

### Budget Oversight Training: A Key Accountability Tool for MPs

Understanding and effectively participating in the Budget Process continues to be an important issue that MPs grapple with in their day-to-day efforts to ensure efficient service delivery to the citizens they represent. It also continues to be central in their effort to ensure accountability given that it is difficult for MPs to be the “overseers” of government spending if they do not understand the budget process. Against this background, at the Parliamentary Centre and the APRN, training in the Budget Process remains fundamental to our efforts to help APRN members and our partner Parliaments get a firm handle on financial oversight issues in order to contribute to poverty reduction efforts.



Dr. Rasheed Draman,  
Director of Africa Programs

Our training on the Budget Process is dynamic and very much oriented towards addressing topical issues. We continuously respond to the needs of APRN members in terms of program design and focus. In the last six months for instance, recognizing the effects of the global financial meltdown on African economies, and responding to concerns from APRN members, our training program was revised. We introduced a focus on revenue mobilization in training to complement the ongoing focus on the expenditure issues. The goal of the new focus is to help take care of the gaps that are likely to emerge due to potential shortfalls in donor contributions to budget support. Another key issue this new focus will address is efficiency in revenue mobilization and how it impacts on the objectives of the economy, i.e. equity, growth and foreign direct investment.

In addition, in the past year, the PC has designed a training program on Budget Oversight specifically for Parliamentary Staff within the APRN. An in-depth version of the training program for MPs, the course for Staff responds to various specific needs of committee clerks; needs that are relevant in equipping them to properly help the oversight committees they serve.

Overall, we are pleased with the progress made so far and the usefulness of our training programs to APRN members. To date, 140 MPs and Staff from 16 Parliaments have benefitted from our training programs. Feedback received so far indicates that the trainings have been valuable to APRN members in their oversight roles.

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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.*



Parliamentary Centre  
le Centre parlementaire



## Third High Level Forum on Aid Effectiveness

By Petra Andersson, Program Officer Africa, PC Ottawa

September 2-4, 2008, the Government of Ghana hosted the **Third High Level Forum (HLF3) on Aid Effectiveness** in Accra, Ghana together with the OECD Development Assistance Committee (OECD-DAC) Secretariat and the World Bank. The meeting was attended by over 1700 participants, including more than 100 ministers and heads of agencies from developing and donor countries, emerging economies, UN and multilateral institutions, global funds, foundations and approximately 80 civil society organizations.

The purpose of the meeting in Accra was for the development community to review, at the same time as holding itself accountable for, the progress made on *the Paris Declaration on Aid Effectiveness (2005)*. In short, the Paris Declaration is based on five mutually reinforcing principles linked to **ownership, alignment, harmonization, managing for results** and **mutual accountability**, as well as 56 commitments that both donor and partner countries have agreed to in order to improve the quality and effectiveness of aid (see April 2008 APRN Newsletter for more details on this declaration).

In order to be able to measure and assess progress, the Paris Declaration sets out 12 indicators, of which 11 have specific targets for the year 2010, which are to be measured nationally and monitored internationally. A first round of monitoring was conducted by OECD-DAC in 2006, with data from 34 partner countries and 60 donors. The results from the second round of monitoring, which included data from 54 countries, were available in 2008. Since the endorsement of the Paris Declaration, evidence shows that development strategies have been improved, as development countries are taking ownership of their policies and programs, as well as exercising leadership and involving civil society and the private sector. It also shows that donors are providing support for capacity development and institution building, and that donors and partner countries are working together to build consensus around common approaches; to minimize transaction costs by improving the division of labour; to improve the monitoring and evaluation of results; and to strengthen their accountability for aid impact, both to each other and to their respective constituents.

### **The Paris Declaration - results so far**

The results from the 2006 and 2008 surveys show that significant advances have taken place in some countries and in some areas. However, not all countries seem to have moved forward, and some even appears to have moved backwards. Where a positive change has taken place, it seems to be because of joint efforts between partner countries and donors. Elsewhere, in order to achieve the 2010 targets, a considerable acceleration of change in the majority of countries will be needed.

Three of the 12 indicators are **within reach for 2010**:

- *Indicator 4: Technical co-operation is aligned and coordinated*  
The goal is to ensure that at least half of all technical co-operation

is coordinated and aligned with the capacity development programmes of partner countries, and the 2008 survey shows that this target has already been exceeded with 60% of all technical cooperation now being aligned and coordinated.

- *Indicator 2a: Public financial management (PFM) systems are reliable*

The survey showed that 36% of the participating countries have improved the quality of their PMF system, which is an important step towards the target of half of the partner countries improving their score.

- *Indicator 8: Aid is increasingly untied*

The target is to increase untied aid over time, and according to the survey, untied aid had increased from 75% to 88% in 2006.

