

## Making Poverty Reduction and Budget Oversight Centre Stage Issues for African MPs



*Dr. Rasheed Draman, Director, Africa Programs, Parliamentary Centre*

The Africa Poverty Reduction Network (APRN) was set up in 2003 in Northern Ghana – the epicentre of poverty in Ghana. It was a joint effort by African Members of Parliament (MPs) concerned about poverty issues and the Parliamentary Centre. Seven years after inception, the Network continues to make strides.

Over the years, the collaborative efforts of African MPs, their staff and the technical staff from the Parliamentary Centre, have produced very well-researched and documented training tools for African Parliaments on the very important issues of budget oversight and poverty reduction.

Through practical training programs for MPs and staff from over 15 African countries; through networking meetings; and through in-country training programs for large number of MPs and Parliamentary staff as happened in Tanzania in June 2009, we have succeeded in keeping the issue of budget oversight and ultimately poverty reduction, centre stage for African Parliaments. Today, we are proud to note that African MPs have found their rightful place in the dialogue on poverty in their various countries.

As 2009 draws to a close, we look back to seven very fruitful years of building a Network that continues to chalk successes. In the coming years, we look forward to designing innovative and responsive programs that we hope, will make a big dent in poverty levels on the African continent.

From me and from the staff of the Parliamentary Centre, Season's Greetings to all African MPs and their staff, particularly members of the APRN!



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*The African Parliamentary Poverty Reduction Network brings together parliamentary committees involved in the design, implementation and oversight of poverty reduction policies. The Network promotes greater cross-Africa dialogue among committees and creates opportunities for improving effective implementation of Poverty Reduction Programs, particularly through local monitoring with community-based civil society groups.*

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## Musings from the APRN Regional Conference, Dakar, Senegal, 19-22, 2009

By Issifu Lampo, Budget and Governance Advisor - Parliamentary Centre

### Introduction

The second African Parliamentary Poverty Reduction Network (APRN) Conference took place in Dakar, Senegal, from October 19 - 22, 2009 and attracted a substantial number of participants (55) including members of parliament from twelve African countries (Benin, Burkina Faso, Ghana, Kenya, Malawi, Mali, Nigeria, Senegal, Tanzania, Uganda and Zambia). Also present was parliamentary staff from parliaments of Malawi, Tanzania, Kenya, Ghana and Senegal. Representatives from North South Institute (NSI), International Development Research Centre (IDRC) and Austrian Development Agency (ADA) also took part in the conference.

The objective of APRN regional conference was aimed at promoting greater cross-Africa dialogue among members of parliament (MPs) from different countries and providing opportunities for exchange and sharing best practices for improving effective implementation of poverty reduction programs.

### Theme of Conference

The theme of the conference was on “Parliaments, Poverty Reduction and the Budget Process”. All five presentations made spoke to the theme - effective parliamentary involvement in the budget process - as key to pro-poor budgeting, the role of parliament in devising pro-poor policies, domestic resource mobilization, parliament and the role of monitoring and evaluation in the budget process, civil society organization collaboration with parliament. The central focus of all these presentations was on the role of parliament; the general consensus was that parliaments in Africa are much more effective during the legislative stage of the budget process than during policy formulation stage. Several suggestions were made as to how parliament can make meaningful input during policy formulation stage. MPs from the ruling parties for instance, can use the party caucuses to push through their agendas. MPs like any other citizens can also make input into the budget process during public consultations. The effectiveness of parliaments at the implementation and post implementation stage of the budget process differs in varying degrees from country to country. Kenya and Uganda, for instance, have strong legislative instruments that enable parliament to conduct effective oversight. Mali has put in place institutions that will strengthen parliament’s oversight role. Senegal, on the other hand, has weak oversight institutions.

One of the distinguishing features of most parliaments in Africa in respect of their oversight role is inadequate resources to undertake monitoring visits to government department and agencies. The examples of Kenyan and Uganda were flagged as best practices and other countries were encouraged to learn from these two Eastern African countries with a view to strengthening their parliaments’ capacity to carry out effective oversight. In Uganda, for instance, MPs are required to visit their constituencies twice in a month and the cost of transport and travel allowance is borne by the state. Similarly, visits to government departments and agencies for the purposes of oversight by MPs are supported by funds set aside for monitoring and evaluation.

Recognizing the importance of Civil Society Organization collaboration with Parliament in respect of parliamentary strengthening was one of the highlights of the conference. Discussions focused on ways to improving CSO collaboration with Parliament. Some of the suggestions made include the following: creating opportunities for continued dialogue between parliament and CSOs, parliaments should be made easily accessible to CSOs and other interest groups, Civil Society Organizations are required to be more transparent about their sources of funding. This can be achieved by holding yearly civil society and parliamentary dialogue based on memorandum of understanding that commits the parties to joint work programmes in identified areas. Also there is the need to identify focal points in parliament for effective CSO engagement. And to ensure accountability and discipline among the ranks of CSOs, they are required to register within the parameters of a national legal framework. This, it is hoped, will engender trust among the parties.

### Election of Executive Committee Members of the APRN

Another important highlight of the conference was the election of new executive members of the African Parliamentary Poverty Reduction Network (APRN). This took place at the annual general meeting of the African Parliamentary Poverty Reduction Network (APRN), on October 22, 2009. This followed a successful three-day conference of the APRN, where members of the old executive of the APRN were present including all the participants who took part in the APRN regional conference. In order to have a balanced and representative executive committee, clear guidelines (listed below) were established to guide the election of the new executive members.

Key considerations for election of new executive members were:

1. Regional balance
2. Anglophone/Francophone groupings
3. Gender
4. An abiding dedication to duty, dynamism and self-sacrifice



The regional representatives included Southern Africa, Eastern Africa and West Africa. Each regional group was required to elect two (2) representatives except for West Africa, which because of the relatively large size of their number, was given a special dispensation to elect three (3) representatives.

The following Members of Parliament were elected to serve a two-year term to steer the affairs of the African Parliamentary Poverty Reduction Network (APRN):

1. Hon. William Okecho, (Uganda) - Chairman
2. Hon. Koala Kabore K. Aline, (Burkina Faso) - Vice Chairperson
3. Hon. Clement Kofi Humado, (Ghana), Member
4. Hon. John Mbadi Mongo, (Kenya), Member
5. Hon. Gaye Ndeye Cissé, (Senegal), Member
6. Hon. Agnes Penumlungu, (Malawi), Member
7. Hon. Emmanuel M. Hachipuka, (Zambia), Member

## CONCLUSION

The Dakar regional conference of the African Parliamentary Poverty Reduction Network (APRN) attracted a large number of participants, mostly parliamentarians across Africa. Clearly, this is an eloquent testimony of the importance African parliamentarians attach to the activities of the network. The three days deliberations on topical development issues were as exciting as they were instructive. The results of the deliberations are being compiled into a “Hand Book on Poverty Reduction” which will be made available to members in both electronic version as well as hardcopy format.

The meeting created the platform for dialogue between and among representatives from different parliaments. Participants also shared experiences of best practices as well as broadening and deepening parliamentary networking.



Participants to the APRN Conference in Dakar, October 2009

The Director of African Programs, Parliamentary Centre, Dr Rasheed Draman congratulated the new executive committee members of the APRN for offering themselves for election and he took the opportunity to apprise them of their responsibilities, which is mainly to provide strategic direction in the running of the African Parliamentary Poverty Reduction Network. Members were tasked to come up with fresh ideas on the sustainability of the network beyond the financial support of the Austrian Development Agency.

