



Managing COVID funds

The accountability gap

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CONTENTS

- The importance of accountability in COVID responses..... 2**
- Urgent action does not have to come at the expense of accountability 3**
- Detailed findings and examples of good practice 4**
 - 1. Governments have failed to adopt key measures to enhance accountability..... 4
 - 2. The role of legislatures has been limited during the pandemic..... 6
 - 3. Decision-making around COVID response packages and their implementation includes very little or no input from the public, especially from those most impacted by the crisis 7
 - 4. Times of crisis can be moments of innovation 8
- What can governments do better, right now and going forward? 9**
- How can international donors better promote these efforts?..... 10**

The importance of accountability in COVID responses

The sheer scale of the interventions needed to confront the health and economic consequences of the COVID-19 pandemic has challenged governments' capacity to manage resources effectively and equitably in unprecedented ways. By the end of 2020, governments had already mobilized [\\$14 trillion](#) in fiscal policy responses of different types. These included additional spending measures, tax relief programs, and loans and loan guarantees – all aimed at funding necessary health services, addressing income losses and keeping economies afloat. Fiscal responses look different across countries—and [have been much larger in richer countries](#)—but everywhere they represent a very significant departure from normal fiscal policy processes.

COVID-19 hit when growing inequality and weakening democracy moved people across the globe to call into question their governments' handling of public resources—a key theme of our [2019 Open Budget Survey report](#). The very unequal impact of the pandemic, with low-income informal workers, women and other disadvantaged groups bearing the brunt of the health and economic fallout, risks making the situation worse.

Responding in an open and accountable manner is not only a way for governments to show that they care about their citizens' plight, but also to reap some of the recognized [benefits of fiscal openness](#), from reducing the risks of corruption to ensuring more equitable and effective outcomes. From the beginning, we have been among the many urging governments to put in place the transparency and accountability arrangements necessary to ensure the massive resources being mobilized do not go to waste. Our [Call to Action on Open Budgets during the COVID-19 Response](#) highlighted relevant actions governments could take. Encouraged by [anti-corruption activists and government watchdog groups](#), the International Monetary Fund (IMF) also told governments to “[do whatever it takes, but keep the receipts](#)”.

Unfortunately, many governments have not heeded these calls, jeopardizing the effectiveness and impact of their response to the crisis. How do we know this? Near the end of 2020, we took a close look at how 120 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 crisis and to future ones. Our research focused on the three critical pillars of accountability that underpin the [Open Budget Survey methodology](#): public access to relevant information, adequate oversight arrangements and opportunities for citizen engagement. Each pillar is essential to ensuring resources are used effectively, that peoples' basic needs and priorities are adequately addressed and that governments can be held accountable for their choices.

Working with local researchers in 120 countries, we documented the introduction of almost 400 emergency fiscal policy packages—sets of policy initiatives aimed at addressing the impact of the COVID-19 emergency—in the period from March to September 2020. In each country, we selected the largest or most important of these

packages, and assessed related transparency, oversight and participation arrangements. Our questionnaire was developed in collaboration with relevant international organizations—including the IMF, the Global Initiative for Fiscal Transparency (GIFT), the Open Contracting Partnership, and the INTOSAI Development Initiative, among others—and tested by both civil society groups and governments at country level (see the Annex for more detail on the methodology).

Urgent action does not have to come at the expense of accountability

The main finding from our research is that governments are falling short of managing their fiscal policy response to the crisis in a transparent and accountable manner. More than two thirds of the governments we looked at, across many regions and income levels, have only provided limited or minimal levels of accountability in the introduction and implementation of their early fiscal policy responses (see table).

