

# **Alignment of National Planning and Government Expenditure (Budgets) Linkages to Support Implementation of Sustainable Development Agenda & Support Monitoring and Reporting**

ESCAP/UNDP/SPC VNR Support Workshop

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# Outline

- I. What are key national processes for reporting?
- II. Can the VNR process be informed by existing national planning and reporting systems?
- III. What prerequisites and systems are most appropriate for effective reporting?
- IV. Linking plans and budgets for implementing priorities
  - Why, how and benefits?
- V. Common monitoring basis for consolidated reporting

I. What are key national processes for reporting?

# Key processes for reporting on national sustainable development

National development and sector planning processes:

- Governs the path toward sustainable development at the national level
- Takes into account national **priorities** and challenges
- Framework for national **monitoring** and accountability

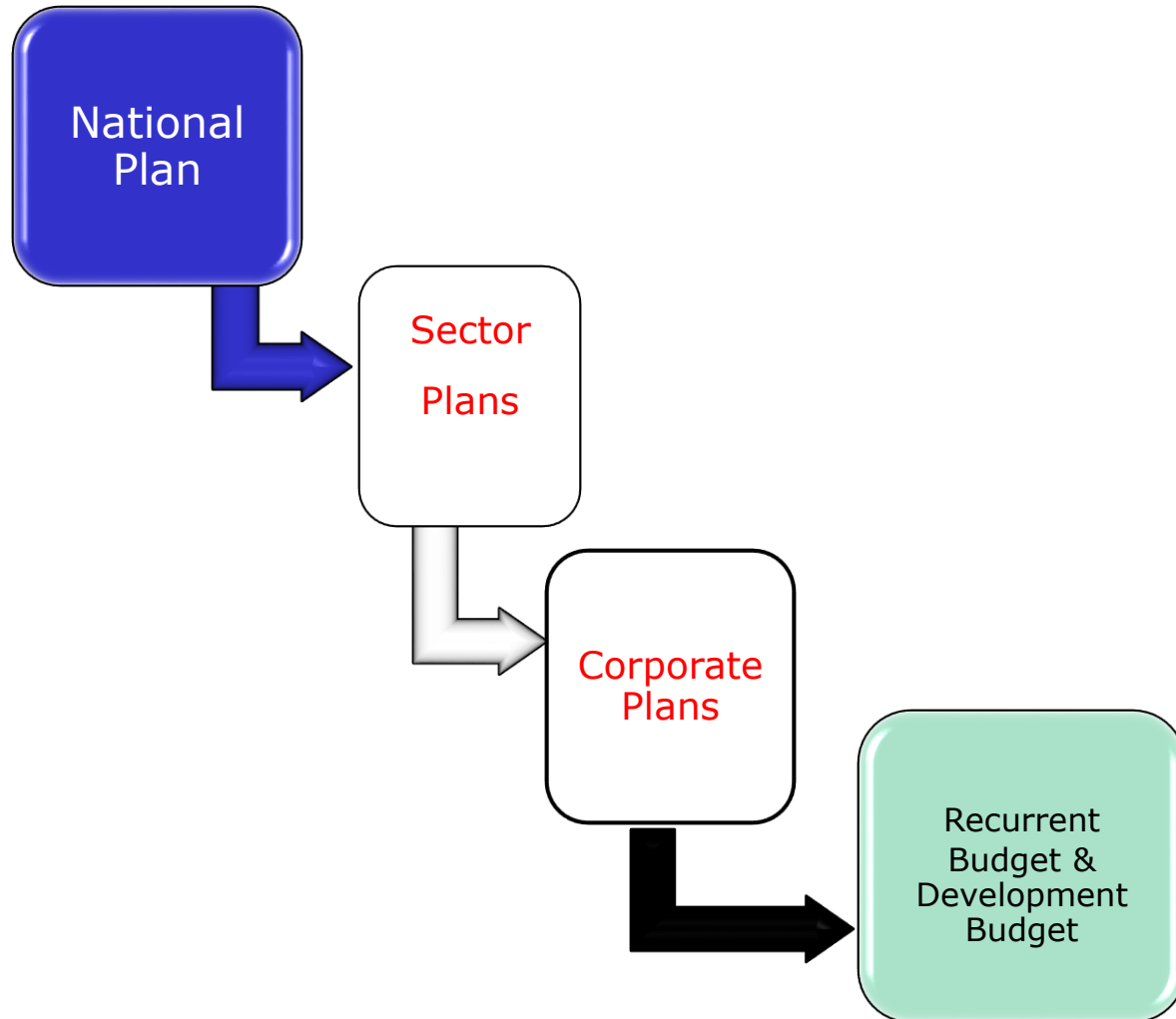
National Budget processes – critical for allocating resources for implementing these priorities