It was agreed that as a first step aimed at building sustaining relations between partner parliaments and parliamentary centre, the Centre was asked to write officially to inform the relevant parliaments of the election of their representatives as members of the APRN Executive Committee. Parliamentary Centre was also tasked to write a Memorandum of Understanding (MOU) outlining the relationship between the Centre and partner parliaments which will form the basis for constructive engagement.

The election of new executive committee members has injected renewed vitality and dynamism into the network. It is hoped the new leadership will build on the solid achievements of their predecessors who have left behind a vibrant network of members of the APRN. The challenge for the new executives is to seek to broaden the membership of the network and generate interest in the activities that are undertaken. Additionally, members have to devise pathways of sustaining the network beyond the support of donors. This, no doubt, will require an abiding commitment and self-sacrifice from all stakeholders.



## Role of Ghana's Parliament in Reducing Poverty

By Honorable Clement Kofi Humado, Chairman of the Committee on Poverty Reduction, Ghana Parliament



The Ghanaian Parliament has played important roles in contributing to national efforts in reducing poverty through its core functions of *oversight, representation and legislation*. This role became more focused in the year 2000, when Parliament established the Special Committee for Poverty Reduction Strategy in response to Ghana's signatory to the Millennium Declaration of 2000 and the subsequent

preparations of Poverty Reduction Strategy Papers (GPRS I and II) as the framework for systematically reducing poverty in Ghana. Since then, the Ghanaian Parliament with funding and capacity building support from the Parliamentary Center of Ghana has become a key player and stakeholder in poverty reduction efforts in Ghana.

### Preparation of Medium Term Development Plans

The Ghanaian Parliament played a key role leading to the finalization of the Growth and Poverty Reduction Strategy 11 (GPRS) in 2006. The final content and direction of the GPRS II received Parliamentary endorsement to ensure that views of stakeholders in our respective constituencies were taken on board to promote reduction of poverty, increased employment, improved education, health and sanitation as well as improved standard of living for citizens of Ghana.

### Consideration and Approval of the Appropriation Bill

Each year, the Parliament of Ghana utilizes the processes of approving the Appropriation Bill to influence the social and economic agenda to ensure a fair, just and equitable allocation of financial and physical resources for pro-poor programmes and projects that fosters poverty reduction and the development of a strong, growth oriented economy. The Ghanaian Parliament through its Select Committees ensures that financial and physical resources contained in annual budgets reflect priority areas and sectors indicated in the national development plans. This is done through Budget Hearings between Parliamentary Committees and their respective MDAs. In approving the budget, Parliament examines both revenue and expenditure sides of the budget in order to evaluate policies and their impact on the poor, corporate institutions as well as growth points in the economy. On the revenue side, Parliament ensures that the tax system in particular is structured in such a way as to provide maximum sustainable social protection for the poor and vulnerable and reduce the social inequality gap. Questions are asked about the likely effects and impacts of specific tax instruments on respective segments of the population.

On the expenditure side, the Committee on Poverty Reduction checks allocations for pro-poor sectors and areas as well as growth producing points. Some indicators monitored at the parliamentary committee level and during Parliamentary debates include level of unemployment or the availability job opportunities in the public sector, Social Protection Programmes including cash transfer scheme. Allocations to pro-poor sectors such as rural electrification, pro-poor agriculture, primary health care, basic education, feeder and farm access roads and rural drinking water are also assessed to ensure they benefit the poor and vulnerable in society.

The Ghanaian Parliamentary Committees on Poverty Reduction, Finance and Rural Development scrutinize Donor Aid and ask the relevant questions and demand responses from the service providers; they have to indicate who are target beneficiaries, and demonstrate tangible results of improved socio-economic well being of the target beneficiaries. The Parliamentary Committee also scrutinizes budget deficits and demand for reasons for the deficits as well as what measures that is being taken to address the situation.

For the first time, the Special Committee on Poverty Reduction was able to make an entry into the budget cycle before the consideration stage of the Appropriation Bill. This became possible through support received from the UNDP to organise a stakeholder consultative workshop from 27<sup>th</sup> September to 1<sup>st</sup> October 2009 for selected MDAs as part of increasing citizens' engagement in pro-poor budgeting through their elected representatives in the Legislature. The main objective of the workshop was to ensure that pro-poor budgets of MDAs for 2010 under preparation clearly define pro-poor and sustain-able development programmes to address key pro-poor issues. In addition, the workshop sought to find out how the Medium Term Expenditure Framework (MTEF) and the 2010 annual budget integrate national priorities and MDG targets through clearly costed pro-poor policies and programmes as outlined in the GPRS II.

### Questions, Interpellations and Commission of Enquiries

The Ghanaian Parliament makes full use of the existing oversight powers and uses the oversight tools at its disposal to hold the government to account in respect to government expenditure. The oversight tools include but not limited to questions to Ministers, Interpellations (formal calling to account of a cabinet Minister or Minister by a legislative body), Committees of Inquiry, and Committee Hearings.

The Public Accounts Committee of Parliament headed by the Minority Leader has been holding live public hearing of the Auditor General's Report since 2006 and this has improved public awareness of the management of public accounts, accountability and transparency in the Ministries, Departments and Agencies. The Finance Committee's inputs and analysis helped to revise the Venture Capital and the Long Term Savings Bills. The Local Government and Rural Development Committee





have been participating in debates on the review of the Local Government Act 462 to make decentralization work more effectively.

The Government Assurance Committee in Ghana which has been dormant for a long time now invites Ministers to demonstrate earlier assurances given to improve the implementation of the Growth and Poverty Reduction Strategy. The committee has held stakeholder consultations with service providers and their clients in local communities to assess the performance of the National Health Insurance Scheme (NHIS), the Free Compulsory Basic Education (FCUBE) as well as Guinea Worm Eradication programmes.

### **Oversight Activities**

The Parliamentary Special Committee as part of its oversight responsibility, set out on 30<sup>th</sup> August to 5<sup>th</sup> September 2009 to selected Districts in the Mining areas of Ghana to assess pro-poor programs and projects that are being carried out by the Assemblies and the contribution of Mining companies to the Assemblies' poverty reduction agenda. The objective of the visit was to enable the Parliamentary Committee on Poverty Reduction to verify the challenges faced by Municipal and District Assemblies in promoting pro-poor development programs such as infrastructure and facilities for primary health care, basic education, support to smallholder agriculture, water and sanitation, access to rural areas and implementation of social protection programs such as the Livelihood Empowerment Against Poverty (LEAP), Medium and Small Loans Scheme (MASLOC), School Feeding and National Health Insurance Scheme (NHIS). The Committee also verified programs being implemented by mining companies to minimize air and water pollution, minimize effects of blasting activities on dwellings of poor rural farmers, compensation to rural farmers who lose crops and livelihoods as a result of mining concessions and activities and alternative livelihoods programs for job creation and investing in people.

The Special Committee on Poverty Reduction also paid oversight visits on 11<sup>th</sup> – 16<sup>th</sup> October 2009 to the Northern and Volta Regions of the country to assess the progress of the implementation of the Millennium Challenge Compact which was signed between the government of Ghana and the USA Government for an amount of USD \$ 547.009 million in August 1<sup>st</sup> 2006 to complement Ghana's Poverty Reduction efforts.

