

The Role of Parliaments in Debt Management and Transparency

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Intersection between Budgetary Governance and Debt Management

- > Parliaments can potentially contribute to enhanced public debt transparency and accountability by integrating debt management considerations into routine law-making and financial oversight functions
- > Budgetary governance includes the consideration of public debt as part of the overall fiscal strategy and the annual budget, reinforcing the interconnectedness of debt management and fiscal policy
- > The complexity of the economic challenges facing countries and the need to ensure mutually reinforcing fiscal, debt, and monetary policy approaches emphasize the importance of strong coordination, especially between institutions managing and overseeing budgetary governance and debt management

Parliaments and Debt Management

- > Parliaments have a fundamental role in influencing the discussion about budgetary policy options, authorizing budget decisions, and in holding governments to account
- > Parliament's constitutional powers, functions, and responsibilities - including those for budgetary governance - are shared amongst different institutions operating within the institutional architecture of parliament
- > The main institutional mechanism parliament uses to progress its agenda and conduct the day-to-day work of parliament are parliamentary committees

Parliamentary Interface with Debt Management



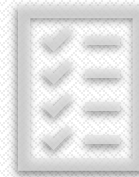
Law-Making

- > Enact Laws for effective Debt Management



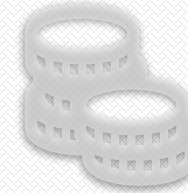
Ratification

- > Ratify or endorse Loan Agreements (especially with MDBs)
- > Review and endorse the DMS



Pre-Budget Review

- > Review the updated DMS
- > Verify the credibility of the analysis underpinning the budget framework (e.g., DSA)



Budget Approval

- > Ensure debt servicing costs are included in forward estimates
- > Confirm expenditure aligns with borrowing goals



External Oversight

- > Review SAI reports related to DM functions
- > Hold DMO accountable for its performance

Enhancing Parliamentary Engagement around the DMS: Opportunities & Challenges

- A. Influencing the priorities in the DMS
- B. Testing the veracity of the analysis underpinning the DMS
- C. Parliamentary endorsement of the DMS
- D. Enhanced reporting to parliament on the efficiency and effectiveness of the implementation of the DMS