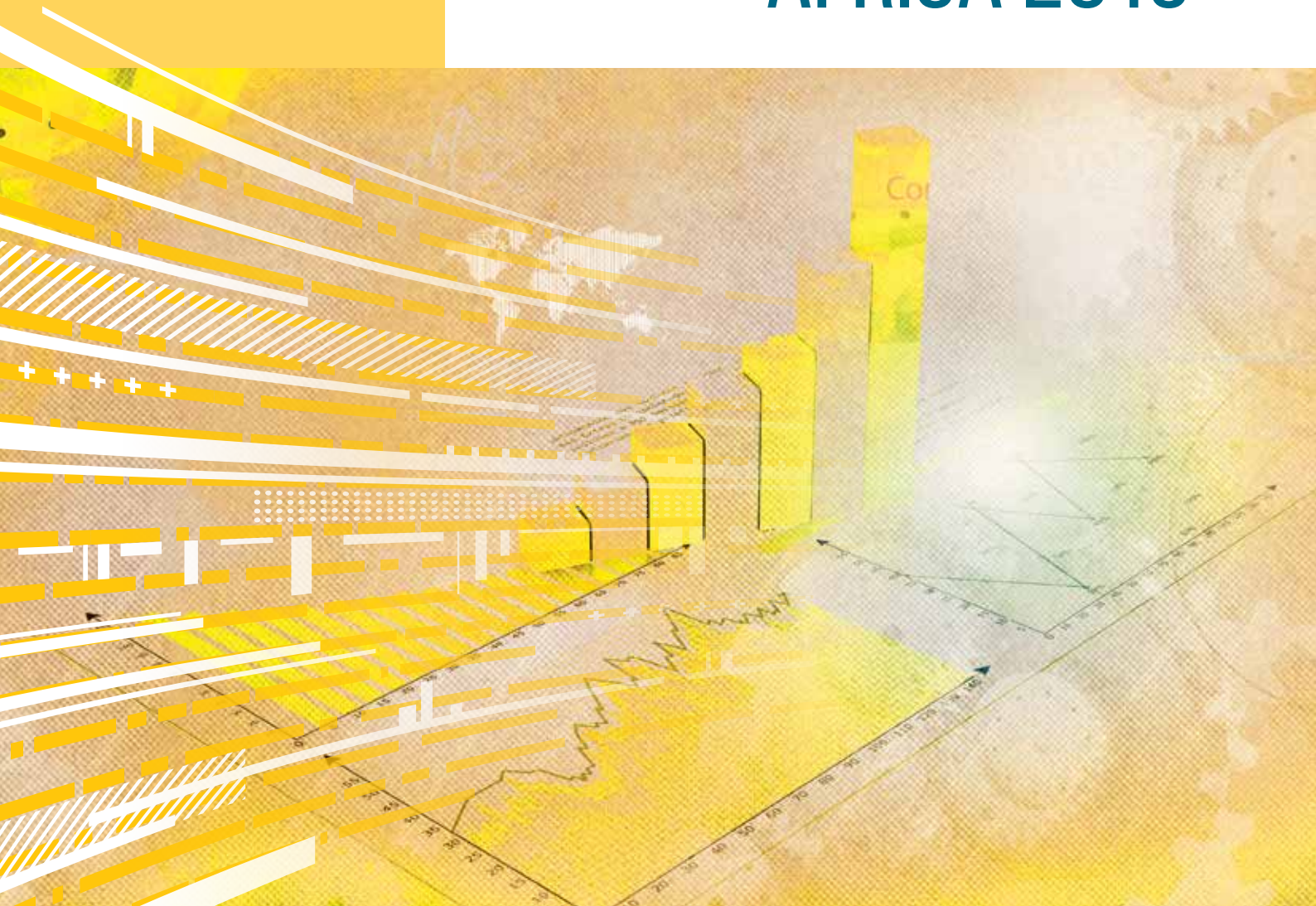


BUDGET PRACTICES AND PROCEDURES IN AFRICA 2015



MANAGING AID IN AN ENVIRONMENT
OF DATA SCARCITY

CABRI 
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ACKNOWLEDGEMENTS

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Contents

About this survey	01
Managing aid in an environment of data scarcity	02
Locating the aid management function	04
Line ministry powers to negotiate with donors	07
The existence and content of aid management policies	09
Aid database	11

ABOUT THIS SURVEY

The Collaborative Africa Budget Reform Initiative (CABRI) is an intergovernmental organisation that provides a platform for peer learning for African finance and planning ministries. The availability of comparative information on how budget systems work across the African continent enriches this knowledge exchange.

The Budget Practices and Procedures (BPP) survey provides CABRI with an overall picture of the state of budgeting in Africa. It contributes to CABRI's PFM Knowledge Hub, through which the organisation is building an evidence base on public finance management in Africa.

The first BPP survey took place in 2008, when CABRI partnered with the Organisation for Economic Cooperation and Development (OECD) to survey 26 African countries. CABRI undertook a second survey in 2015, adapting the 2008 survey to relate it more closely to the African context.