### **Evaluation of Outcomes and Impact of Sector Policies on Poverty Reduction and attainment of MDGs**

Copies of National Poverty Surveys and Reports of the National Statistical Services and National Development Planning Commissions are usually laid in Parliament and referred to specific committees for review and comments. In July 2009 for example the Special Poverty Reduction Committee of Parliament held a review workshop on the 2007 Annual Progress Report (APR) of the Growth and Poverty Reduction Strategy II. The

objective of the workshop was to subject the findings and recommendations of the APR to a wider forum of stakeholders to enable critique and dialogue with Civil Society Organizations (CSOs) and Non Governmental Organizations (NGOs), Community Based Organizations (CBOs), Development Partners and the Academia (Universities and Research Institutions). The workshop also sought responses from MDAs on efforts being undertaken in response to the recommendations of the NDPC in the APR of GPRS II of 2007.

In May 2009, the Special Committee on Poverty Reduction Strategy and the Select Committee on Local Government and Rural Development participated in a workshop to review the implementation of the National Health Insurance Scheme (NHIS).

The Special Committee on Poverty Reduction this year engaged CSOs in November 2009 to discuss collaboration and ways of effective engagement for mutual benefit. A draft programme for collaboration is being drawn with the CSOs for 2010.

### **Role of Ghanaian Parliament in ensuring the attainment of the MDGs**

In Ghana, the Appropriation Bill has a chapter devoted to Ghana's status in the attainment of the MDGs. It is the responsibility of the Special Committee on Poverty Reduction as well as other Select Committees to comment on the performance of the Executive on each MDG. Where Parliament observes a shortfall with respect to an MDG, reasons for the shortfall are asked and plans to remedy the shortfall in the short to medium term are also demanded.

In November 2009, Parliament met with the United Nations System in Ghana to consider support for MDG responsive budgeting and oversight. Parliament is preparing a Medium Term Strategic Plan which will form the basis for UN System collaboration for the 2010 to 2012 period.

Through the collaborative efforts of MDAs and the Legislature, poverty has reduced from 51.7% in 1999 to 28.5% in 2006. This means that there is the likelihood "*ceteris paribus*" that Ghana will meet the target of 25.85 % poverty by 2015. In terms of extreme poverty, Ghana has already met the target ahead of 2015. A worrying feature of this poverty decline is its disproportionate distribution. An estimated 86% of the total population living below the upper poverty line in Ghana is from the rural areas. In terms of contribution to poverty, the figure for rural savanna has rather been increasing from 33% 1991/92 to 37% in 1999 to 50% in 2006. Parliament is presently focused on ways to use its legislative power on the Appropriation Bill to reduce the inequality gap and to ensure more equitable distribution of resources for development to ensure greater social cohesion. Presently a Bill has been introduced into Parliament on the Savanna Accelerated Development Authority which is intended to create a special development planning and implementation



zone for the impoverished regions of the north of Ghana to bridge the inequality gap.

### The role of the Ghanaian Parliament on District level Poverty Agenda

The role of the Ghanaian Parliament is not restricted to National Budgets and oversight but also to the budgeting and development process at District Assembly level. In Ghana, Parliament is involved in the approval of the formula for allocating funds to the District Assemblies in Ghana. These include funds for District Mutual Health Insurance Schemes and the District Assembly Common Fund. Parliament has the opportunity to question the basis of the formula as well as the quality of pro-poor projects targeted under the formula. In 2008 when Parliament saw the need to increase the percentage of funds from tax revenue to the District Assemblies, it increased the percentage from 5.0% to 7.5% in order to make more funds available for District pro-poor programs and projects.

### Conclusion

The Ghanaian Parliament has played a key role in poverty reduction in Ghana over the past five years. Its future in contributing to poverty reduction and improvement of the socio-economic agenda of the country is bright and must receive support from all stakeholders.



## Challenges of Parliamentary Oversight and Poverty Reduction in Sub Saharan Africa

By Issifu Lampo, Budget and Governance Advisor - Parliamentary Centre

### Introduction

The spectre of poverty, squalor and disease has over the decades blighted the African continent. A significant number of people in Sub Saharan Africa live under trying and desperate conditions in the midst of abundant wealth. Damning statistics of short life expectancy, malnutrition, high infant and maternal mortality rate, lack of access to basic services such as safe drinking water and electricity have been chronicled as some of the development challenges facing the people of Sub Saharan Africa. The ravaging effects of HIV/AIDs, civil conflicts and wars, often resulting in the disturbing phenomena of child soldiers have had deleterious effect on efforts aimed at making poverty history on the African continent.

It is the case that African Members of Parliament (MPs) have a critical role to play in reversing underdevelopment and combating poverty. MPs are elected to represent the people and

to hold government accountable in the delivery of services to the citizenry. Parliamentary Oversight, overseeing and scrutinizing the action of the executive is one of the surest way of ensuring government is responsive to the needs of the people.

### Oversight Function of Parliament

Oversight is a constitutionally mandated function of legislative organs of state to scrutinise and oversee executive action and any organ of state. Oversight in this respect entails the informal and formal, watchful, strategic and structured scrutiny exercised by legislatures in respect of implementation of laws, the application of the budget, and the strict observance of statutes and the Constitution. Additionally, and perhaps most importantly, oversight entails overseeing the effective management of government departments by individual members of Cabinet in pursuit of improved service delivery, for the achievement of a better quality of life for all citizens.

The concept of oversight encapsulates many aspects which include political, administrative, financial, ethical, legal and strategic elements. The functions include but are not limited to the following:

- To detect and prevent abuse, arbitrary behaviour of illegal and unconstitutional conducts on the part of the government and public agencies. At the core of this function is the protection of the rights and liberties of citizens.
- To hold the government to account in respect of how the taxpayers' money is used. It detects waste within the machinery of government and public agencies. Thus it can improve the efficiency, economy and effectiveness of government operations
- To ensure that policies announced by government and authorised by Parliament are actually delivered. This function includes monitoring the achievement of goals set by legislation and the government's own programmes
- To improve transparency of government operations and enhance public trust in the government, which is itself a condition of effective policy delivery.

It is worth noting that some Parliaments in Africa have been more effective in holding their governments to account than others. Examples below give a flavour of what can be achieved if Parliaments are (were) able to conduct effective and efficient oversight over the action (s) of the Executive.

The Public Assurance Committee of the Parliament of Ghana in 2006 carried out a community engagement exercise with the view to interrogating government policy on National Health Insurance Scheme (NHIS). Engagement with service beneficiaries at the community level provided the legislators important feedback which they used to engage policy makers to effect positive



changes. For instance, the waiting time for processing identity card was reviewed to two weeks from three months and the premium was also reduced to make it more affordable. Public Hearings of the Public Accounts Committee (Ghana) conducted in 2007, revealed serious financial malfeasance and misappropriation of taxpayers' money. Parliament directed those found culpable to refund the monies to the state in addition to other sanctions that may be imposed by the courts.

