

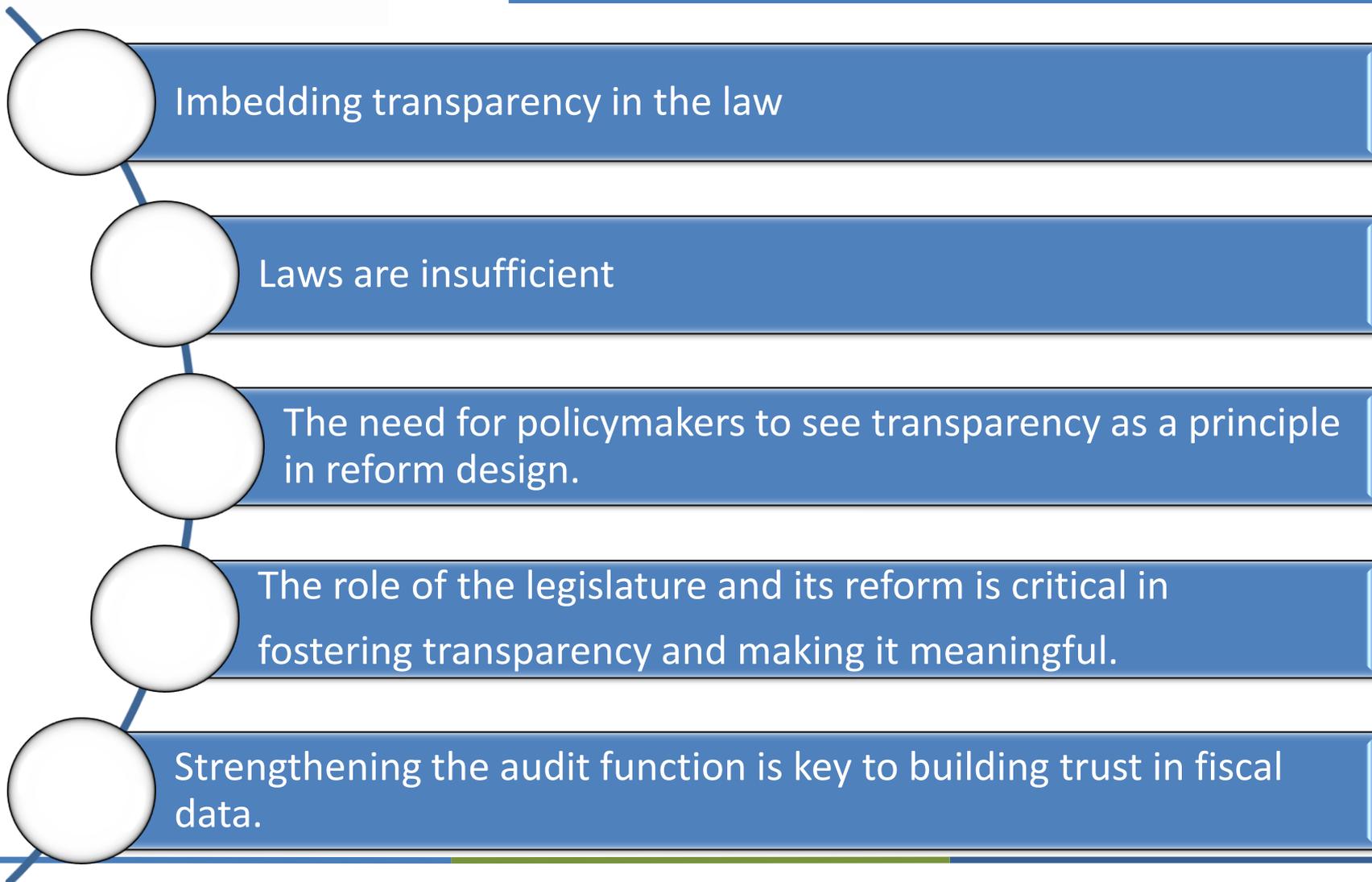


Supporting Fiscal Transparency and Participation Reforms in Africa

Different approaches that are available to achieve fiscal and budget transparency and the main challenges faced by African countries to improve budget and fiscal transparency