The survey, conducted from January to September 2015, involved 23 participants: Benin, Botswana, Burkina

Faso, Burundi, Central African Republic, Comoros, Côte d'Ivoire, Ghana, Guinea, Kenya, Lesotho, Madagascar, Mali, Mauritius, Namibia, Niger, Seychelles, Sierra Leone, South Africa, Tanzania (Zanzibar), The Gambia, Tunisia and Uganda. This group forms 60 percent of the countries that actively participate in CABRI activities.

The survey was completed by senior officials within each country's ministry of finance. On completion, a team of independent reviewers verified the country responses.¹ Comments made by the reviewers were shared with the responding countries before a validation workshop, which was held in July 2015. Countries that did not attend the workshop were able to discuss the reviewers' comments via email. This series of papers reflects data reported and agreed to by the responding countries, unless otherwise noted.

While the sample of 23 countries allows us to compare country practices and identify correlations between indicators of fiscal performance, there is limited scope for using statistical

THE SURVEY ANALYSIS IS REPORTED IN SEVEN BRIEFS:

1. The executive budget process: Longer, but better?
2. Understanding fiscal management practices in Africa
3. Insights into expenditure practices in Africa
4. The legislatures' challenge: Powers without information, information without powers
5. Probing finance ministry powers and size
6. Managing aid in an environment of data scarcity
7. Cross-country analysis on PFM system status and reforms

regressions. The correlations highlighted in the reports do not necessarily establish causal relationships between budget practices and fiscal outcomes.

More detailed research could shed more light on the relationship between budget practices and procedures, and budget policies and outcomes.

¹ Mokoro Limited assisted with the administration of the survey, cleaning the data and providing preliminary analysis of the results.

MANAGING AID IN AN ENVIRONMENT OF DATA SCARCITY

Managing aid is critical for many African countries to achieve their development objectives. According to the OECD Development Assistance Committee aid flow database, African countries received well over \$50 billion per year in official development assistance over the last five years – and that is only from the donors that report their assistance to the OECD.² In 2014 the foreign aid from these donors comprised, on average, about 2.3 percent of beneficiary countries' gross national income,³ and is estimated to be equal to 12 percent of countries' tax revenues.⁴ Effectively managing these resources so that countries can become self-reliant is a challenge for many African finance ministries.

The key principles that should be followed in managing aid are country ownership of development policies, a focus on results, inclusive partnerships, and transparency of and accountability for development resources. To give effect to these

principles, aid management systems and practices should align with the public finance management system.

CABRI included several questions on countries' aid management practices in the 2015 BPP survey. These questions focused on the necessary mechanisms for good aid governance by finance ministries, including the existence and location of an aid management unit, the existence and coverage of aid management policies, the existence and coverage of aid information databases, and the rules on country approvals of aid-financed programmes and projects. This brief, the sixth in a series of seven, analyses countries' responses to questions on how they manage aid.

Key findings are as follows:

- In Anglophone countries, the aid management function is usually located in the finance ministry, and managed by a single unit. For the Francophone countries, however, aid management

is more often split between units, of which at least one is located outside of the finance ministry, making the management of aid in line with the budget more difficult.

- The previous finding is probably driven by whether countries are more or less dependent on aid. The Francophone countries that responded to the survey are generally more dependent on aid than the Anglophone countries in the sample. When all countries are assessed, more fragmentation of the aid management functions and more decentralisation from the finance ministry are associated with higher aid dependency.
- In general, countries do not allow loans to be negotiated directly between line ministries and donors, but they are more likely to allow grants to be agreed without any reference to the finance ministry.

² OECD Development Assistance Committee Database on International Development Assistance, <http://stats.oecd.org/qwids>, accessed 24 January 2017.

³ World Bank Development Indicators, data.worldbank.org/indicator/NY.GNP.ATLS.CD, accessed August 2016.

⁴ African Development Bank, OECD, United Nations Development Programme 2016, Sustainable cities and structural transformation: Africa Economic Outlook 2016, p 52.



■ Far fewer countries have aid management policies in place than aid management units. However, aid management policies were more prevalent in 2015 than in 2008, when the first survey was done. Guidance on the use of country systems and the provision of aid information to country institutions is often missing in

these aid policies. Countries that receive high volumes of aid relative to their economy tend to have no or weaker aid policies.

■ Aid management databases are common. Their coverage, however, differs significantly, with weaker coverage associated with higher

dependency on aid. The elements most often included were the total value of the aid programme and information on the recipient of the aid, while a detailed project or programme budget according to government's classifications and information on the use of country systems were included least often.

LOCATING THE AID MANAGEMENT FUNCTION

Aid management units play an important role in coordinating donors and aid and setting rules so that aid is transparent and can be integrated with a government's own resources. These units also centralise information about aid and donors, and help ensure that countries take ownership of aid policies and implementation of programmes.

The 2015 BPP survey identified whether countries had units in place, and where they were located. From a public finance management perspective, these

units are best placed in the finance ministry, as one of their key functions is to coordinate aid – a complementary source of financing to countries' own tax revenues. A single unit reduces the need to coordinate processes, information requirements and rules within government, and is likely to result in single channels of communication with donors, line ministries and the budget process.