The National Assembly of Tanzania has been in the forefront in unmasking a scandal in Tanzania involving the then Prime Minister. In 8 February 2009, President Jakaya Kikwete of Tanzania dissolved Cabinet after he had accepted the resignation of his Prime Minister, Edward Lowassa, and two other members (Nasir Karamaji and Ibrahim Msabuha) who were indicted in the country's major corruption scandal following parliamentary inquiry report. The report found that generators supplied by a Texas based firm to provide energy electricity during Tanzania's power crisis failed to arrive on time, and when they did, they did not work as required. Meanwhile, the deal cost more than \$140,000 a day. But for parliamentary inquiry, this rot would have gone unnoticed, and the country would have incurred substantial financial loss.

The National Assembly of Kenya was instrumental in demanding accountability of the "quick sale of the Grand Regency Hotel". Parliament passed a censure motion (Wednesday, July 02, 2008) against Finance Minister Amos Kimunya and demanded his immediate resignation over the controversial sale of the Grand Regency hotel. The MP from Ikolomani constituency, Dr. Boni Khalwale moved the motion and this had overwhelming endorsement from his colleague MPs. The Kenyan National Assembly also played a critical role in unravelling the Goldenberg scandal that was alleged to have cost Kenyan taxpayers the equivalent of more than 10 per cent of the country's annual Gross Domestic Product.<sup>1</sup>

Notwithstanding some of the outstanding successes of parliamentary oversight highlighted above, there are serious challenges which encumber parliaments efforts aimed at ensuring that the executive deliver on its promises to the people by acting as watchdogs in the judicious use of the public purse, by holding governments to account in the observance of good government principles of transparency and accountability.

### **Challenges of effective parliamentary oversight**

While parliaments in Africa have the authority for oversight, they often lack the necessary ability and attitude to do so. Demonstration of party loyalty and discipline limits oversight. Political party loyalty often takes priority over basic legislative functions; parliamentarians are unwilling to challenge members of government from their own party, as this may undermine their personal and professional advancement. For instance, Senegal's parliament has the authority to carry out oversight. However, its committee on Defence and Security displays neither the ability nor attitude to meet its obligations.

The sale of a sophisticated aircraft control radar system by British firm BAE to the Government of the Republic of Tanzania raised a major debate in British Parliament. However, in Tanzania where the purchase was made, it was neither tabled in the Parliament nor even reviewed by its Defence and Security Committee. Even though the purchase of the US\$40 million system raised some furore in the press in Dar es Salaam, parliament in this instance did precious little to investigate the matter and it was soon forgotten about. Ibrahim Lipumba, Chairman of the opposition party of the Civic United Front (CUF), is alleged to have commented: "Only reports in the UK press have informed Tanzanians as to what is happening. This issue was not presented in Parliament in a way that delegates knew what was going on and the issue never came up in the public expenditure review, which was meant to include the views of all civil society".<sup>2</sup>

Chronic lack of resources in most parliaments in the continent also acts as a hindrance to effective parliamentary oversight. In Benin for instance, institutional, logistical and human resource weaknesses have hindered effective implementation of long-asserted principles of parliamentary oversight of the security sector.

### **The Way forward**

Parliamentary oversight and the need for checks and balances are now universally accepted in the Africa region. The recognition by the executive of parliament's role as a co-equal branch of government and its role in conducting oversight over the conduct of the executive is critical to the effectiveness of parliamentary oversight.

The creation or strengthening of support for and working in close collaboration with auxiliary oversight bodies such as the audit service and the Auditor General's Office in particular, is of paramount importance in the exercise of effective parliamentary oversight. Additionally, collaboration with civil society groups, researchers and other specialists can provide an alternative source of information and analysis to parliament, addressing shortfalls in knowledge among committee members and counter-balancing information from the executive.

Crucially, parliament ought to assert itself as a guardian of constitutional principles and a counterweight to the executive, by holding the executive accountable and ensuring the executive fulfils its obligation to its citizens, and not buckle under heavy executive pressure.

In order for parliament to unleash its full potential in the exercise of its oversight responsibility, it has to demonstrate willingness to upgrade its capacity in complex issues of oversight and a willingness to monitor state institutions and agencies. As well, an independent source of finance for parliamentary oversight should be established to give parliament leverage over the financing of oversight activities.



Equally important in the exercise of parliamentary oversight is the quality and calibre of MPs. Powerful interest groups will stop at nothing to obviate parliamentary scrutiny on how state resources are disbursed for the purposes of delivering services to the people. Attempts may be made to influence MPs to overlook obvious financial malfeasance. MPs of unquestioned integrity, phenomenal sense of purpose and unyielding commitment to the eradication of poverty is called for in the current dispensation in the collective drive towards good governance and enhanced quality of life of the people of Africa.

## Conclusion

It is common knowledge that corruption of public officials including politicians contributes a significant proportion to the level of poverty witnessed in Africa today. An effective and efficient parliamentary oversight of the executive can go a long way in curbing corruption, and thus engender a culture of probity and accountability. For parliament to effectively carry out its oversight responsibilities, MPs need to demonstrate a willingness to upgrade their capacity and to monitor state agencies under their purview. Above all, parliament needs to be adequately resourced in order to undertake its oversight responsibilities without financial encumbrance.

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World Bank Development News, 21 December 2001, p.10

<sup>1</sup> *(The Goldenberg scandal was a political scandal where the Kenyan government was found to have subsidized exports of gold far beyond standard arrangements during the 1990s, by paying the company Goldenberg International 35% more (in Kenyan shillings) than their foreign currency earnings. Although it appears that the scheme was intended to earn hard currency for the country, it is estimated to have cost Kenya the equivalent of more than 10% of the country's annual Gross Domestic Product, and it is possible that no or minimal amounts of gold were actually exported. The scandal appears to have involved political corruption the highest levels of the government of Daniel Arap Moi. Officials in the current government of Mwai Kibaki have also been implicated)*

<sup>2</sup> *World Bank Development News, 21 December, 2001 p.10*



## Leaping out of Extreme Poverty with LEAP — African MPs Undertake Field Visit to Poor Communities in the Yilo Krobo District in Ghana

By Valentina Tetteh, Program Assistant, Information and Monitoring, - Parliamentary Centre



As part of the Budget Oversight training workshop organized by the Parliamentary Centre from 9-13 November 2009, Members of Parliament and support parliamentary staff from five African countries, namely Ghana, Malawi, Uganda, Zambia and Zimbabwe visited two communities, (New Somanya and Adjikpo) in the Yilo Krobo<sup>1</sup> district in the

Eastern region of the republic of Ghana. The visit to the communities on Thursday 12 November 2009 was designed to afford the MPs the opportunity to interrogate the Ghana Government's pro-poor cash transfer pilot program dubbed *Livelihood Empowerment Against Poverty (LEAP)* and assess the impact of the program. It also was to create the opportunity for the visiting MPs to share their countries' perspectives on good practices in the implementation of similar pro-poor programs as well as interact with the beneficiaries of the LEAP.

The visit to New Somanya and Adjikpo was preceded by a call on the Ministry of Employment and Social Welfare, the Sector Ministry with the responsibility of implementing the program; the visit to the ministry was very important in providing context and background information to the visiting Members of Parliament.