There are three other targets that are **within reach, but will depend on significant scaling up at country level**:

- *Indicator 6 – Donor avoid parallel project implementation units (PIUs)*

This indicator aims to increase the use of country systems and to avoid using parallel PIUs, as they tend to undermine countries' capacity development efforts. Through the two surveys, a significant decline in the use of parallel PIUs could be seen, from 1817 in 2005 to 1601 in 2007. However, the goal is to reduce them by two thirds by 2010, i.e. to 611 parallel PIUs.

- *Indicator 3: Aid flows are accurately recorded in countries' budgets*

This indicator aims to improve transparency and accountability by ensuring that as much as possible of all aid is recorded accurately in the national budgets, and hence allowing scrutiny by parliaments. Although improvements from 42% to 48% took place between the two surveys, this is only a marginal improvement in relation to the actual target of 85% of this type of aid being captured accurately in the budget.

- *Indicator 7: Aid is more predictable within the year it is scheduled*

There are two objectives to this indicator, i.e. to encourage disbursements of funds within the year they are scheduled, and to encourage accurate recording of disbursements by partner authorities, which both require strong cooperation between donors and partner countries. An improvement from 41% to 46% can be seen, but there is still a long way to reach the 71% target.

The remaining six indicators will **require very special efforts by both donor and partner countries in order to be attained by 2010**:

- *Indicator 1: Countries operationalise their development strategies*

The goal is for 75% partner countries to design development strategies that are more operational and effective at achieving their development goals. Despite an improvement of countries with



sound operational strategies from 13% to 20%, the target is far from reach. This is partly due to difficulties in linking the strategy to resource allocation through the national budget.

- *Indicator 5 a and 5b: Donors use country PFM and public procurement systems*

There is a positive, but very modest increase in use of country systems rather than donor systems for managing aid from 4% to 5%, which is very far from the 80% target.

- *Indicator 9: Donors use co-ordinated mechanisms for aid delivery*

The target is for two-thirds of all aid is delivered in the framework of Programme-Based Approaches (PBA). The last survey suggests little progress from 43% to 46%, but this is in part reflecting more stringent definitions for PBAs. Although some evidence suggest that the use PBAs continue to advance, the 2010 is still far away.

- *Indicator 10a and 10b: Donors co-ordinate their missions and their country studies*

There has only been a slight increase in joint missions and analytical work, resulting in 20% for missions and 40% for analytical work, compared to the targets of 40% and 60% respectively.

- *Indicator 11: Countries develop sound frameworks for monitoring development results*

This indicator has increased from 5%, or two countries, to 7.5% or three countries. The goal is that 35% of all countries will have sound monitoring frameworks.

- *Indicator 12: Mechanisms for mutual accountability are established at country level*

The goal is that all countries have established mechanisms reviews of partnership commitments, but no increase has taken place in this area between the surveys, indicating some lost momentum for partnership commitments at country level.

Although some challenges remains in achieving the 2010 targets for the Paris Declaration, strong evidence suggest that the two surveys have been instrumental in pushing forwards the commitments agreed in the Paris Declaration at the country level.

### **Preparatory Events for the HLF3**

Leading up to this meeting, four partner country consultations had taken place, under the organisation of the World Bank in Mauritius, Ghana, Honduras and the Philippines. These meetings were organized with a view to elicit as much participation as possible from partner country representatives. In addition, several regional preparatory consultation meetings took place in the six months leading up to the HLF3 in order to:

- Facilitate discussion aimed at building consensus on key matters of critical interest to countries in the respective regions to improve aid effectiveness and development impact;
- Prepare the countries' input to the Roundtable discussions at the

Accra HLF;

- Provide adequate space and opportunity for countries in the respective regions to discuss and provide input into the Accra Agenda for Action.

The OECD Development Assistance Committee also asked that international partners collaborate to highlight capacity development as a priority theme for HLF3. For this purpose, a workshop was organized in Bonn, Germany as a forum for representatives from both South and North to vet their opinions openly on the importance of capacity development as a priority theme for the Accra High Level Forum. It had a twofold objective:

**“For Accra”:** to derive a series of key messages for the relevant Accra Roundtables and for the Accra Agenda for Action (AAA).

**“And Beyond”:** to reflect on post Accra action through 2010/11 and the longer term vision and strategic direction that may eventually tackle some of the fundamental governance, institutional and policy constraints to capacity.

### **Involvement of Civil Society**

An important aspect of this High Level Forum was the involvement of civil society organizations, both during the preparatory stage and during the HLF3 itself. The Advisory Group on Civil Society and Aid Effectiveness, which was created by the Working Party on Aid Effectiveness at the OECD-DAC Secretariat, undertook a process to explore the roles of civil society in development and the applicability of the Paris Declaration to improving CSO aid effectiveness under the leadership of Canada. The Advisory Group also made recommendations to the Working Party during the preparations for the High Level Forum in Accra, Ghana.