Table 1 below arranges country responses on axes of decentralisation away from

the finance ministry and fragmentation between units. Countries located in the top left block, with high centralisation in terms of the budget process and consolidation, are likely to be better off coordinating aid than countries in the top right and bottom left and right blocks.

DECENTRALISATION FROM THE FINANCE MINISTRY

In nine countries the aid management function was either located entirely outside of the finance ministry (in four countries), or shared between

TABLE 1 Existence and location of aid management unit

Fragmentation →		
↑ Centralisation at finance ministry	Single unit 16 countries	Multiple units 7 countries
	Ministry of finance only 14 countries Benin, Botswana, Central African Republic, Ghana, Kenya, Mauritius, Seychelles, Sierra Leone, South Africa, The Gambia, Uganda, Zanzibar	2 countries Lesotho, Madagascar
	Other ministries and units in government 9 countries Burundi (vice-president's office), Comoros (ministry of planning/economy), Namibia (planning commission), Niger (ministry of planning/economy)	5 countries Burkina Faso (shared with prime minister's office), Cote d'Ivoire (shared with line ministries), Guinea (shared with ministry of planning/economy), Mali (shared with line ministries), Tunisia (shared with ministry of planning/economy)

TABLE 2 Decentralised aid management and aid dependency

	High aid dependency (share of aid in gross national income > 8.3%) 10 countries	Medium aid dependency (share of aid in gross national income between 2.5 and 8.3%) 7 countries	Low aid dependency (share of aid in gross national income < 2.5%) 6 countries
Finance ministry: Full control of aid 14 countries	4 countries Central African Republic, The Gambia, Sierra Leone, Zanzibar	6 countries Benin, Ghana, Kenya, Lesotho, Madagascar, Uganda	4 countries Botswana, Mauritius, Seychelles, South Africa
Finance ministry: Less or no control of aid 9 countries	6 countries Burkina Faso, Burundi, Comoros, Guinea, Mali, Niger	1 country Cote d'Ivoire	2 countries Namibia, Tunisia

two units, one of which was external (five countries). This means that responding countries' finance ministries had, on average, high control over aid.

This appears to be less so in Anglophone countries, with only one (Namibia) of the 12 responding Anglophone countries reporting that the function was either fully or partially outside the finance ministry, compared with eight of the 11 responding Francophone countries.

The existence of a planning ministry is not strongly associated with decentralisation of aid management. Although 15 countries reported the existence of a separate planning/economy ministry, only five of these ministries fully or partially manage aid,

representing about 56 percent of decentralised cases.

However, high aid dependency is associated with more decentralised management of aid. Table 2 arranges all African countries surveyed by the share of aid in gross national income in 2014,⁵ from most to least aid dependent. While 60 percent of the highly aid-dependent countries decentralised aid management partially or fully from the finance ministry, only 30 percent of the low aid-dependent countries did the same.

It should be noted that a disproportionate number of the Francophone countries in the sample fall in the highly aid-dependent group of African countries, compared with African

Francophone countries overall. It is therefore not possible to draw conclusions from this sample alone on whether decentralised management of aid is associated more with the countries being Francophone or highly aid dependent. One indication is that the finance ministry in Francophone countries is responsible for most other public finance management functions. This suggests that the decentralisation of responsibilities for aid management away from the finance ministry may have to do with aid dependency, rather than administrative heritage.

FRAGMENTATION OF AID MANAGEMENT

In general, the management of aid is consolidated within a single unit, with the responsibility being shared between units in

⁵ Official development assistance from the OECD Development Assistance Committee aid statistics (OECD Development Assistance Committee Database on International Development Assistance, <http://stats.oecd.org/qwids>, accessed 24 January 2017); gross national income in current US dollars (Atlas method) as reported in the World Bank Development Indicators (World Bank Development Indicators, data.worldbank.org/indicator/NY.GNP.ATLS.CD, accessed August 2016).

TABLE 3 Fragmentation of aid management and aid dependency

	High aid dependency (share of aid in gross national income > 8.3%) 10 countries	Medium aid dependency (share of aid in gross national income between 2.5 and 8.3%) 7 countries	Low aid dependency (share of aid in gross national income < 2.5%) 6 countries
Single unit 16 countries	7 countries Burundi, Central African Republic, Comoros, The Gambia, Niger, Sierra Leone, Zanzibar	4 countries Benin, Ghana, Kenya, Uganda	5 countries Botswana, Mauritius, Namibia, Seychelles, South Africa
Multiple units 7 countries	3 countries Burkina Faso, Guinea, Mali	3 countries Cote d'Ivoire, Lesotho, Madagascar	1 country Tunisia

only seven of the 23 responding countries. Only one of these seven countries is, however, Anglophone. Similarly, only one of the countries in which multiple units are responsible for aid management falls in the low aid-dependency group. As for decentralisation of aid management from the finance ministry, lower levels of aid dependency are associated with less fragmentation.

CHANGE SINCE 2008

Eight of the 12 countries that responded to the survey in both 2008 and 2015 did not report a change in the location of the aid management function (Burkina Faso, Kenya, Lesotho, Mali, Mauritius, Namibia, South Africa and Tunisia). Of the four that have changed, three opted for more centralised management, namely Ghana, Sierra Leone and Uganda, while Madagascar now has two units in the finance ministry responsible for aid (it previously had one).