At the Ministry, representatives from the Ministry and the Department of Social Welfare took turns respectively making presentations on the Social Protection Programs of the Ghana Government with special focus on the Livelihood Empowerment Against Poverty (LEAP). The LEAP, a component of the National Social Protection Strategy of the Government of Ghana, is a cash transfer program that provides support to the extreme poor who include the orphans and vulnerable children (OVC) through a care giver scheme, the severely disabled persons who have no capacity to produce; the aged above age 65. These groups are further identified as persons living in households with very insecure incomes; very poor housing situation; high dependency ratio; no health insurance; none/low education and isolated from others

The LEAP social grants range from GH¢ 8-15 depending on number of eligible persons in a household. A household with one eligible beneficiary receives GH¢ 8, two and three eligible beneficiaries receive GH¢ 10 and GH¢ 12 respectively, whilst four or more beneficiaries receive GH¢15 per month.

The beneficiaries, according to the officials were selected through a heavy targeting mechanism (geographic, community and proxy





means testing). National poverty mapping normally precedes this. The information thus gathered is entered into a single register which is verified at the community level. Certified beneficiaries are issued identity cards and payment of cash is done through the Ghana Post which has a wider reach than any bank in the country.

**Objectives of LEAP**

- LEAP is intended to empower the extreme poor household so that they can take advantage of other existing social protection interventions (key condition for the cash transfer)
- To serve as a catalyst in boosting school enrollment among children in extreme poor households, reduce infant mortality rate, improve nutrition and ensure birth registration
- Improve the local economy with the enhanced purchasing power of the extreme poor

**LEAP Conditionalities**

1. All children of school going age in beneficiary households must be enrolled and retained in public school
2. All members Beneficiary Households should enroll in the National Health Insurance Scheme
3. New births (0-18 months) in beneficiary households should be registered with the Birth and Deaths registry, attend post natal and complete the Expanded Program on Immunization
4. No child in beneficiaries household should be trafficked or engaged in any worst form of child labor

These conditions are purposive, not intended to be punitive but rather developmental by their nature. By these conditions, beneficiaries are able to avail themselves of existing social services such as Capitation Grant<sup>2</sup> with enrolment and retention in schools, school feeding programme, health programmes among other national social development programs geared towards achieving the Millennium Development Goals (MDGs) and the New Partnership for Africa’s Development (NEPAD). It also encourages poor households to learn to prioritize and focus on human capital development of their children. This, it hoped, will tackle perennial inter-generational cycle of poverty among the poor and vulnerable in the Ghanaian community and ultimately empower them to contribute to socio-economic development.

**LEAP Implementation**

The first payments were made to beneficiaries in 1,654 households covering 21 districts nationwide in March 2008. This was expanded to 54 districts by December 2008 reaching 7,494 households. The target to date is 80 districts by December 2009. Apart from the ongoing regular LEAP, an Emergency LEAP was put in place in collaboration with the National Disaster Management Organization to cater for 18,200 households in the year 2008; these involved floods victims encompassing 20 districts in 8 regions of the country. Currently, the programme is

being run in 54 districts, covering 8,356 households on regular LEAP.

An interesting innovation about this program is its exit strategy designed to ensure that beneficiaries are not trapped in a dependency syndrome but rather develop livelihood skills through the program on a sustainable basis. Beneficiaries with productive capacity are expected to participate in the LEAP for a period of 3 years to develop and sustain their basic livelihoods. It is therefore envisaged that those whose capacities have been improved and can meet their basic needs will be assisted to graduate from LEAP into other relevant complementary services.

**Key findings, Comments and recommendations**

At New Somanya, the Members of Parliament had the opportunity to meet care-givers of orphans (the beneficiaries of the intervention). In the other community, Adjikpo, the delegation met with the aged, the physically challenged, pensioners, orphans and care givers.

Even though the beneficiaries in the two communities were generally satisfied with the system of conditional cash transfer, they were however critical of the teething problems associated with the cash transfers. Foremost of complaints was the irregular transfer of cash to beneficiaries. As at the time of the visit the last payment was done in June 2009, the next payment which was overdue was to cover July to October 2009. The delegation indicated that the irregular payment of the benefits complained about by the beneficiaries could be overcome with less bureaucracy. Instead of passing the money through the Finance Ministry and later pass it on to the Sector Ministry, the money should be transferred directly to the sector Ministry, (Ministry of Employment and Social Welfare) to facilitate regular payment to the beneficiaries.

They also held the view that the global economic downturn has had grave effect on the value of the Ghana cedi; therefore the sum of money given to them should be reviewed upwards in line with inflation.

The MPs commended the Ghana Government’s initiative by instituting cash transfer for the vulnerable and marginalized in the society. They were however less satisfied with the criteria used in



Members of Parliaments Pay a Visit to LEAP at New Somanya- Yilo Krobo District of Ghana

identifying the beneficiaries. They contended that the approach adopted in indentifying beneficiaries was not scientific and therefore prone to abuse.

Others were of the view that the scheme could encourage a form of perpetual dependency on government by the beneficiaries and rather proposed that this program could be turned into a micro-credit scheme to ensure sustainability.

On the whole, the MPs acknowledged that the LEAP was a step in the right direction towards poverty reduction and commended the political will exhibited by the Government of Ghana in supporting the program. They hoped to transmit the good lesson learnt about the visit to their respective parliaments.

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#### Brief Profile of Yilo Krobo District

1 The Yilo Krobo District is located between Latitude 6.00°N and 6.30°N and between Longitude 0.30°W and 1.00°W. It shares boundary with Manya Krobo district in the North and East; Dangbe West and Akwapim North Districts in the South; New Juaben and Fanteakwa District in the West. The district covers an estimated area of 805 sq. km. The major economic activities in the district are Agriculture, Services, and Trading and Small Scale Industrial activities. About 58% of the working population is engaged in agricultural activities producing mainly staples like maize, cassava, plantain and cocoyam. Service, Trading (Commerce), and Small Scale Industrial activities employ 18.1%, 12.9% and 7.2% of the working population respectively. The Service Sector consists predominantly of Government sector employees. According an assessment done by the District Assembly with 388 household using per capita income levels, it was concluded that an average household's income is so low that it cannot pay for individuals' basic necessities.

2 Government of Ghana set up the Capitation Grant which commenced in the 2005/2006 academic year. Under the scheme every primary school receives an amount of GH¢ 3 per pupil enrolled per pupil. This policy, like the School Feeding programme seeks to ease the demand-side constraints to education. Currently, each pupil is allotted GH¢4.50 to cover the payment of sports, culture and internal development fees.



## Report: Training on Budget Oversight

*"Financial Oversight Function of Parliamentarians: Tools and Mechanisms for Optimum Government Budget Analysis"*

Accra, November 9-13

### 1. Background

The extent to which parliaments and parliamentarians are able to carry out their legislative, oversight and representative functions in ways that engender good governance values of accountability, transparency and participation is of paramount importance. The budget process – preparation, approval, implementation, monitoring and evaluation – is key component of parliaments and parliamentarians' functions as an arm of the state. This is because government budgets are about the allocation of scarce resources that affect the lives of the citizenry who parliamentarians in a democratic state represent. It is therefore important that parliamentarians are equipped with the necessary tools to perform their role in the budget process, particularly, understanding the significant elements in the budget process that are of direct relevance to the citizenry.

With support from the Austrian Development Agency (ADA), the Parliamentary Centre (PC) organized a five-day training workshop on the theme "*Financial Oversight Function of Parliamentarians: Tools and Mechanisms for Optimum Government Budget Analysis*". The training program was held at Learning and Resource Unit Accra, Ghana November 9-13, 2009. This was the first Anglophone training as per the 2009 work plan.

