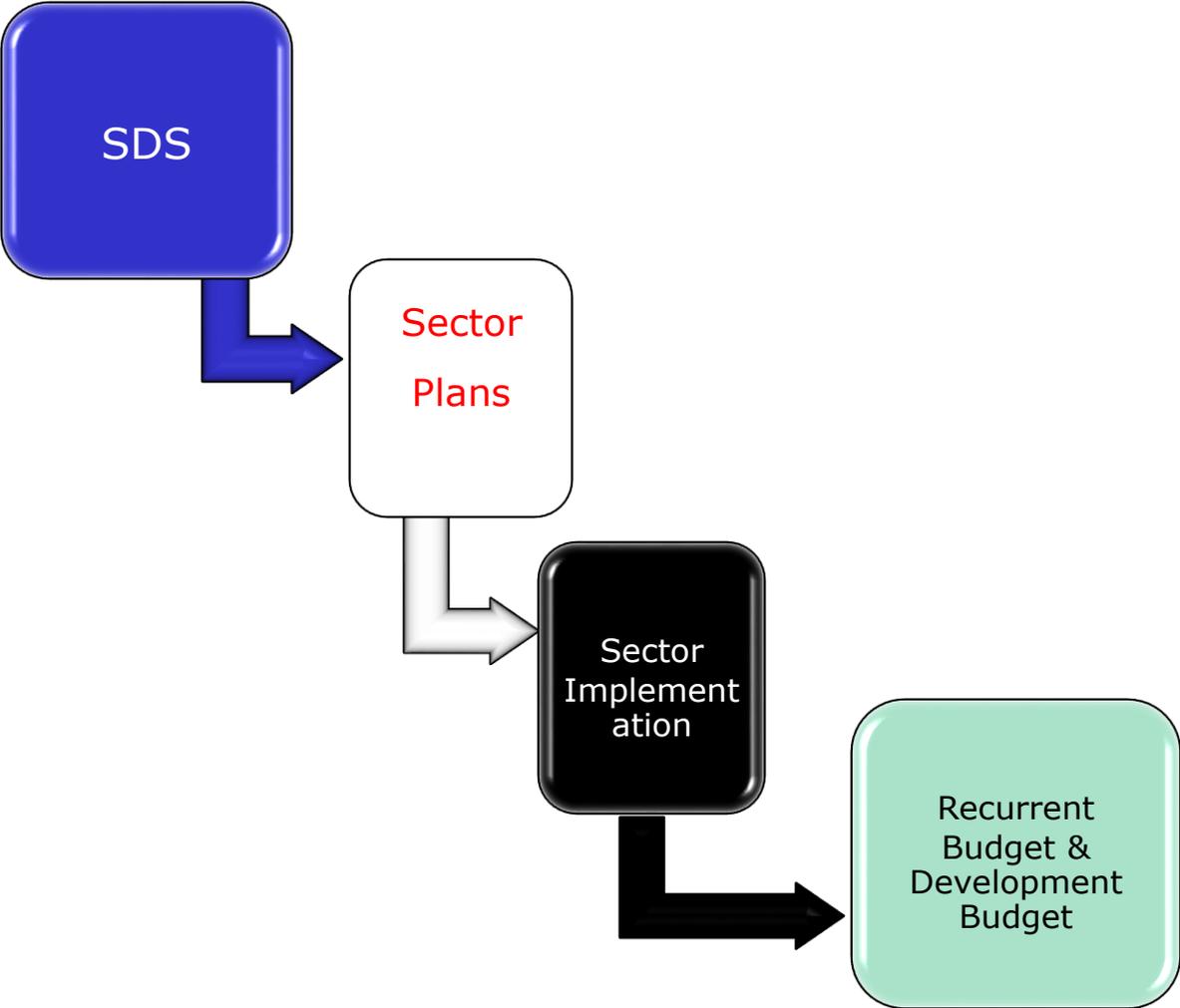
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# Implementation of Development Priorities – Key Tools

- Key means of implementation for sustainable development – **plans** (national and sector) and **budgets** (and statistics for monitoring)
- Linking these processes for implementation is critical
- Policy, planning and budgetary processes aimed at achieving national development priorities exist.
- How effectively are processes linked/ used for allocation of resources to support the implementation of development priorities? Are indicators used to monitor both implementation of budget and plan priorities?

# Planning-budget schematic – main Samoa processes



# Plan and budget monitoring and reporting – Samoa processes

- SDS monitoring
  - SMERF
  
- Sector Plans – M&E framework
  - Key goals and strategic issues have selected indicators assigned.
  
- Budget – quarterly monitoring reports
  - Expending spending focused.
  - No specific indicators are assigned to budget spending and how they may support implementation of planned priorities in SDS or Sector plans.

# Are plans, budget and data integration an issue?

- Integrated planning, budgeting and monitoring is acknowledged as essential for **sustainable development**.
- Why?
  - Plan priorities are more likely to be implemented as planned.
  - Monitoring improves transparency in resource allocation.
  - Spending agencies can be held to better account for performance.
  - Reporting to decision makers and Parliament can raise overall accountability.

# Why linkages between plans, budgets and monitoring don't work?

- Budget (and Plans) may be unrealistic
- Plans are ignored - priorities not in budget allocations
- Too many plans
- Lack of coordination between ministries and central agencies
- Insufficient capacity to coordinate and monitor plan implementation
- Plans don't have sufficient ownership – at all levels.
  - E.g. the Ministry of Finance may lead on the national plan, line ministries on sector strategies, and the Ministry of Finance lead on the budget. While responsible institutions may have ownership, it may be often weak elsewhere. A central driver for linking these processes is essential.

# To better link plans, budgets for results - what has worked?

- As a general rule, successful reforms to integrate planning and budgeting rarely involve the creation of new “systems.” Build on existing systems.
- No single solution to integrating planning and budgeting processes, successful efforts have involved:
  - Consolidation of central functions into one ministry (e.g. combining the Planning and Finance functions);
  - Ensuring a strategic phase of the budget, that allows for sector priorities to be effectively considered;
  - **Consolidate and sharpen indicator measures for plan and budget implementation; and**
  - Strong cabinet involvement in strategic decision making around the policy, planning and budgeting cycle.

# So why focus on data – for both plans and budgets?

- i. Allows for using comparable indicators in both the plans and the budgets. Commonality of indicators will enable any associated monitoring framework to track both plan and budget performance in an integrated manner (rather than as parallel processes);
- ii. Common indicators will help focus performance on both deliverables as well as finances, thereby supporting consideration of resource use for sector and national priorities;
- iii. Performance measures to inform future planning and budget allocations; and
- iv. Consolidated (possibly single) reporting for accountability – helpful given capacity challenges.

➤ **RECAP**

- Why do we care about linking plans and budget at this workshop?
- Data is critical part of monitoring both implementation of planned priorities, and also where resources are allocated and if intended use of funds was achieved.
- Can this EPIC tool help with capturing indicators that are needed to measure your development priorities in plans and also consolidate monitoring efforts of budget performance, for improved implementation?

# Questions and discussion points?

- Do you think Ministry submissions for budget funding is linked to your sector plan and SDS? How well?
- Are your sector plan and SDS priorities aligned?
- How much are indicators and targets in these planning and budget documents used to prepare budget submissions and work programmes?
- Are similar indicators used to measure the implementation of the budget? In terms of achieving planned results?

Faafetai lava!