On occasion of the HLF3, an unprecedented 700 representatives of civil society organizations gathered in Accra, Ghana. Immediately preceding the HLF, an Accra CSO Parallel Forum took place with more than 700 participants from 80 countries. Among these CSOs, 80 representatives were official delegates with full right to participate and intervene in the official HLF. The Parallel CSO Forum identified key issues and specific undertakings of importance to be stressed during the negotiations for the Accra Agenda for Action. These included:

- Development effectiveness as the measure of aid effectiveness, with new indicators by 2010 to measure aid effectiveness in terms of international human rights standards, gender equality, decent work and sustainable development;
- Country ownership as *democratic* ownership, with citizens and parliaments fully engaged in debating and setting development priorities for the alignment of aid to country priorities;
- Time-bound specific targets for the maximum and flexible use of developing country systems, with multiple-year rolling aid

(Continued on page 4)

- resource commitments, increasing country level predictability of aid;
- Significant reduction in the burden of policy conditionality by 2010;
- An ambitious target for demand-led technical assistance by 2010;
- Elimination of tied aid by 2010, including food aid and technical assistance; and
- Agreement and implementation of new international standards of transparency by 2009, which include access to timely information by beneficiary populations, and independent aid monitoring as the basis for mutual accountability.

Also prior to the HLF, the Accra Women's international Forum took place with more than 250 women's rights organizations, gender advocates and experts from all the regions of the world present. In addition, the International Trade Union Confederation (ITUC) held a preparatory meeting where approximately 50 trade unionists, mostly from developing countries, met.

### HLF3

The Third High Level meeting in Accra consisted on three complementary segments:

*The Market Place of Ideas* offered a visual and interactive setting for 136 participating countries and organizations to share their success in implementing the goals of the Paris Declaration. It took place at the Accra International Conference Center (AICC) and was on display throughout the course of the Accra HLF. Within the marketplace setting, a "Speaker's Corner" was in place throughout the forum giving participants a chance to engage in presentations and discussions in front of the posters with the authors themselves.

Nine half day *Roundtable Meetings*, which built on the work of international working groups, provided participants at the High Level Forum with an opportunity for HLF in-depth discussions to facilitate and support work on aid effectiveness. They were on the following themes:

1. Country ownership;
2. Alignment: use of country systems, untying aid, aid predictability;
3. Harmonization: rationalizing aid delivery, complementarity, division of labor;
4. Managing for development results;
5. Mutual accountability;
6. The role of civil society organizations in advancing aid effectiveness;

7. Aid effectiveness in fragile states and conflict situations;
8. Sectoral application of the Paris Declaration: health, education, environment, agriculture, infrastructure;
9. Implications of the new aid architecture for aid effectiveness: South-South partners, vertical funds.

The discussions and recommendations then fed into the third segment of the HLF, i.e. the **Ministerial-Level Meeting**. These high-level discussions and negotiation around key issues, culminated in the endorsement of a ministerial statement - the Accra Agenda for Action - that deepens implementation of the Paris Declaration.

### Accra Agenda for Action

The Accra Agenda for Action (AAA), which was the results of the broad-based process of dialogue at both country and international levels described above, was endorsed by Ministers and agency heads to deepen implementation of the Paris Declaration and respond to emerging aid effectiveness issues. The AAA acknowledged that progress has been done, but not enough, and therefore called for action to accelerate progress on aid effectiveness. Developing countries committed to take control of their own futures, donors to co-ordinate better amongst themselves, and both parties to the Agenda have pledged to account to each other and their citizens. Key points agreed include:

- **Predictability:** Donors will provide 3-5 year forward information on their planned aid to partner countries.
- **Country Systems:** Partner country systems will be used to deliver aid as the first option, rather than donor systems.
- **Conditionality:** Donors will switch from reliance on prescriptive conditions about how and when aid money is spent to conditions based on the developing country's own development objectives.
- **Untying:** Donors will relax restrictions that prevent developing countries from buying the goods and services they need from whomever and wherever they can get the best quality at the lowest price.

### What the Accra Agenda for Action means for Parliaments

Through the endorsement of the AAA, signatory countries have committed increasing the role of Parliaments in achieving aid effectiveness in several areas.

In relation to country ownership, the AAA states that: *“Developing country governments will take stronger leadership of their own development policies, and engage with their parliaments and citizens in shaping them. Donors will support them by respecting country priorities, investing in their human resources and institutions, making greater use of their systems to deliver aid, and increasing the predictability of aid”.*



In relation to achieving development results, the need to openly accounting for them is stressed. The AAA also states that: “We will be accountable to each other and to our respective parliaments governing for these outcomes”.