### 2. Objectives

The training objectives of the workshop sought to strengthen capacity of parliamentarians to perform their financial oversight function, to equip members of parliament and their committee staff with tools with which to analyze government budgets particularly identifying pro-poor and gender equity programs. It also aimed to provide a platform for members to interact and share country experiences.

### 3. Workshop Summary

The five countries who participated in the training workshop were Ghana, Malawi, Uganda, Zambia and Zimbabwe. A total number of twenty participants took part in the workshop, and of the twenty participants, seven were women.

Below is a summary of the modules for the training program:

- Understanding National Budgets
- The Role of Parliaments in the Budget process
- Analyzing Government Budget statements: Gender Equity Issues
- Parliament and the Revenue side of the budget
- Analyzing Government Budget statement, how pro-poor should budget be?
- HIV/AIDS and National Budget





• MDGs and National Budget

Dr. Rasheed Draman, Director of African Programs, Parliamentary Centre, welcomed participants to Accra and wished them well in their deliberations on Financial Oversight and hoped the skills they acquire during the five-day budget oversight training will bear on the debates they will be engaging in during their National Budgets.

**4. Presentations**

The first presentation examined the national budget. the budget was described as a statement of the government’s economic and fiscal measures. The budget cycle has four main stages namely the budget preparation phase, budget approval phase, implementation phase and evaluation. A good budget should necessarily possess certain characteristics such as: comprehensiveness, predictability, contestability, transparency and periodicity.



Participants from Ghana, Malawi, Uganda, Zambia and Zimbabwe having group discussion during the November 2009 Training

**Highlights of plenary discussion**

Most national budgets in Africa are donor dependent thus making it difficult to plan and ensure regular flow of funding for planned activities.

- Donor budget support for Malawi is 60%
- Donor budget support for Uganda is 33%
- Donor budget support for Zambia is 12%
- Donor budget support for Ghana is between 25%-30%
- Zimbabwe however does not get any donor input for their national budget

**Note: this information was provided by representatives of the various parliaments taking part in the training programme.**

*Doing Business in Africa*

- Registration of a business enterprise in Ghana takes approximately 7 days whereas it takes only two days in Canada to set up a business
- It takes two hundred and fifty (250) days in the Democratic Republic of Congo to set up a business

Out of the five countries taking part in the training programme, only Uganda has passed the Freedom of information Bill. Ghana is in the process of passing the Freedom of Information Bill and

it is hoped that its passage will facilitate citizens’ access to information.

*Timeframe for budget debate*

- Four months time frame for budget debate is said to be optimum
- In Zambia MPs have three months to debate the budget
- In Ghana MPs have only one month to debate the budget
- In Uganda the budget act affords MPs to make considerable input into the budget formulation before it comes to the house for debate
- Audit is submitted to parliament six (6) months after implementation
- Malawi has the peculiar situation where the chairperson of the Public Accounts Committee is from the ruling party. In most countries, the chairperson comes from the opposition parties. For example, key oversight committees in Zambia are chaired by the opposition parties. Kenya and Uganda have similar situations.

*Group work exercise*

Summary of discussion on group work analyzing government budget statements - the 2009 budget of the republic of Malawi - was used as a case study. Participants were tasked to examine the budget of Malawi and assess the extent to which it conforms to the principles of good budgeting. The following observations were made:

1. On Comprehensiveness, the group members were of the view that the budget was comprehensive enough. There was a breakdown on the distribution of resources by sector, and the key priorities were identified
  2. Predictability: approved estimates are released on timely basis, agencies are certain of funding in the medium term. More revenue is generated domestically to support the budget (this point seem to contradict the earlier point on the quantum of donor contribution to the budget of Malawi-60%)
  3. Contestability: the budget is reviewed and revised depending on the needs and priorities, therefore no item has automatic entry into the budget
  4. Transparency: not the whole budget process is transparent; there is no legal framework to govern the budget process.
- Periodicity: fixed period of one year (1 yr). It lacks a reliable schedule for the budget process.

The second group used the Ugandan budget of 2009 for their case study - Budget as a political, economic, and legal tool.

Summary of findings as per the 2009 budget of Uganda were as follows:

As an economic tool, the Ugandan 2009 budget, for instance, was instrumental in determining the macroeconomic parameters, fiscal and monetary policies. Resource allocations to key sectors such as agriculture, transport, energy, education and health were prioritized.

As a political tool, the underlining philosophy was the Presidential Manifesto. The guiding document for the budget was





PRDP. The overarching vision was ‘Prosperity for all’

Budget as a legal tool, the Ugandan budget is anchored in the National Constitution-the Appropriation bill derives from the constitution. The Budget Act, Finance Bill, Audit Act are all legal instruments designed to ensure efficient and effective execution of the budget.

The second presentation looked at the role of parliament/parliamentarians in the budget process. The key functions are said to include:

1. Legislation
2. Representation
3. Oversight

On balance MPs seem to exercise their legislative role pretty well in terms of debating the budget and passing laws (appropriation bills). In order for MPs to effectively play their representative role, there was a suggestion of making frequent visits to their constituencies. In the case of Uganda, MPs are required to visit their constituencies two times every month. Apart from the fact that they receive logistical support from the state for these visits, they are also provided with allowances on their visits. This has enabled Ugandan MPs to keep in touch with their constituents fairly regularly.

There was a commitment to advocate for citizen involvement in the formulation stage of the budget. This will be done by lobbying key ministers of state as well using the party caucuses, especially with the ruling parties to press for citizen involvement in budget formulation.

The presentation on the role of parliament/parliamentarians was followed by the one on ‘Parliament and the Revenue Side of the Budget’. The presentation focused on the various tax revenues that are raised by the state and explored ways of broadening the tax base. The critical role of parliament in reviewing and passing relevant tax legislation was subject to exhaustive discussion.



Participants from Ghana, Malawi, Uganda, Zambia & Zimbabwe in a group discussion during the Training

### Key recommendations:

- Strengthen the capacity of revenue institutions, equipping them with ICT to ensure efficiency in delivering results
- Register all small businesses to facilitate tax collection
- Improve the service conditions of tax collectors with a view to discouraging leakages

Presentations were also made on key issues to consider when analyzing government budget statements. The MDGs, Pro-Poor Budgeting, Gender Sensitive Budgeting and HIV/AIDS were among the issues discussed. Participants expressed their pessimism with regard to African countries meeting the MDG goals by 2015. This pessimism was informed by reality on the ground in most countries. At the midpoint between the adoption of the MDGs in 2000 and 2015 target date for achieving the MDGs, most African countries are not on track to achieve any of the goals. Africa has the lowest income per capita and the lowest life expectancy among developing countries. For instance, reaching the MDG targeting of halving the extent of extreme poverty 2015 is a distant prospect; about 41 per cent of people in Africa are still living under a dollar a day in Africa according to UN world report of 2005. This is evidenced by the increasing spate of street children in Nairobi, Abuja, Accra, Lusaka, etc and the general abject poverty witnessed around the African continent. Damning statistics of infant mortality rate, pregnancy related sickness often resulting in unnecessary deaths, poor environmental practices and the scourge of HIV/AIDS are some of the concerns expressed by participants.