# Global Goals “Localised” in National and Sector Plans

- Commitments countries have made at an international level to sustainable development have progressively been incorporated, as appropriate, into national development and sector plans
- In some cases, indicators for performance tracking and monitoring have been contextualised
- Implementation and connecting with resources remains, largely, work-in-progress

- Can the VNR process be informed by existing national planning and reporting systems?

# Typical Planning-budget schematic



# Monitoring of national planning and implementation system and reporting – joined activities

- National systems remain important means of implementation for sustainable development – **plans** (national and sector) localised for global priorities and **budgets**
- Linking these processes for effective implementation is critical
- Monitoring implementation of national plans and budgets, and reporting are important processes
- Such national monitoring and reporting can effectively be adapted for global reporting purposes, including the VNR



- What prerequisites and systems are most appropriate for effective reporting?

# Plans, budget and data integration....

- Integrated planning, budgeting and monitoring is essential for implementing sustainable development priorities
- *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.
  - Facilitates reporting to decision makers, Parliament, and broader stakeholders which raises overall accountability.

- Linking plans and budgets for implementing priorities
  - Why, how and benefits?

# Budget allocations do not reflect government priorities

Plans are inadequate to inform budget development

Plans are adequate, but are not reflected in budgets

Plans are not prepared, or do not provide a realistic basis for government priorities

Administrative problems impede integration of planning and budgeting

The Executive and Parliament have inadequate opportunity to ensure that their priorities are reflected in budgets

There is insufficient flexibility in the budget to give effect to plans

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

- Too many plans with separate M&E provisions
- Insufficient capacity to coordinate and monitor plan implementation
- Data/statistics gaps for effective monitoring
- Inappropriate and insufficient indicators for measuring performance
- Processes don't have sufficient ownership – at all levels.
  - E.g. the Planning Department may lead on the national plan development and monitoring, line ministries on sector strategies, and the Finance Department 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?**

- 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 national/sector plans and budget implementation; and
  - Strong cabinet involvement in strategic decision making around the policy, planning and budgeting cycle.

# Common monitoring basis for consolidated reporting

# **So why focus on data consistency and appropriateness – 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. Strengthens resource use for sector and national priorities;
- iii. Performance measures to inform future planning and budget allocations; and
- iv. Consolidated (possibly single) reporting – reduces burden given capacity challenges.