LINE MINISTRY POWERS TO NEGOTIATE WITH DONORS

The degree of control finance ministries have over the distribution of donor financing is dependent on the quality of information at their disposal, and the say they have in donor engagement with ministries, departments and agencies (MDAs). Although aid management units and databases are important for collecting and disseminating good-quality information, they are only as

effective as their coverage of the supported projects and programmes. How aid flows are negotiated is therefore important: if the finance ministry is part of negotiations, it is aware of which projects and programmes should be reporting to it. If, however, projects and programmes are negotiated directly between MDAs and donors, the finance ministry becomes dependent on either donors or MDAs to inform it of the project.

This is much more crucial for loans, which impose a future cost on budgets. However, it is also important for grants to ensure that the agreed co-financing is affordable and that the grant complements the country's budget allocations.

Table 4 reflects countries' responses on negotiation rules for aid. It shows that grants are less tightly controlled than loans.

TABLE 4 Rules for negotiating grants and loans

Type of aid flow	Rule	No. of countries and country names	
For grant-financed projects and programmes	Donors and MDAs can negotiate directly, without involving the finance ministry	6	Benin, Cote d'Ivoire, Ghana, Guinea, Namibia, Sierra Leone
	Donors and MDAs can negotiate directly, but only with the finance ministry's approval	9	Central African Republic, Kenya, Madagascar, Mali, Mauritius, Niger, Seychelles, The Gambia, Tunisia
	Donors and MDAs cannot negotiate directly. Donors must be referred to the aid management units or finance ministry	5	Burkina Faso, Burundi, Lesotho, South Africa, Uganda
	Did not answer	3	Botswana, Comoros, Zanzibar
For loan-financed projects and programmes	Donors and MDAs can negotiate directly, without involving the finance ministry	1	Cote d'Ivoire
	Donors and MDAs can negotiate directly, but only with the finance ministry's approval	10	Benin, Burkina Faso, Central African Republic, Guinea, Kenya, Mali, Mauritius, Namibia, The Gambia, Tunisia
	Donors and MDAs cannot negotiate directly. Donors must be referred to the aid management units or finance ministry	9	Burundi, Ghana, Lesotho, Madagascar, Niger, Seychelles, Sierra Leone, Uganda, Zanzibar
	Did not answer/does not apply	3	Botswana, Comoros, South Africa (there are no official development assistance loans to general government)

While only one country allows loans to be negotiated directly between MDAs and donors, six countries allow grants to be agreed without referring donors to the finance ministry or aid management unit. On the other hand, nine countries require loans to be negotiated directly with the finance ministry, and five reported that this applies to grant-financed projects too.

CHANGE SINCE 2008

Table 5 reflects changes between 2008 and 2015 for countries that

responded to the questions in both years.⁶ Oversight of both grant- and loan-financed projects shifted noticeably. In 2015, five countries reported less oversight by the finance ministry (or aid management unit) than in 2008 for grant-financed aid flows, while three reported more oversight. For loan-financed aid flows, four countries reported less oversight, and three reported more. For both types of aid, the practices reported in 2015 were slightly weaker than practices reported in 2008.

TABLE 5 Rules for negotiating with donors, 2008 and 2015

Type of aid flow	Rule	Year	No. of countries	Change in country practice
Grant-financed projects and programmes	Donors and MDAs can negotiate directly, without involving the finance ministry	2008 2015	2 4	Countries that changed: <i>More oversight by finance ministry:</i> Lesotho, South Africa, Uganda <i>Less oversight by finance ministry:</i> Benin, Ghana, Mauritius, Namibia, Sierra Leone
	Donors and MDAs can negotiate directly, but only with approval of the finance ministry	2008 2015	7 5	
	Donors and MDAs cannot negotiate directly. Donors must be referred to the aid management units or finance ministry	2008 2015	4 4	
Loan-financed projects and programmes ⁷	Donors and MDAs can negotiate directly, without involving the finance ministry	2008 2015	0 0	Countries that changed: <i>More oversight by finance ministry:</i> Lesotho, Madagascar, Uganda <i>Less oversight by finance ministry:</i> Benin, Burkina Faso, Mauritius, Tunisia
	Donors and MDAs can negotiate directly, but only with approval of the finance ministry	2008 2015	5 6	
	Donors and MDAs cannot negotiate directly. Donors must be referred to the aid management units or finance ministry	2008 2015	6 5	

⁶ Benin, Burkina Faso, Ghana, Kenya, Lesotho, Madagascar, Mali, Mauritius, Namibia, Sierra Leone, South Africa, Tunisia and Uganda.

⁷ Namibia did not respond to this question in 2008, and South Africa does not give official development assistance loans to general government.

THE EXISTENCE AND CONTENT OF AID MANAGEMENT POLICIES

Similar to aid management units, aid management policies are a key mechanism by which countries can control how external resources are used within their borders. These policies set out the rules of providing aid for donors and recipients. The survey identified whether countries have aid management policies in place, and whether these policies

included content on key aid management issues, namely:

- The distribution of aid management responsibilities within government.
- Rules or guidelines for donors when dealing with government.
- General preferences for aid types (such as grants or loans).
- General preferences for aid modalities (such as project aid or programme aid).
- More specific guidelines for each aid modality (such as project aid, programme aid and technical assistance).
- Requirements for donors to provide information.
- Monitoring and evaluation arrangements for the implementation of the aid management policy.