Levels of accountability in early COVID fiscal policy responses*

Level of accountability	No. of countries (out of 120)	Countries
Substantive	0	
Adequate	4	Australia, Norway, Peru, Philippines
Some	29	Brazil, Bulgaria, Canada, Chile, Colombia, Costa Rica, Croatia, Dominican Republic, Fiji, France, Germany, Indonesia, Italy, Jamaica, Japan, Kyrgyz Republic, Malaysia, Mongolia, New Zealand, Paraguay, Poland, Portugal, Sierra Leone, Slovakia, Slovenia, South Africa, Sweden, United Kingdom, United States
Limited	56	Afghanistan, Argentina, Armenia, Azerbaijan, Bangladesh, Benin, Bolivia, Bosnia and Herzegovina, Botswana, Cameroon, China, Côte d'Ivoire, Czech Republic, Ecuador, Egypt, El Salvador, Georgia, Ghana, Guatemala, Honduras, Jordan, Kazakhstan, Kenya, Lesotho, Liberia, Macedonia, Madagascar, Mali, Mexico, Moldova, Morocco, Mozambique, Namibia, Nepal, Nicaragua, Niger, Nigeria, Pakistan, Papua New Guinea, Romania, Russia, Rwanda, São Tomé e Príncipe, Senegal, Serbia, Somalia, South Korea, Spain, Sri Lanka, Thailand, Timor-Leste, Togo, Trinidad and Tobago, Ukraine, Vietnam, Zambia
Minimal	31	Albania, Algeria, Angola, Burkina Faso, Burundi, Cambodia, Chad, Comoros, Dem. Rep. of Congo, Equatorial Guinea, Eswatini, Ethiopia, Hungary, India, Iraq, Lebanon, Malawi, Myanmar, Qatar, Saudi Arabia, South Sudan, Sudan, Tajikistan, Tanzania, The Gambia, Tunisia, Turkey, Uganda, Venezuela, Yemen, Zimbabwe

*See the methodology annex for full details. While the two surveys use somewhat different criteria, the results in our COVID-19 module are strongly correlated with scores on the [2019 Open Budget Survey](#), suggesting that countries with stronger accountability systems during normal times tend to have stronger accountability during times of crisis as well.

When putting in place fiscal policy responses to the pandemic, governments are taking a series of measures out of a sense of urgency—such as bypassing legislatures, relaxing procurement procedures and not seeking citizens’ inputs—that undermine accountability. While such “shortcuts” may feel justifiable, given the huge uncertainties surrounding the pandemic and the need to respond speedily, they make it more difficult for citizens and their representatives to understand what governments are really doing, and how effective they are at addressing the health and economic impacts of COVID-19.

Accountability is further undermined by the lack of adequate information on the implementation of COVID-19 response policies—not just on the amount of money spent, but also on the actual impact that this is having on more disadvantaged and vulnerable groups, such as women and those living in poverty. The lack of implementation information made public is particularly worrying, as governments already had much of the relevant data at their disposal and had enough time to ensure it was published in a timely manner.

These shortcuts and limitations, however, are neither necessary nor inevitable. Many countries have chosen a different path. We documented several cases in which governments acted swiftly to put in place adequate transparency around their policy responses, where accountability institutions—like legislatures and supreme audit institutions (SAIs)—stepped up to provide effective oversight, and civil society organizations contributed information on the needs of the most vulnerable. Even during terrible crises, accountability can work if everyone does their part in an open and collaborative effort. An urgent and speedy response, in other words, does not have to come at the expense of accountability.

Detailed findings and examples of good practice

1. Governments have failed to adopt key measures to enhance accountability

Comprehensive reporting, transparent procurement processes and expedited audits of crisis-related spending were promoted by the IMF, GIFT, IBP and others as essential to achieving adequate fiscal accountability during the crisis and beyond. Governments are falling short in all these areas.

- **Reporting on implementation:** First and foremost, the severe lack of public reporting on implementation of policy initiatives is hampering efforts to hold governments accountable for the effectiveness of their crisis response. Around half of the governments surveyed published little or no

information on actual vs. planned spending, financing and performance, while only a handful ensured access to adequate levels of reporting. Transparency was especially weak when it came to reporting on the impact of policies on different categories of beneficiaries.