The discussion on gender was interesting and engaging. It was argued for instance that the membership of Parliamentary committees on gender should not be composed of all women and that women’s caucuses should not be seen as being primarily responsible for addressing gender equality issues. The participants from Ghana shared their country’s example to demonstrate how male MPs take interest on gender issues. It is reflected in the fact that the Gender and Children’s Committee of Ghana’s parliament is chaired by a man. Gender, it was pointed out, is not about women only. Men have mothers, wives, and daughters and therefore correcting past injustices relating to women should be seen as a collective effort involving both women and men.

Participants from Uganda gave examples of how their country is making efforts in addressing gender equality issues. The Ugandan constitution has a clause on affirmative action which provides for one third representation of women in governance. The budget risk not being approved if it is not gender sensitive according Ugandan participants. They also intimated that women played a critical role in ensuring the passage of the Domestic Violence Bill.

The important role culture plays in influencing peoples behaviors was not lost on the participants and they recognized the pivotal role of chiefs in this respect. Therefore advocacy with chiefs should be taken up seriously as a way of addressing barriers aimed at promoting gender equality in African societies. Participants also advocated for the quantification of the care economy where most



women are engaged.

Summary of discussion on group work analyzing government budget statements: Gender Equity Issues

As group work, participants were required to do a gender analysis of their country budgets. They analyzed the education sector budget of Zambia and the health sector budget of Uganda respectively and made the following observations:

### **The Education Sector Budget of Zambia**

The Education Sector of Zambia was found to have the second largest share of the country's 2009 budget. The sector's priorities include universal primary education, promoting community schools, private public partnership, and educational infrastructure (construction). There were allocations for HIV/AIDS and gender respectively. However, the data available was not disaggregated by gender and therefore, it was not possible to assess the extent to which the sector's budget addresses gender gaps.

### **The Health Sector Budget of Malawi**

Malawi's health sector budget for 2009 was found to have curative health and preventive health components, all of which should benefit women and men, as well as boys and girls. There was no visible budget for addressing gender gaps. The participants intimated that since women are considered to be the more vulnerable to ill health, it is assumed that they stand to benefit more from the preventive health component of the budget. Again, the absence of disaggregated data by gender made any assessment of the extent to which the sector budget addresses gender gaps impossible. The lesson learnt from these exercises was that countries should take up the issue of gender disaggregated data seriously. It has become obvious that without gender disaggregated data, no meaningful gender analysis of budgets can be undertaken.

Summary of discussion on the presentation on HIV/AIDS and National Budgets

The presentation on HIV/AIDS and National Budget generated lively discussion on the issues that were presented. Prominent among these was prostitution or commercial sex work. Definitions of prostitutions varied among participants. There was the view that a man who changes and changes women all the time is no different from the woman who solicits sex from men. There were also views that legalizing prostitution would help screen out child prostitutes and also encourage prostitutes to go for education and services on HIV/AIDS and thereby help curb the spread of HIV infection.

There were concerns that countries are placing a great deal of emphasis on allocating adequate funds for HIV/AIDS activities, without giving equal priority to other equally important health issues such as malaria. It was felt that when budgeting for HIV/AIDS activities, the focus should be on addressing the causes of poverty rather than the symptoms of poverty since poverty is a real challenge to addressing HIV and AIDS in Africa. Others held the view that attention should be paid to AIDS as a moral disease in Africa. The expensive nature of research on HIV and the

constant mutation of the gene were explained as major reasons for the slow progress.

Political commitment at the highest office as demonstrated by Uganda was noted to be critical to curbing the spread of HIV. It was also noted that even though in Uganda the HIV prevalence rate has dropped from 15% to 6%, the prevalence is now highest among married women. Another concern raised had to do with the apparent good life enjoyed by People Living with HIV because of the 'good' packages they receive from NGOs and development partners. There seem to be an incentive to being a Person Living with HIV.

Summary of discussion on group work on HIV/AIDS and National Budgets

Participants identified key issues on HIV and AIDS and national budgets as:

- Poverty
- Gender inequality
- Education

Participants pledged to follow up on these issues in their various parliaments to ensure reallocations of resources to reflect needs of specific groups or geographic areas. Participants decried the absence of HIV/AIDS disaggregated data which is critical to establishing needs analysis as well as serving as a guide for implementation.

### **Field Visit**

The field visit component of the training workshop was designed to give a practical feel to the exercise where parliamentarians will interact with the beneficiaries of the Government's programme of Livelihood Enhancement against Poverty (LEAP), and assess the impact of the intervention.

The visit to the Ministry of Employment and Social Welfare, the Sector Ministry with the responsibility of implementing the programme was very critical in providing context and background information to the visiting Members of Parliament from Ghana, Malawi, Uganda, Zambia and Zimbabwe. Presentations on the Ghana Government's social protection programmes were made by officials from the Ministry of Employment and Social Welfare. An interesting and insightful discussion followed the presentations. For instance, participants were informed that the selected communities were involved in determining who were the poor and deserving of support. Beneficiaries ranged from orphans, the aged, the physically challenged, and widows as the case may be. The sum of money given to beneficiaries ranged from 8-15 Ghana cedis depending on the peculiar circumstances of the targeted household.

The visit to the sector ministry was followed by a visit to two communities in the Yilo Krobo district in the Eastern region of Ghana. The members of parliament had the opportunity to meet care-givers of orphans (the beneficiaries of the intervention) in one





of the communities. In the other community they met with the aged, the physically challenged, pensioners, orphans and care givers. Even though the beneficiaries in the two communities were generally satisfied with the system of conditional cash transfer, they were however critical of the teething problems associated with the cash transfers. Foremost of complaints was the irregular transfer of cash to beneficiaries. They also held the view that the global economic downturn has had deleterious effect on the value of the cedi, therefore the sum of money given to them should be reviewed upwards in line with inflation.

The MPs commended the Ghana Government's initiative by instituting cash transfer for the vulnerable and marginalized in the society. They were however less satisfied with the criteria used in identifying the beneficiaries. They contended that the approach adopted in indentifying beneficiaries was not scientific and therefore prone to abuse. They were also of the view that the irregular payment of the benefits complained about by the beneficiaries could be overcome with less bureaucracy. Instead of passing the money through the Finance Ministry and later pass it on to the Sector Ministry, the money should be transferred directly to the sector ministry, (Ministry of Employment and Social Welfare) to facilitate regular payment to the beneficiaries.

## 5. Evaluation

The evaluation showed that the participants thought the training was very relevant and useful to them in their current functions. Participants indicated they acquired new knowledge in all the relevant subject areas.

## 6. Conclusion

The budget oversight training workshop was designed primarily to equip members of parliament and parliamentary staff of the participating countries with knowledge and skills aimed at helping MPs execute their budget oversight responsibility efficiently and effectively. Participants not only gained new knowledge and skills, the workshop provided the platform for participants to share experiences on best practices in parliamentary strengthening process and served as catalyst for networking among members of parliament from different African countries.



## Training Session for MPs from French-Speaking African Countries

September 28 - October 2<sup>nd</sup> 2009

Accra, Ghana

*Parliaments and Financial Control: Tools and Mechanism for Optimal Budgetary Analysis*

### SYNTHESIS REPORT

From September 28 to October 2<sup>nd</sup> 2009, a training session for French-speaking Parliamentarians entitled: "Parliaments and Financial Control: Tools and Mechanisms for Optimal Budgetary Analysis", took place at the Ghana office of the Parliamentary Center in Accra. That session saw the participation of MPs from the Republic of Benin, Mali, and Senegal. The Training Session received financial support from the Austrian Development Agency (ADA).

