

ATI Webinar series: Evidence-based Fiscal Policy Tools to Improve Equity



14 September 2022 | 14:00h – 15:30h (CEST) | English (ES/FR)

The ATI Consultative Group 1 is delighted to invite you to join the webinar series on Evidence-based Fiscal Policy Tools to Improve Equity.

Objectives

Equitable public and social policies are vital in curbing the challenges of the pandemic and continuing the work to realise an equal society. Fiscal policies – both on the revenue and expenditure sides – are powerful instruments available to governments to reduce poverty and inequality.

Annual budgeting cycles – development planning and policy proposal, budget setting and allocation, and budget execution are channels through which expenditure side fiscal policies translate into action. Various initiatives have been developed to measure the extent to which government development plans incorporate sustainable development principles – such as equality, poverty reduction, and equity. As such, the comprehensive budgeting and policy analysis toolkit, which has been jointly developed by the the Global Development Network (GDN) and the World Bank (WB), and supported by the German Development Cooperation (GIZ), is one of them. The toolkit encompasses three independent, but highly complementary analytical tools: the enhanced Equity Budgeting Tool (EBT), the Commitment to Equity (CEQ) Assessment to carry out Fiscal Incidence Analysis (FIA), and the microsimulations built on the CEQ-FIA framework.

The enhanced EBT tool provides a framework to analyse the extent to which the reduction of inequality and other equity concerns are reflected in both the expenditure and revenue sides of the public budget. In 2018, the introduction of the CEQ Assessment allowed the inclusion of the revenue side into the EBT leading to the emergence of the enhanced EBT. The CEQ approach provides microdata-based empirical evidence on the impact of fiscal policy on equity goals generated by the budget as executed and the social response to that budget. Within the same line, FIA relies on the CEQ approach to examine the proportion of taxes and of benefits derived from social spending for households. The results of FIA show the aggregate impact of both taxes and transfers on each household and the net effect on reducing poverty or inequality. Lastly, the microsimulations derived from the CEQ-FIA framework provide estimates on the potential welfare impacts of fiscal policy reforms. These empirical estimates could give insights to policymakers and administrators on effective policy reform strategies, and feed into the next round of budget debate, planning and execution

By taking a closer look at the enhanced EBT and derived toolkit – CEQ-FIA approach and microsimulations –, this webinar series seeks to highlight the importance of equity considerations in annual budget planning and execution and its potential welfare effects. Likewise, it will raise awareness on the existence of tools for partner country governments, which could provide these actors with a comprehensive perspective on the policy implications of potential fiscal policy reforms. At the practical level, it will focus on the technical implementation – from the perspective of a development organisation – of these tools in Guatemala, South Africa and Ethiopia.

Programme

Session 1 | 14 September 2022 | 14:00h - 15:30h (CEST)

14:00 – 14:05	Welcome and introduction <i>Michelle Ordonez (ATI Secretariat)</i>
14:05 – 14:30	Presentation enhanced EBT, CEQ Assessment and FIA: Methodological aspects <i>Jon Jellema (GDN)</i>
14:30 – 14:45	Presentation enhanced EBT implementation: The case of Guatemala <i>Jon Jellema (GDN)</i>
14:45 – 15:30	Open discussion and Q&A <i>Moderated by Michelle Ordonez (ATI Secretariat)</i>

Session 2 | Postponed to November 2022

14:00 – 14:10	Welcome and reaping from the first session <i>Daniel Atwere Nuer (Co-coordinator of ATI Consultative Group 1)</i>
14:10 – 14:25	Presentation CEQ gender assessment: Ethiopian Agricultural Income Tax <i>Alemayehu Ambel (World Bank)</i>
14:25 – 14:40	Presentation CEQ-FIA Framework: Ethiopian local fiscal contributions <i>Alemayehu Ambel (World Bank)</i>
14:40 – 15:20	Open discussion and Q&A <i>Moderated by Daniel Atwere Nuer (Co-coordinator of ATI Consultative Group 1)</i>
15:20 – 15:30	Main take-aways and next steps <i>Moderated by Daniel Atwere Nuer (Co-coordinator of ATI Consultative Group 1)</i>

The ATI webinar series will take place via the video conferencing tool Hopin with simultaneous interpretation into French and Spanish, whereby the ATI Secretariat will create the respective link to enter the virtual room. If you have not received a link, but are interested in participating, kindly contact secretariat@taxcompact.net.