Roundtable 3
Data collection and management on subnational finance: challenges, progresses, ways forward

Ms. Isabelle Chatry
Senior Policy Analyst
Decentralisation, public investment and subnational finance, OECD
Subnational fiscal data are missing in many countries

SNG expenditure as a % of GDP
Subnational fiscal data are partial in many countries

SNG expenditure in education as a % of GDP
Subnational fiscal data are difficult to compare

- Subnational fiscal data are compiled according to different accounting frameworks and methodologies
  - SNA international standards vs budgetary accounts
- Even within the same accounting framework, country comparisons may be challenging:
  - Scopes of fiscal data are very diverse reflecting characteristics of multi-level governance systems
  - The SNA has been updated several times: the 2008 SNA has introduced important changes
- Data at disaggregated level are not available, except in federal countries (state + local government sectors)
Subnational fiscal data are difficult to interpret and can provide misleading pictures

- Limits of spending and revenue indicators

**Subnational government revenues have no clear cut frontiers**

**Grants/transfers**

- Revenue sharing +/− room for manoeuvre
  - Earmarked
  - General / unconditional
- Block grants
- Equalisation grants

**Tax revenue**

- Shared taxes +/− room for manoeuvre
  - Piggy-backing
- Shares of national taxes (CIT, PIT, VAT, excise taxes)
- Local surtaxes on national taxes (CIT, PIT, VAT, excise taxes)

**Own-source / autonomous taxes**

- From partial to full power over tax rates and bases
- Property taxes on land and buildings
- Property transfer tax
- Local personal income tax
- Local business tax
- Motor vehicle tax
- Gambling tax
- Tourist/hotel tax
- Environmental tax etc.

- Current and capital grants earmarked for education, social benefits, Healthcare, social housing, social housing, infrastructure, environment, etc.

- The need to put the numbers in perspective with qualitative information
- The need to do additional research to better assess spending and revenue powers
To conclude

• Effort should be put into helping countries worldwide collect, consolidate and disseminate fiscal data on subnational governments

• Effort should be put into helping countries adopt/upgrade a SNA harmonised according to international standards

• Further improvements of the SNA are needed to better describe subnational governments specificities

• Data are necessary but not sufficient:
  • Data are crucial to design, implement, evaluate public policies, in particular decentralisation as well as to ensure accountability, transparency and trust
  • Going beyond data remains crucial to get the facts right:
    • Developing qualitative information
    • Developing further research to assess spending and revenue indicators,
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