TABLE 6 Existence and coverage of aid management policies

Feature	No. of countries	Countries
Policy exists	13	Benin, Botswana, Burkina Faso, Comoros, Kenya, Lesotho, Mauritius, Niger, Sierra Leone, South Africa, The Gambia, Uganda, Zanzibar
Distribution of aid management responsibilities within government	8	Botswana, Burkina Faso, Comoros, Mauritius, Sierra Leone, The Gambia, Uganda, Zanzibar
Rules or guidelines for donors when dealing with government	11	Botswana, Burkina Faso, Comoros, Kenya, Lesotho, Mauritius, Niger, Sierra Leone, South Africa, The Gambia, Zanzibar
General preferences for aid types	8	Botswana, Burkina Faso, Kenya, Lesotho, Mauritius, Sierra Leone, South Africa, Uganda
General preferences for aid modalities	10	Botswana, Burkina Faso, Comoros, Kenya, Mauritius, Niger, Sierra Leone, South Africa, The Gambia, Uganda
More specific guidelines for each aid modality	5	Benin, Botswana, Burkina Faso, Mauritius, Sierra Leone
Requirements for donors to provide information	11	Botswana, Burkina Faso, Kenya, Lesotho, Mauritius, Niger, Sierra Leone, South Africa, The Gambia, Uganda, Zanzibar
Monitoring and evaluation arrangements for the implementation of the aid management policy	9	Benin, Botswana, Burkina Faso, Lesotho, Mauritius, Sierra Leone, South Africa, The Gambia, Uganda
Guidance on preferences for the use of country budget and public financial management systems	5	Benin, Burkina Faso, Mauritius, South Africa, Uganda
Guidance on the provision of aid information to designated country institutions	5	Burkina Faso, Kenya, Mauritius, South Africa, Uganda

- Guidance on preferences for the use of country budget and public financial management systems.
- Guidance on the provision of aid information (by country institutions) to designated country institutions.

Despite the common existence of aid management units, only 13 of the 22 countries that responded to the question⁸ also had aid management policies in place. Furthermore, these policies vary widely in their comprehensiveness and coverage. Only Burkina Faso reported that it covered all nine areas listed above. Other countries with high coverage are Botswana, South Africa, Sierra Leone and Uganda, which

all covered seven areas. At the other end of the scale are Benin, Comoros, Niger and Zanzibar, which covered only three areas each. The areas covered most often are the inclusion of rules for donors when dealing with government and the requirement that donors provide information. Guidance on aid modality preferences and on the use of country systems was covered in five of the 13 countries that had policies in place.

An analysis of the comprehensiveness of countries' aid policies relative to the importance of foreign aid in their economies revealed that countries that receive high volumes of aid relative to their economy tend to

have no or weaker aid policies. Of the 13 countries that had no policy in place or covered only three and fewer elements, only three fall in the low aid-dependency group. In contrast, of the nine countries that had four or more of the elements, six were from medium or low aid-dependent countries.

CHANGE SINCE 2008

The number of countries with aid management policies increased from four countries (Benin, Mauritius, South Africa and Tunisia) in 2008 to seven countries in 2015.⁹ Four countries developed a policy between 2008 and 2015, while Tunisia reported in 2015 that it no longer had a policy.

TABLE 7 Aid policy coverage and country aid dependency

	Highly aid dependent (share of aid in gross national income > 8.3%) 9 countries	Medium aid dependent (share of aid in gross national income between 2.5 and 8.3%) 7 countries	Low aid dependency (share of aid in gross national income < 2.5%) 6 countries
No policy (9 countries)	3 (Central African Republic, Guinea, Mali)	3 (Cote d'Ivoire, Ghana, Madagascar)	3 (Namibia, Seychelles, Tunisia)
1–3 elements (4 countries)	3 (Comoros, Niger, Zanzibar)	1 (Benin)	
4–6 elements (3 countries)	1 (The Gambia)	2 (Kenya, Lesotho)	
7–9 elements (6 countries)	2 (Burkina Faso, Sierra Leone)	1 (Uganda)	3 (Botswana, Mauritius, South Africa)

TABLE 8 Comparison of aid policy practices, 2008 and 2015

		2008	
		Policy in place (4 countries)	Policy not in place (9 countries)
2015	Policy in place (7 countries)	Benin, South Africa, Mauritius	Botswana, Burkina Faso, Kenya, Sierra Leone
	Policy not in place (6 countries)	Tunisia	Ghana, Lesotho, Madagascar, Mali, Namibia

⁸ Burundi did not respond.

⁹ The 2008 survey question was more detailed, asking countries to indicate the status of the policy document. In order to make the data comparable, the survey team used the additional information provided in 2008 to align the responses with 2015. Particularly, all responses indicating that a separate document exists were taken as having a policy document in place. All responses in 2008 that indicated either that no policy was in place or that aid issues were covered by other documents were deemed equal to a policy not being in place.