## Last words...

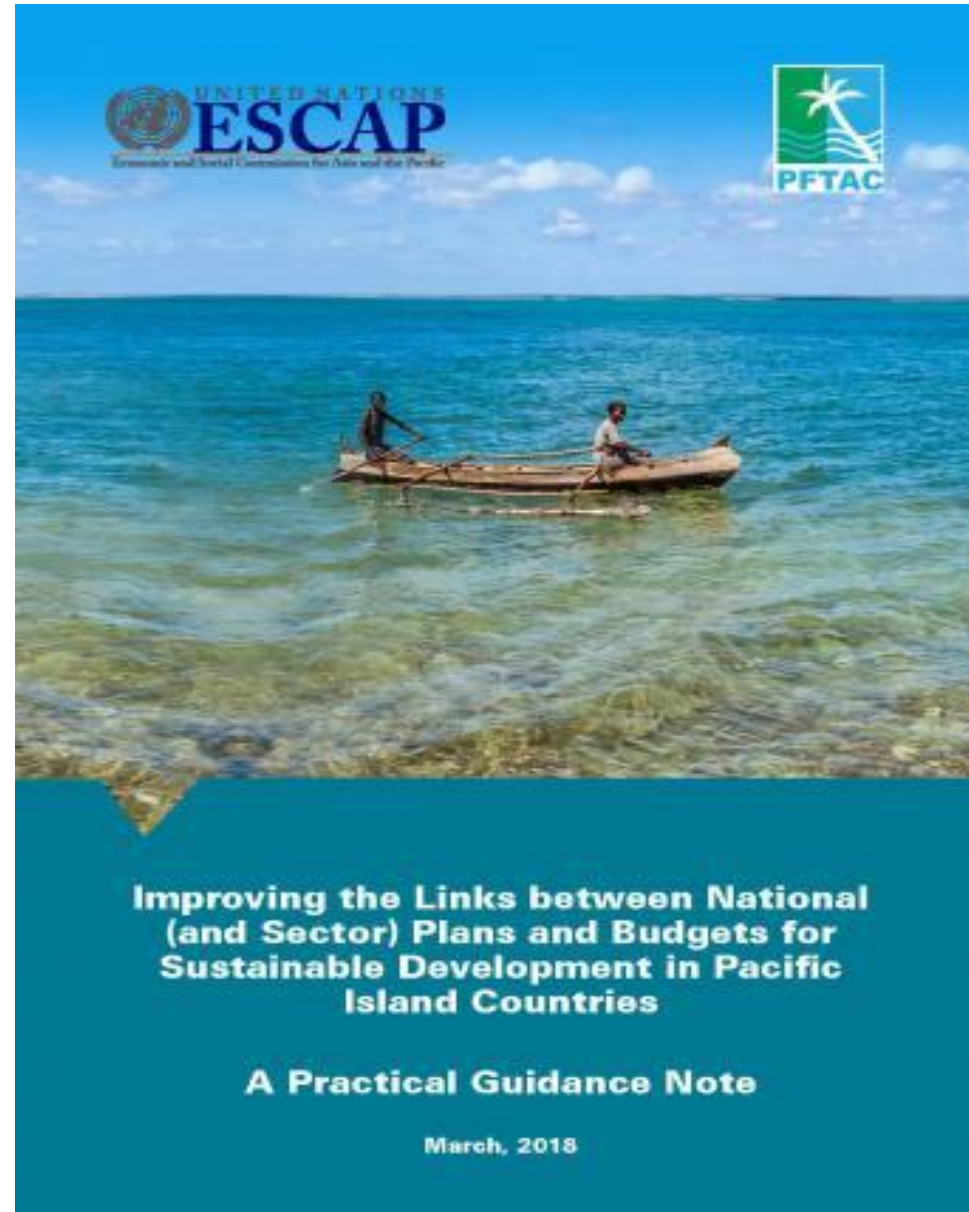
- Most countries have a medium term national development plan – global goals to an extent incorporated as well
- Budget allocations should reflect national development priorities – integration essential for sustainable development.
- Such national systems allow for ongoing monitoring and reporting of development results.
- To reduce burden of reporting, strengthening national planning/budgeting system monitoring and reporting can become the basis for regional and global reporting requirements, including the VNR

# Thank you!

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available at  
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## **Discussion Points:**

- Are sector plan and national plan priorities aligned?
- Are national and sector plans monitored – reported?
- Are indicators and targets used in planning and budget documents used to actively track implementation, inform policy and resourcing decisions?
- Are similar indicators used to measure the implementation of the budget and plans?