- Different approaches and pathways to transparency gains
 - Common challenges faced by countries
 - Based on 7 desk based case studies: SA, Rwanda, Burkina Faso, Liberia, Egypt, Uganda, Senegal.
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Different approaches or pathways to transparency gains



→ Anchoring transparency through legislation

- In Egypt, the **constitutional amendments** of March 2007 facilitated transparency in respect of the state budget and the final accounts of the state budget.
- In Uganda, **the Budget Act and the Public Finance and Accountability Act** set new requirements for public finance systems and budget documentation, giving Parliament a greater role in scrutinising the budget process.
- WAEMU transparency related directives

→ Publishing documents that are already available or for which the information is available internally

- After the promulgation of the **Public Financial Management Act** in Liberia in 2009, several documents that had been produced previously were made available on the government's website.

Different approaches or pathways to transparency gains

- Extending the coverage, quality and comprehensiveness of published documents.
- Undertaking underlying system reforms, which particularly improve the quality of documents already published.

Modernisation of the chart of accounts

- In Burkina Faso, modernisation of the **classification system** allows a direct comparison with the initial budget.

Developing integrated financial management systems

- In Rwanda, the roll-out of SmartGov has enabled timely reporting.

Making budget process improvements

- In Uganda, the introduction of a first MTEF phase of the budget process, focused on setting a macro-fiscal framework and making strategic decisions about expenditure priorities made publication of a pre-budget statement possible.

Different approaches or pathways to transparency gains

→ Strengthening legislature engagement with the budget

- In Senegal, the introduction of budget orientation debates, budget oversight laws and an audit court, as well as a revision of its budget format and the training of parliamentarians in public finance, enhanced the participation of the legislature in the process.
- In Egypt, enhancing the powers of the legislature through constitutional changes improved transparency in a government that, up to this point, had been very opaque.

→ Some countries have made transparency gains through means that will not necessarily reflect in surveys

Common challenges to improving or sustaining fiscal transparency

Transparency gains can be reversed

- by ceasing the publication of specific types of information in reports;
 - publishing key reports inconsistently across and within years;
 - and late publishing of key documents and information.
- Examples: Botswana (in-year reports) and Burkina Faso (audit report, year-end report, mid-year review, and citizen's budget)

Common challenges to improving or sustaining fiscal transparency

The absence of legal requirements for transparency

- This can hinder consistent transparency improvements, particularly in non-Anglophone countries with administrative legal systems.
- In Burkina Faso, the legal framework does not place any duty on government to make budget information available to the public.

Legislating transparency is not always sufficient

- Political will for implementation and systems to produce the information is also needed.
- Compliance with some of Liberia's 2009 PFM Act provisions remains low, for example: financial operations of state-owned enterprises.

Better information internally has little impact on external transparency

- According to PEFA, the comprehensiveness and quality of internal documentation in Senegal appears to be good.
- Yet, the pre-budget statement, the executive's budget proposal, the mid-year review, and the year-end report are produced but not made available to the public.

Common challenges to improving or sustaining fiscal transparency

Weak budget processes in the legislature

- In the late 2000s, in Uganda, parliament were behind in completing the audit cycle.
- In SA, despite the fact that legislation provides for the creation of a budget office in parliament, delays of establishing this office.

Weak practice by SAIs

- In Burkina Faso, like in other Francophone countries, there is potential for duplication and overlapping between the different institutions charged with auditing.

High use of exceptional financial procedures

- In Senegal, high use of exceptional procedures such as advance payments and imprest accounts to bypass cumbersome official procedures, affecting transparency and creating some fiscal risks.

Common challenges to improving or sustaining fiscal transparency

Lack of technical financial management and accounting capacity impacts on transparency.

- In Rwanda, for example, a lack of qualified accountants in the public sector has been identified as a contributing factor in accounting and reporting weaknesses.

Coverage of extra-budgetary flows, contingent liabilities and extraordinary fiscal activities, such as tax expenditures, in public documents is weak.

- Remaining weaknesses in identifying sources of donor assistance and conditions associated with assistance.
- In Senegal, for example, there is no information about extra-budgetary funds, earmarked revenue, national security and military intelligence, intergovernmental transfers, contingent liabilities and quasi-fiscal activities, government and non-government financial assets, or expenditure arrears.

Launch Workshop: CABRI – IBP Project

Thank you for your attention.