AID DATABASE

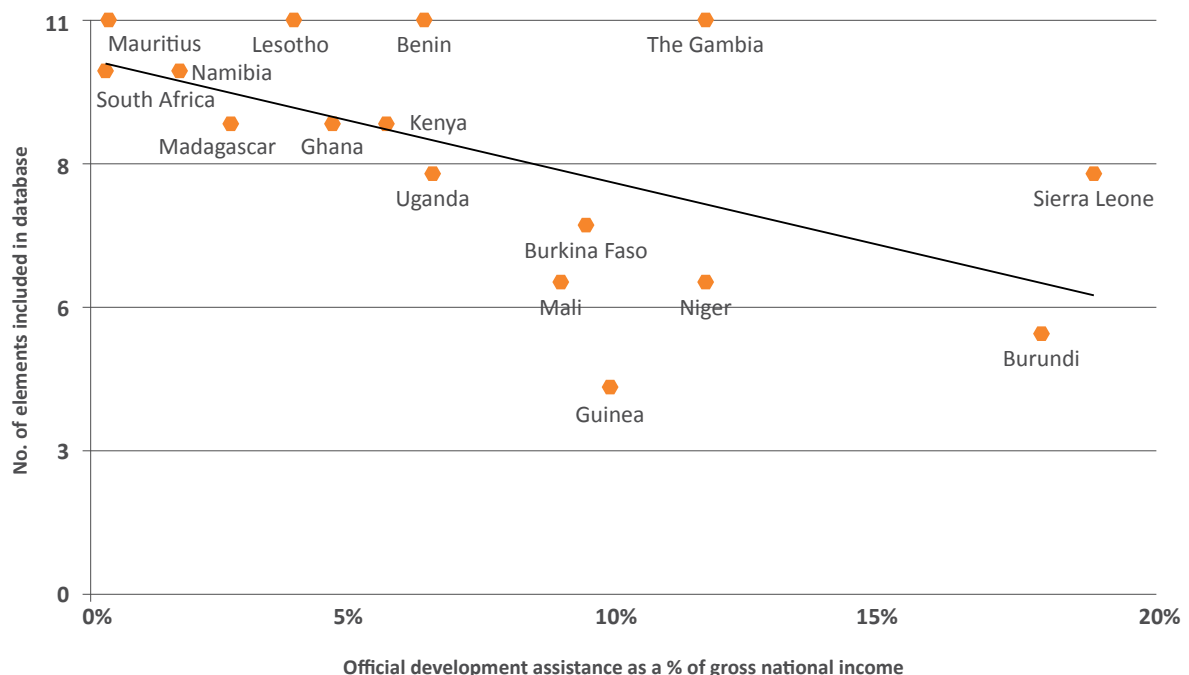
Aid databases can play a crucial role in managing development assistance, ensuring that information is consolidated in a single source and enabling better control and oversight over external resources. Twenty of the 23 responding countries indicated that they had an aid database. Cote d'Ivoire, Seychelles and Tunisia do not have a database.

The survey also determined whether the following information is recorded on the database:

- The terms of each project or programme (i.e. whether it is a loan or a grant).
- The total value of each project or programme.
- A detailed project or programme budget according to government's classification system.
- Actual disbursements for previous fiscal years.
- Expenditure commitments for the current fiscal year.
- Actual disbursements for the current fiscal year.
- Expenditure commitments for the forthcoming fiscal year.
- Information on the recipient of the aid.
- Information on the type of aid.
- Information on the modality (project or programme-based) of the aid.
- Information on the extent that the aid flow uses country financial management systems.

Seventeen of the 20 countries with a database provided information on the content of their databases. On average, these countries reported including most of the content elements (eight of 11 elements).

FIGURE 1 Coverage of database versus aid dependency



Benin, Central African Republic, Lesotho, Mauritius and The Gambia reported including all 11 elements, while Ghana, Kenya, Madagascar, Namibia, South Africa, Sierra Leone and Uganda reported including eight or more elements. No country reported fewer than four elements.

As with the coverage of aid

policies, countries that are more dependent on aid had weaker aid databases. The exception is Central African Republic, which was highly dependent on aid in 2014 (40.5 percent of gross national income) but had a comprehensive database. Figure 1 plots the remaining countries against the number of elements covered in the aid database, and

the ratio of official development assistance received to gross national income, as reported to the OECD Development Assistance Committee.