- **Procurement transparency:** 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.
- **Timely audits:** In only about a quarter of the countries assessed were government auditors able to produce and publish audit reports before the end of 2020, in time to allow for an independent check on COVID-19 spending as it happened.

Examples of good practice:

Implementation reporting:

- Countries like [Australia](#) and [Bangladesh](#) published extensive reports detailing the implementation of specific policy measures, and their impact on various disadvantaged groups, including women, the elderly, children and those living in poverty.
- In the **USA**, the [pandemic oversight website](#) has a “Track the Money” tab with lots of data on COVID-19 response programs including disaggregated spending data.
- In **Peru**, a joint government-civil society working group, *Mesa de Concertación para la Lucha contra la Pobreza* (MCLCP), published a [report](#) looking at the impact of the government’s COVID-19 response on various groups. The government also has a page on its [open data portal](#) where it provides updates on the level of implementation of specific programs.

Procurement:

- In **Ecuador**, the procurement agency’s [emergency procurement platform](#) provides open data access to all COVID-19-related procurement contracts, allowing for [civil society action and better accountability](#)

Audit:

- In **Sierra Leone**, the Audit Service used real-time auditing approaches honed during the Ebola crisis to [publish a report on COVID-19 spending](#) that led to the Anti-Corruption Commission taking up a number of investigations and [detaining top government officials](#).
- In **Jamaica**, the Auditor General published [three concurrent audit reviews](#) of the government’s cash transfer program, the COVID-19 Allocation of Resources for Employees (CARE) Programme. The Ministry of Finance [held up payments until after the audit had happened](#), and worked closely with the SAI to follow up on audit recommendations.

- **Accounting for gender impact:** Another important area of accountability calls for keeping apprised of the differing needs of vulnerable groups in the population and taking targeted action accordingly. Despite the growing evidence on the [disproportionate impact of the pandemic on women and girls](#), including on issues of employment, health and domestic violence, very few governments took action to ensure that their policy responses considered gender seriously, either by targeting women and

girls directly or ensuring that gender-disaggregated information was made available for monitoring purposes. Among the 120 countries we covered, 22 published information on policy initiatives specifically targeted towards women (this includes pregnant or lactating women, female entrepreneurs, female heads of households, victims of domestic violence, etc.), but only three (Canada, the Philippines and Sweden) included a Gender Impact Assessment of their COVID-19 response.

Examples of good practice:

Incorporating gender considerations into policy responses:

- In **Togo**, the government set up a [cash transfer program](#) that gives more money to women than men.
- In **New Zealand**, the government set up a [COVID-19 Community Fund](#) for organizations that provide services or support to women and girls.
- **Canada's** Gender Based Analysis Plus (GBA+) approach was applied to the government's [COVID-19 Economic Response Plan](#) to assess the potential impact of various policy initiatives on gender, income and inter-generational inequalities.

2. The role of legislatures has been limited during the pandemic

In almost half of the countries in our assessment, governments are introducing fiscal policy measures through executive decrees of different kinds, sidestepping the normal legislative approval process. Although justified by the need for urgent action, this prevents public debate and ultimately adequate political support for the government's fiscal policy decisions.

The role of legislatures can also be further curtailed when countries declare a state of emergency, giving the executive broader powers to bypass normal procedures, access special funds, and to act without adequate legislative checks and balances. A state of emergency was declared in about a half of the countries we surveyed. Moreover, only about a quarter of legislatures we assessed regularly received and debated reports on the implementation of COVID-19 response policies, and even fewer received and debated related audit reports.

