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Following the Money (Covid Edition)

Transparency and Oversight in the Disbursement of Covid Funds

Following the Money (Covid Edition): Transparency and Oversight in the Disbursement of Covid Funds

Caribbean Policy Research Institute (CAPRI)
Kingston, Jamaica

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Lead Researcher: Monique Graham

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Introduction

The first COVID-19 case was registered in Jamaica on March 10, 2020, just a month after the government had tabled its $853 billion budget for the April 2020 – March 2021 fiscal year. Within the next month, the government had launched a $25 billion stimulus package—the largest in the country's history—including tax benefits and a cash transfer programme to individuals and businesses to cushion the economic impact of the pandemic.

Across the world, as in Jamaica, the pandemic challenged governments' capacity to manage resources effectively and equitably. Fiscal responses varied across countries, but everywhere they represent unprecedented departures from normal fiscal policy processes.

With fiscal resources moving around on such a massive scale, civil society partners across 120 countries, including the Caribbean Policy Research Institute (CAPRI) in Jamaica, worked with the International Budget Partnership (IBP) to take a closer look at how governments managed their initial COVID-19 fiscal policy responses. Our goal was not just to assess how governments fared, but to generate lessons on how they can respond better, both to the ongoing COVID-19 situation as it continues to unfold and as well to future such crises. This rapid assessment of "emergency fiscal policy packages"—sets of policy initiatives aimed at addressing the impact of the COVID-19 emergency—focused on three critical areas of accountability: public access to relevant information, adequate oversight, and opportunities for citizen engagement. Together, these pillars ensure public resources are used effectively, that peoples' basic needs and priorities are adequately addressed, and that governments can be held accountable for their choices.

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Assessment

Accountability

In Jamaica, comprehensive budget documents, a robust legislative approval process, and existing laws on emergency contracting paved the way for strong accountability.

Jamaica scored among the top quarter of countries assessed in terms of overall levels of accountability in early COVID-19 fiscal policy responses.

The government published sufficient information relevant to the stimulus package, which could be found in some of the country's regularly published budget documents. In addition, although the crisis hit just after the 2020/21 budget was tabled in March, within two months the government tabled a so-called "supplementary" budget with the revised fiscal estimates. These new, detailed estimates helped the public track how much funds were going to each COVID-related programme.

Legislative oversight of the stimulus package was relatively strong. As is usually the case in Jamaica, parliament debated the proposed revised budget before voting on it; had at least two weeks to review and discuss the proposed revised budget before holding a vote on it; and held a vote on the proposed revised budget before the package was implemented.

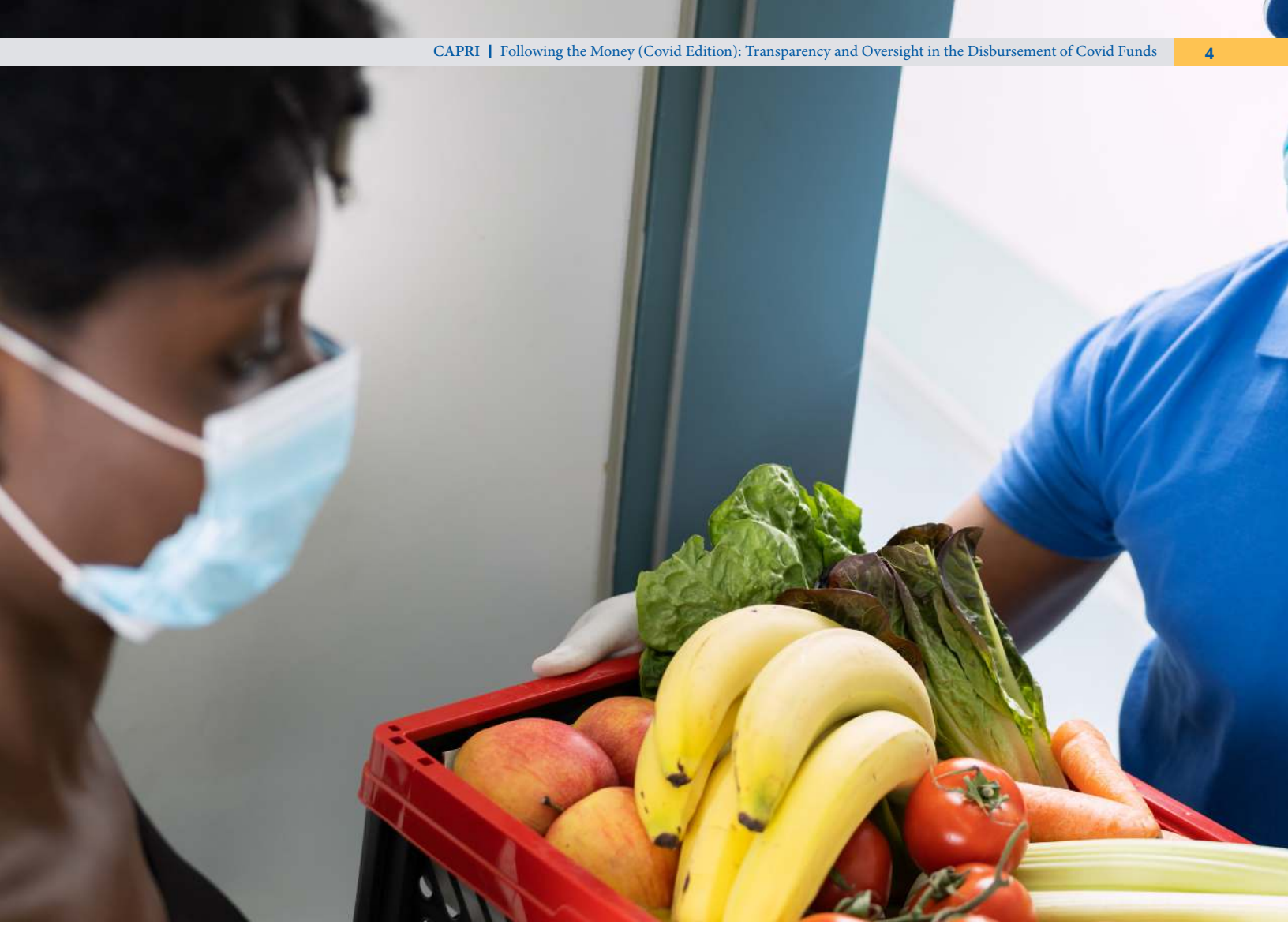
Finally, Jamaica already had a legal framework in place for emergency contracting of services. Most countries, almost two thirds of those surveyed, published very limited information on the introduction and use of simplified pandemic-related procurement procedures, making it difficult to assess if governments were getting value for money in purchases of medical equipment or other goods and services. In contrast, in Jamaica, the 2006 Procedures for Emergency Contracting provided a policy rationale for emergency procedures, clear criteria for inclusion, and additional transparency requirements for contracting in circumstances such this pandemic. While these procedures exist, however, there has been some scrutiny surrounding the level of adherence.