The elements most often included in the aid database were the total value of the aid programme and information on the recipient of the aid, while a detailed project

TABLE 9 Inclusion of aid database elements in country databases

Database element	No. of countries	Countries
The total value of each project or programme	16	Benin, Burkina Faso, Burundi, Central African Republic, Ghana, Guinea, Kenya, Lesotho, Madagascar, Mauritius, Namibia, Niger, Sierra Leone, South Africa, The Gambia, Uganda
Information on the recipient of the aid	16	Benin, Burkina Faso, Central African Republic, Ghana, Guinea, Kenya, Lesotho, Madagascar, Mali, Mauritius, Namibia, Niger, Sierra Leone, South Africa, The Gambia, Uganda
The terms of each project or programme	15	Benin, Burkina Faso, Burundi, Central African Republic, Ghana, Guinea, Kenya, Lesotho, Madagascar, Mauritius, Namibia, Niger, Sierra Leone, South Africa, The Gambia
Actual disbursements for previous fiscal years	14	Benin, Burkina Faso, Central African Republic, Ghana, Lesotho, Madagascar, Mali, Mauritius, Namibia, Niger, Sierra Leone, South Africa, The Gambia, Uganda
Actual disbursements for the current fiscal year	14	Benin, Burkina Faso, Central African Republic, Ghana, Lesotho, Madagascar, Mali, Mauritius, Namibia, Niger, Sierra Leone, South Africa, The Gambia, Uganda
Information on the type of aid flow	14	Benin, Burundi, Central African Republic, Ghana, Guinea, Kenya, Lesotho, Madagascar, Mali, Mauritius, Namibia, Sierra Leone, The Gambia, Uganda
Expenditure commitments for the current fiscal year	13	Benin, Burkina Faso, Central African Republic, Kenya, Lesotho, Madagascar, Mauritius, Namibia, Niger, Sierra Leone, South Africa, The Gambia, Uganda
Information on the modality of the aid flow	13	Benin, Central African Republic, Ghana, Kenya, Lesotho, Madagascar, Mali, Mauritius, Namibia, Sierra Leone, South Africa, The Gambia, Uganda
Expenditure commitments for the forthcoming fiscal year	12	Benin, Burkina Faso, Burundi, Central African Republic, Kenya, Lesotho, Mali, Mauritius, Namibia, South Africa, The Gambia, Uganda
Information on the extent that the aid flow uses country financial management systems	11	Benin, Burundi, Central African Republic, Ghana, Kenya, Lesotho, Madagascar, Mauritius, Namibia, South Africa, The Gambia
A detailed project or programme budget according to government's classification system	8	Benin, Central African Republic, Ghana, Kenya, Lesotho, Mauritius, South Africa, The Gambia

or programme budget according to government classifications and information on the use of country systems were included least often. This is concerning given that use of country systems is key to building state capacity and ownership of aid.

CHANGE SINCE 2008

Twelve of the 14 countries¹⁰ that answered the question in both the 2008 and 2015 surveys had a database in place in both years. Namibia and Lesotho developed a database between 2008 and 2015, while Tunisia no longer has a database. Botswana did not provide information on the content of its database.

In addition, the coverage of the databases increased between 2008 and 2015 (see Table 10). Eight of the elements tested in 2015 were also tested in 2008. On average, countries reported having six elements in place in 2008, compared with eight in 2015. Benin, Mauritius and South Africa improved the most. Compared with 2008, the most included elements in the aid management database were actual disbursements for the current and the last fiscal year as well as detailed project or programme budget according to government classification.

CLASSIFICATION OF FINANCIAL INFORMATION ON AID DATABASE

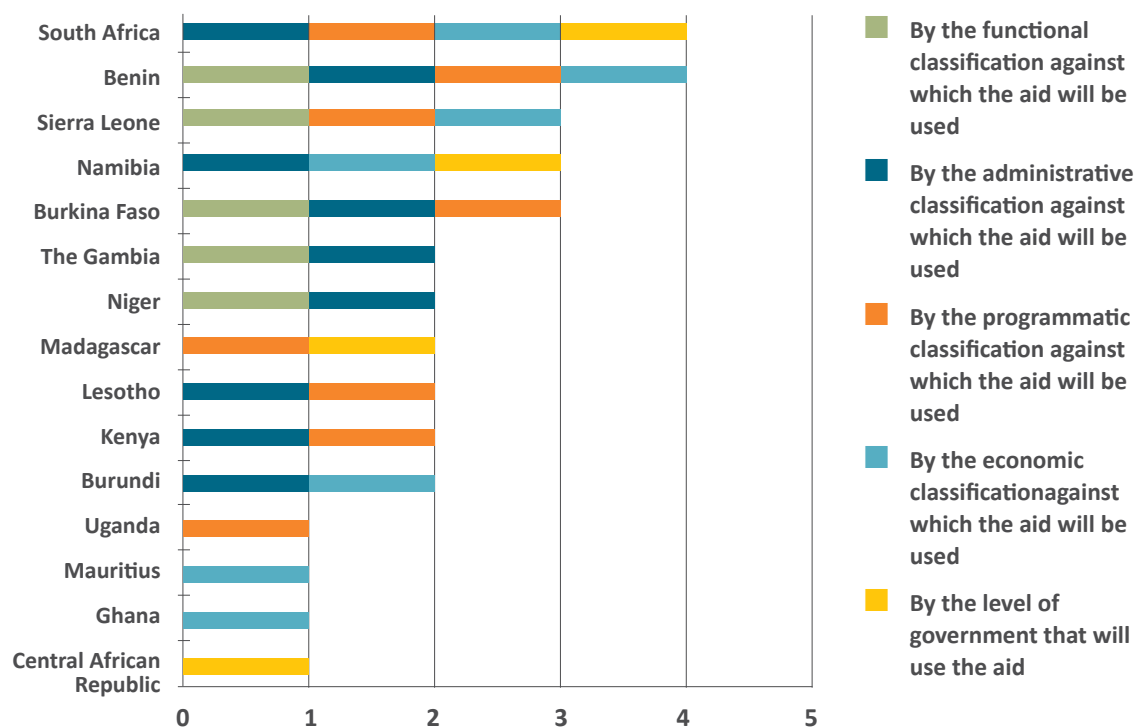
For governments to be able to align the information on the aid database with country budgets, expected and actual disbursements need to be classified using the government budget classification systems. At the very least, countries should be able to extract information from the database for the budget process by the main administrative classification of the budget, to match against allocations by MDAs. The financial flows must be classified as either capital or recurrent.