Examples of good practice:

- In about half of the countries in our assessment, COVID-19 response packages took the form of supplementary budget laws (or other types of laws) approved by parliaments—even if in haste—guaranteeing some level of debate and accountability. Countries that decided to have legislatures debate and approve their COVID-19 response packages did better in terms of both transparency and oversight, showing that even in times of crisis it is possible to follow due process and maintain basic functional accountability processes.
- In the **Philippines**, specific provisions are included in the “[Bayanihan to Heal as One Act](#)”—the law detailing COVID-19 response measures—to ensure that [weekly reports](#) on COVID-19 response actions are sent to a Joint Congressional Oversight Committee that oversees implementation. In addition, the Congressional Policy and Budget Research Department (CPBRD) conducted a [results-based assessment](#) of this Act.
- In the **United Kingdom**, the Parliament’s Public Accounts Committee set up a [program of work](#) to hold the government to account for its use of taxpayers’ money in response to the COVID-19 pandemic, including an inquiry into [emergency government procurement](#).
- In **Nepal**, the Parliamentary Accounts Committee [investigates irregularities](#) in procuring medical equipment and supplies, to ensure those responsible can be held accountable.

3. Decision-making around COVID response packages and their implementation includes very little or no input from the public, especially from those most impacted by the crisis

Citizen participation in the formulation and execution of COVID-19 policy responses is virtually non-existent, excluding the public from having a voice in decisions on priority-setting during the pandemic, and depriving governments of contributions which could greatly improve the effectiveness of their actions. Ways that civic actors can enhance government responses can be seen in the work of IBP partners who [engaged governments in various countries](#) to provide information to better target and implement programs, protect spending allocations for critical sectors, as well as advocate for expanded relief for vulnerable groups whose lives and livelihoods were devastated by the pandemic.

One of the most successful and burgeoning examples of civil society / government collaboration is the [Asivikelane initiative](#) in South Africa which is giving an active voice to informal settlement residents in major cities who are faced with severe basic service shortages during the COVID-19 crisis. Through targeted advocacy and campaigns, the initiative has already secured improved access to water, sanitation and waste removal services from municipal governments affecting more than one million people; most recently, the group has entered into an unprecedented formal partnership with the government.

Examples of good practice:

- **Norway** is the only country where both the executive and the legislature carried out adequate consultations with key stakeholders—including various disadvantaged groups— both during the formulation and the implementation of the government’s response packages.
- In **El Salvador** and **Peru**, governments set up citizen monitoring and oversight mechanisms to accompany COVID-19 response policies. In El Salvador, [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. In Peru, the SAI set up Virtual School Oversight (*Veeduría Escolar Virtual*) mechanisms to monitor the implementation of specific COVID-19 response policies in the education sector, such as delivery of school materials and distance education equipment.
- In some countries, ongoing participation mechanisms have been reoriented to ensure citizen engagement during the pandemic. In **Chile**, the [Comisión del Gasto Público](#), a consultative body including several CSOs set up in January 2020 to help improve the transparency, quality and impact of public spending, ended up producing reports and recommendations on the transparency and effectiveness of the government’s COVID-19 response policies and systems. In the **Philippines**, a commitment to hold a series of public consultations called [Dagyaw 2020](#)—promoted under the aegis of the Open Government Partnership—was repurposed to ensure continuing public dialogues during the COVID-19 crisis on government response policies.

4. Times of crisis can be moments of innovation

Across the 120 countries surveyed, some governments have clearly tried to make information available to citizens and various groups of stakeholders in a useful way. Around half of the countries covered in our assessment have set up dedicated webpages, websites and / or various portals which can be easily identified and accessed. Some only contain general information on emergency response policies, but others include information on resources allocated and spent.

A notable feature of many of these dissemination efforts is that they are targeted at specific user groups, as governments are keen to ensure that different categories of beneficiaries (both individuals and businesses) know what kinds of support are available, provide details about eligibility and access, and more. Extending this feature for use in normal times can ensure transparency is better targeted and will allow different groups to better understand how budget policies affect them.