The objectives of the Training Session were as follows:

- Strengthening the parliamentarians' capacity in fulfilling their mandates to the MPs for budgetary oversight
- Arm the parliamentarians with the proper tools for the analysis of government budgets and especially being able to identify the pro-poor and gender equity programs.

The session's activities lasted 5 days following an official opening address delivered by **Dr. Rasheed DRAMAN**, Director of Africa Programs at the Parliamentary Centre, in the presence of **Mrs. Amelita A. ARMIT**, President & CEO of the Parliamentary Centre. **Mrs. ARMIT** expressed her satisfaction with regards to the efficiency of the training sessions and asked the MPs to send her greetings to their respective parliaments.

The Agenda of the Session covered the following topics:

- Day 1: 09/28/2009: Opening address, presentation and exercises
- Day 2: 09/29/2009: Presentations and exercises; visit to the Ghanaian Parliament
- Day 3: 09/30/2009: Presentations and exercises
- Day 4: 10/01/2009: Field visit/Report
- Day 5: 10/02/2009: Evaluation and conclusions of the Training Session

Following the opening address, the presentations of the participants and the description of the agenda, a presidium was set up in collaboration with **the Honorable Ndeye Fatou TOURE of the National Assembly of Senegal** as a President, and **the Honorable Grégoire LAOUROU of the National Assembly of Benin** as a Vice-President.

With regards to the presentations, **Mr. Soulé ABOU**, economist consultant and former MP of Benin, introduced the following units:

### Unit 1: Introduction to National Budgets





- What is a Budget?
- Functions of the Budget: Political, Economical, and Legal
- Stakeholders and Activities
- The Cycle of the Budget
- Follow up & Evaluation and Responsibility
- Medium Term Budgeting (MTEF)

### Unit 2: Role of the Parliament in the Budgetary Process

- Functions of the Parliament
- The Cycle of the Budget
- Relation between the Executive Authority and the Legislative Authority in the Budgetary Process
- Budgetary Compliance
- Deciding Factors of the Legislative Authority's Role in the Budgetary Process
- The Role of the Legislative Authority of the Budget

### Unit 3: The Parliament and the Revenues Component of the Budget

- The Sources of Revenues of the Government
- The Importance of Focusing on the Revenues Component
- Framework of Tax Policy

Mr. Paul OUEDRAOGO, training officer consultant, did a presentation on Units 4,5, and 6, which covered the following:

### Unit 4: National Budgets and Millennium Development Goals

- What are the MDGs?
- Accomplishments
- Why do we have MDGs and National Budgets?
- Strategic Directions to Get an Optimal Impact of the Budget
- Evaluation of the Importance of the MDGs in the National Budgets

### Unit 5: How can a Budget be Pro-Poor?

- What is the Pro-Poor Growth?
- The Parliaments and the Poverty Reduction Strategy Papers (PRSPs)
- Elements for Pro-Poor Economical Initiatives
- Measurement of Pro-Poor Growth
- What Makes a Growth Pro-Poor?
- Indicators of a Pro-Poor Budget

### Unit 6: Gender Equity-Based Budget: Key Elements

- Definition
- Gender Equity Analysis
- MDGs and Gender Equity
- Gender Equity Consideration in the National Budgets
- Gender Budget
- Role of the Parliaments in the Gender Budgeting

The two training officers and consultants, Mr. Soulé ABOU and Mr. Paul OUEDRAOGO, presented successively Unit 7 called

HIV/AIDS and General Budget of the State. This unit exposed in details the following aspects:

- The global HIV/AIDS pandemic
- Guidelines on how to fight against HIV
- Role of the parliamentarians
- The considerations to set a Budget for HIV/AIDS
- Broken down Budget for HIV/AIDS
- Fairness in the expenditures
- Multi-sectorial response
- Challenges in defining Budget allocations for HIV/AIDS
- Reinforcement of the Responses within the Parliament
- Increasing parliamentary oversight in the budgetary process
- Improving the efficiency of the fight against AIDS

Except for October 2<sup>nd</sup> 2009, the afternoons were reserved for exercises and group work. A visit to the National Assembly of Ghana was organized in the morning of September 29<sup>th</sup> 2009. During that visit at the National Assembly, the Representative of the Director of Public Relations presented the history of the National Assembly and described in details the composition of the actual mandate and how it works.

A field visit to the Ministry of Labour and Social Protection was conducted on October 1<sup>st</sup> 2009. That visit was an opportunity for the participating MPs to interact with decision-makers and managers of a State Program, and to evaluate the extent to which Governmental Policy on the improvement of living conditions and the struggle against poverty reaches its targeted objectives. As a reminder, the Government of Ghana took 7.5 millions cedis in 2009 to be distributed to household recipients of 80 districts under the Livelihood Enhancement Against Poverty Program. In 2008, 2.2 millions cedis have been spent for 54 households. A Technical Committee of Social Protection and Improvement of living conditions, including 28 Ministries, Departments and Agencies, was established to build the Government's capacity in order to coordinate and implement efficiently and effectively the Social Protection Program, especially in the Health and Education sectors for women and children.

The objectives of the field visit were the following:

- Provide a platform for a dialogue between decision makers and managers on the one hand, and between parliamentarians and the staff of the Committee on the other hand;
- Create the opportunity to evaluate the implementation of the Poverty Prevention Program [Livelihood Enhancement Against Poverty (LEAP)] and thus, promote social responsibility;
- Predict the challenges that will come up in the implementation of the Livelihood Enhancement Against Poverty Project (LEAP) with a specific focus on the Poverty Prevention Program;
- Share the countries' perspectives on the best practices coming from the implementation of projects/programs;
- Interact with recipients of projects/programs.

The major results were the motivation and the highlighting of the



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oversight role of the MPs.

With regards to the exercises, the participants focused on the core theme of the Training Session through 3 categories of questions:

- Courses questions;
- Description of the features for an efficient pro-poor budgeting;
- Analysis of the revenues component of the Budgets.

Based on the presentations, group work and field visits, a list of emerging questions has been set up. Namely, those questions relate to the following:

- The update of the Directive N° 05/97/CM/UEMOA related to the finance legislation;
- The generalization of the AVT as a source of revenues in the WAEMU's countries.

### Acknowledgements:

Following the Training session on the Parliaments and the Financial Control: Tools and Mechanisms for Optimal Budgetary Analysis, the MPs expressed acknowledgements:

- To the Parliamentary Center for organizing and holding the session
- To the National Assembly of Ghana for the reception and the information provided to the participants;
- To those responsible of the Poverty Prevention program [Livelihood Enhancement Against Poverty (LEAP)].

Following the presentation of the evaluations' results of the Session, **Dr. Rasheed DRAMAN**, Director of Africa Programs at the Parliamentary Center, delivered his closing address.



## Links and Resources

### Further reading:

*Livelihood Empowerment Against Poverty (LEAP) Social Grants Pilot Implementation Design,*  
[http://www.ghanadistricts.com/home/?\\_ =61](http://www.ghanadistricts.com/home/?_ =61)