TABLE 10 Change in content of databases, 2008 to 2015

Element	Year	No. of countries	Shifts in country practices
The terms of each project or programme	2008 2015	8 8	Countries that changed Added element: Burkina Faso, Mauritius Element no longer reported: Mali, Uganda
The total value of each project or programme	2008 2015	9 9	Countries that changed Added element: Mauritius Element no longer reported: Mali
A detailed budget according to government's classification system	2008 2015	2 5	Countries that changed Added element: Benin, Kenya, Mauritius, South Africa Element no longer reported: Uganda
Actual disbursements for the last fiscal year	2008 2015	6 9	Countries that changed Added element: Benin, Madagascar, Mali, South Africa Element no longer reported: Kenya
Expenditure commitments for the current fiscal year	2008 2015	6 8	Countries that changed Added element: Benin, Mauritius, South Africa Element no longer reported: Ghana
Actual disbursements for the current fiscal year	2008 2015	4 9	Countries that changed Added element: Benin, Madagascar, Mali, Mauritius, Sierra Leone Element no longer reported: Ghana
Expenditure commitments for the forthcoming fiscal year	2008 2015	5 7	Countries that changed Added element: Benin, Mali, Mauritius, South Africa Element no longer reported: Ghana, Madagascar

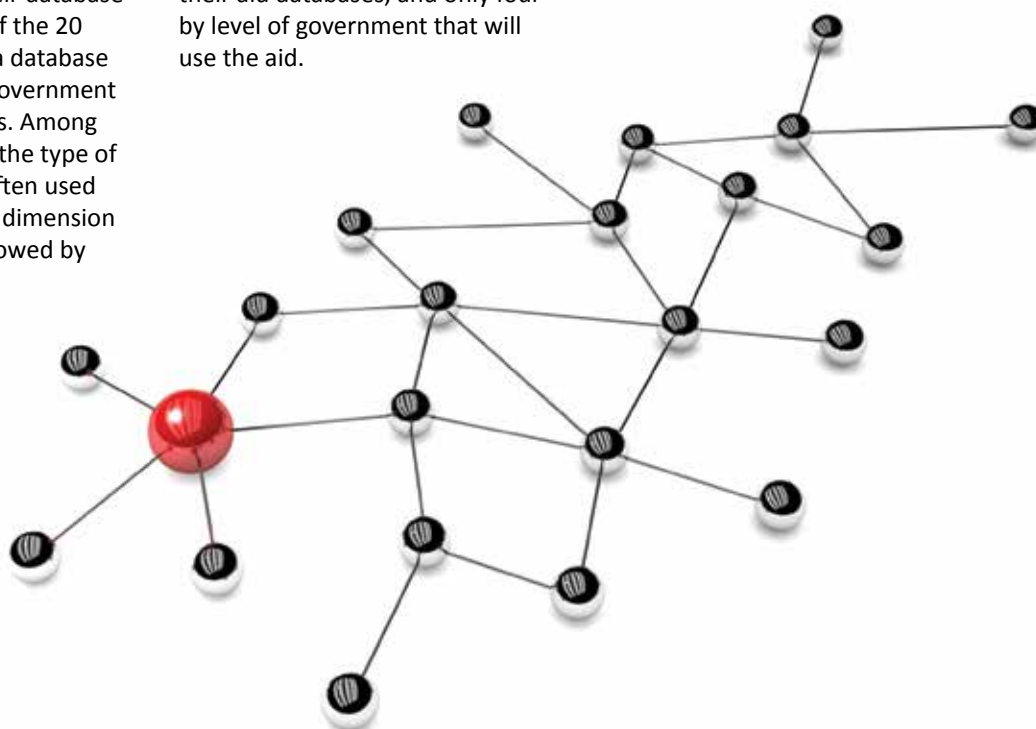
¹⁰ Benin, Botswana, Burkina Faso, Ghana, Kenya, Lesotho, Madagascar, Mali, Mauritius, Namibia, Sierra Leone, South Africa, Tunisia and Uganda.

FIGURE 2 Use of country budget classification dimensions to categorise aid disbursements



The survey asked countries to indicate which government budget dimensions are used to classify information on disbursements in their database (see Figure 2). Five of the 20 countries that have a database reported not using government budget classifications. Among the other countries, the type of classification most often used is the administrative dimension (nine countries), followed by

the programmatic (eight) and economic dimensions (seven). Only five countries reflect aid flows by functional dimension in their aid databases, and only four by level of government that will use the aid.



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