Oversight

Jamaica's Auditor General's Department undertook real time audits of key spending measures and worked with the Ministry of Finance on audit recommendations.

In only about a quarter of the countries assessed were government auditors able to produce and publish audit reports before the end of 2020, timely enough for it represent an independent check on COVID-19 spending as it happened. In Jamaica, upon the specific request by the Minister of Finance, the Auditor General's Department had published three concurrent audit reviews of the government's cash transfer programme—the COVID-19 Allocation of Resources for Employees (CARE) Programme, which was a key component of the government's overall stimulus package—by the end of 2020. The Ministry of Finance held up payments until after the audit had happened, and worked closely with the supreme audit institution to follow up on audit recommendations, such as the removal of duplicate applications.

In Jamaica, the Auditor General's Department had published three concurrent audit reviews of the government's Covid-19 Allocation of Resources for Employees programme.



Public Consultation

Decision-making on the formulation and implementation of the stimulus package included very little or no input from the public, especially from those most impacted by the crisis.

In Jamaica, as was the case around the world, citizen participation in the formulation and execution of COVID-19 policy responses was virtually non-existent, depriving the government of contributions which could greatly improve the effectiveness of their actions. IBP's local research partner CAPRI, for example, surveyed 1,500 residents of 23 deprived communities across a representative majority of the island's parishes. Though unemployment in these communities doubled when the crisis hit, from 20 percent to 39 percent—and though most of those who had received remittances prior to the pandemic received less or stopped receiving any—a full three quarters of those surveyed did not benefit from the CARE Programme, most (57 percent) of whom did not apply because they did not know about it.

Moreover, despite the growing evidence on the disproportionate impact of the pandemic on women and girls, including impacts on employment, health, and domestic violence, Jamaica did not publish data disaggregated by sex for policy initiatives that might have a differential impact on women and men, or adopt any policy initiatives specifically targeted to women.

Jamaica scored among the top quarter of countries assessed in terms of overall levels of accountability in COVID-19 fiscal responses.

Recommendations

Jamaica has demonstrated that an urgent and speedy response to crises like the COVID-19 pandemic does not have to come at the expense of accountability. Notwithstanding, there remain a number of steps the government can take, both immediately as the COVID-19 crisis continues to unfold and going forward in preparation for future crises.

1. Integrate innovation and good practices that emerged during the COVID-19 crisis into regular budget processes and procedures going forward.

Features such as the innovative auditing practices implemented jointly by Jamaica's Ministry of Finance and Public Service and Auditor-General should be extended for use in normal times.

2. Enable the public to provide input into the formulation, approval, and execution of additional emergency fiscal policy packages, perhaps through the vehicle of an oversight committee on the model of Economic Programme Oversight Committee (EPOC).

The Ministry of Finance and the Public Service, Parliament, or the Auditor General's Department should put in place mechanisms for civic actors to provide information to better target and implement programs, protect spending allocations for critical sectors, or advocate for expanded relief for vulnerable groups whose lives and livelihoods were devastated by the pandemic.

For instance, in Chile, the government set up the Comisión del Gasto Público, a consultative body including several CSOs, in January 2020 to help improve the transparency, quality, and impact of public spending. During the pandemic, this body produced reports and recommendations on the transparency and effectiveness of the government's COVID-19 response policies and systems. The Government of Jamaica could set up such a body to help improve the transparency, quality, and impact of public spending both during crisis periods and normal times.

Or in El Salvador, for example, the legislature set up an ad hoc committee to follow the operations of the COVID-19 emergency fund with members from CSOs and academic centers. The Jamaican parliament could establish a similar committee.

The Jamaican government itself already has a template for such an oversight and consultative committee in EPOC that was established to monitor the two recent successfully implemented IMF programmes. A key part of EPOC's responsibility was precisely to liaise between the public and the policy-makers.

3. Provide up-to-date implementation information on web portals, including data and analysis on budget execution and performance, disaggregated by impact on disadvantaged groups, such as women and girls.

By using existing data and resources, the government could work towards targeting women and girls directly or ensuring that gender-disaggregated information is made available for monitoring. Jamaica publishes monthly Central Government Operations Tables. These could be a good place in which to include data and analysis on budget execution and performance of pandemic-related initiatives. Again, the government could follow the example of countries that have done something similar. For instance, in Peru, a joint government-civil society working group published a report looking at the impact of the government's COVID-19 response on various groups. The Peruvian government also has a page on its open data portal where it provides updates on the level of implementation of specific programs.

Notes

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