Examples of good practice:

- In the **Ivory Coast**, the [Support Fund for Informal Sector Actors website](#) provides details of eligibility conditions and regular reports on subsidies paid to beneficiaries.
- In **Peru**, a [dedicated website](#) provides details of various programs for households and businesses, specifying who is entitled and why, support types and amounts and planned number of beneficiaries.
- In **Indonesia**, the Ministry of Finance’s [COVID-19 page](#) provides details of government policies for various actors, both within and outside government, and includes links to relevant policies, infographics and government contacts.

What can governments do better, right now and going forward?

The job that governments have faced since the onset of the COVID-19 crisis has been tremendously complex, entailing tough choices and tradeoffs. Faced with such difficulties, many governments regard transparency and accountability arrangements as an unnecessary burden. Others are taking the opportunity to plan and implement their policy responses in a more open and collaborative way, keeping citizens informed and promoting more effective and equitable outcomes.

The examples of good practice we documented above come from a range of countries and demonstrate that a better approach is possible in all circumstances—and that speedy policy responses do not have to undermine accountability. They help to identify steps that governments can take, both immediately as the COVID-19 crisis continues to unfold and going forward in preparation for future crises.

Recommendation 1. Act now to strengthen accountability in ongoing responses to the COVID-19 crisis.

Based on our findings, we believe it is imperative for governments to take immediate action on a set of measures to address the accountability shortcomings in their COVID-19 fiscal policy responses. The crisis is far from over and “keeping the receipts” is not enough. The measures we propose are not difficult for most governments to achieve, using existing data and resources, and include:

- a. [Publishing monthly progress reports on policy implementation](#) (or regularly updating implementation information on web portals) including data and analysis on budget execution and performance, disaggregated by impact on disadvantaged groups, including women and girls,
- b. [Disclosing all details related to procurement contracts linked to emergency spending](#), wherever possible in [open formats](#),

- c. Empowering and resourcing SAIs to conduct expedited audits on emergency spending programs, and ensuring governments take remedial measures in response to audit findings,
- d. Restoring the role of legislatures as keepers of the public purse, including approving expenditures, consulting with the public and interest groups, monitoring policy implementation and following up on audit findings, and
- e. Putting in place adequate mechanisms for citizen participation in the formulation, approval, and execution of additional emergency fiscal policy packages. These can include mechanisms used by the executive, legislature and SAI.

Recommendation 2. Strengthen capacities and basic systems for accountability in the annual budget cycle, to be better prepared for future crises.

Our findings show that countries with stronger budget systems are generally better able to maintain sound accountability practices during the pandemic. These include assessing performance and impact, producing disaggregated information by gender and other dimensions, and disclosing contracts. Strengthening such systems during normal times is therefore very important. However, it is also clear that some adjustments are necessary to make budget accountability systems more resilient to periods of crisis. To this end, governments can:

- a. **Introduce and/or review and update the legal and regulatory framework** to clarify roles, responsibilities and approaches to be adopted during times of crisis, for example in the areas of resource management, procurement, oversight and participation.
- b. **Integrate innovations and good practices that emerged during the COVID-19 crisis**—such as user-centered information, enhanced procurement transparency or innovative monitoring and auditing practices—into regular budget processes and procedures going forward.

How can international donors better promote these efforts?

Recommendation 3. Support governments to be fully open and accountable in their fiscal policy response to present and future crises.

The international community has played—and will continue to play—an important role in supporting governments during the COVID-19 pandemic and other crises, through financial and technical assistance, policy dialogue and knowledge exchange. Their role could be further strengthened through the following actions:

- a. In the immediate future, incentivize and provide support to governments to adopt the urgent measures proposed in the recommendations listed above, and monitor country compliance with these measures.
- b. Convene a multi-stakeholder process to develop and adopt international norms and standards on managing fiscal policy in times of crisis, including ensuring adequate levels of accountability, and supporting governments in putting such norms and standards into practice.