The need to broaden the country-level policy dialogue on development is also highlighted. The signatory countries committed to the following:

*“We will engage in open and inclusive dialogue on development policies. We acknowledge the critical role and responsibility of parliaments in ensuring country ownership of development processes. To further this objective we will take the following actions:*

- a) *Developing country governments will work more closely with parliaments and local authorities in preparing, implementing and monitoring national development policies and plans. They will also engage with civil society organisations (CSOs).*
- b) *Donors will support efforts to increase the capacity of all development actors—parliaments, central and local governments, CSOs, research institutes, media and the private sector—to take an active role in dialogue on development policy and on the role of aid in contributing to countries’ development objectives.*
- c) *Developing countries and donors will ensure that their respective development policies and programmes are designed and implemented in ways consistent with their agreed international commitments on gender equality, human rights, disability and environmental sustainability.”*

The Accra Agenda for Action hence takes a step further than the Paris Declaration to strengthen Parliament’s role in achieving aid effectiveness. This is an acknowledgement of the role Parliaments need to play in strengthening governance, building domestic accountability and improving development performance. Although Parliaments’ role in the implementation and the monitoring of the Paris Declaration was increased somewhat prior to the High Level Forum in Accra, this role has still been marginal to date. Members of Parliament in signatory countries now have to ensure that the commitments from the Paris Declaration and the Accra Agenda for Action are respected by their respective government, as well as donor countries, by exercising their oversight role over the effective implementation of these declarations.

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## Recent training activities by the African Parliamentary Poverty Reduction Network (APRN)

By Petra Andersson, Program Officer Africa, PC Ottawa and Issifu Lampo, Budget and Governance Advisor, PC Africa

### Training on budgetary oversight for parliamentarians and parliamentary staff

Since 2006, the Parliamentary Centre has offered training on budgetary oversight to the Members of Parliaments and parliamentary staff of both Anglophone and Francophone APRN member countries with positive effects. The training program called “Financial Oversight Function of Parliamentarians: Tools and Mechanisms for Optimum Government Budget Analysis” covers the following areas:

- Understanding National Budgets;
- Role of Parliamentarians in the Budget Process;
- The Revenue Side of the Budget;
- National Budgets and the Millennium Development Goals (MDGs);
- Analyzing Government Budget Statements: How Pro-Poor should a Budget be?;
- Analyzing Gender Equity in Budget Statements: Key Issues; and
- HIV/AIDS and the Budget.

In 2008, three trainings on budgetary oversight took place. The March 3-7, 2008 training for MPs and staff from Nigeria, Malawi, Tanzania, Sudan and Uganda was reported on in our previous APRN Newsletter. June 23-27, 2008, the fourth training of its kind took place in Accra, Ghana. It attracted the largest number of participants yet, with seventeen MPs and seven parliamentary staff from Kenya, Nigerian, Rwanda, Zambia and Liberia. The rich tapestry of participants with a vast array of parliamentary experience ranging from Senators to Committee Clerks from the aforementioned countries ensured a fruitful and productive workshop. The World Bank Institute (WBI), which has supported the Centre in its parliamentary training efforts over the years, was very supportive during at this training. Apart from funding the Liberian participants, Dr Rick Stapenhurst of the WBI made a presentation whose focus was on the role of Parliamentary Committees and the Budget Office.

August 11-15, 2008, the second training on budgetary oversight for Francophone countries took place in Accra, Ghana. Eleven Members of Parliament and five parliamentary staff from Benin, Burkina Faso, Niger and Senegal participated in the training, which was conducted by two consultants working very closely with the Parliamentary Centre, namely Paul Ouedraogo and Adam Soulé, the latter being a former MP from Benin. In addition, this training saw the participation of Lisa von Trapp from WBI, who also held a presentation on the role and importance of Legislative Budget Offices.



Participants from Benin, Burkina Faso, Niger and Senegal during the August 2008 training

The first budgetary oversight training in 2009 took place March 16-20, with 11 Members of Parliament and 5 committee staff participating from Ghana, Kenya, Nigeria and Tanzania. This training saw the additions of two training units, i.e. the Revenue side of the budget, which had been requested by participants at a previous training, and HIV/AIDS and the budget.



Participants from Ghana, Kenya, Nigeria and Tanzania during the March 2009 training

All training activities on budgetary oversight also include a field visit near by Accra, in order to observe the impacts of government funded programs and meet with various service providers or beneficiaries of these programs, as to provide a tool for parliamentary oversight, and also to share experiences in these areas between the various countries the participants represent.



Participants doing group work activities during the June 2008 training

These training workshops have been made possible with funding from the Austrian Development Agency (ADA). During this relatively short period, 75 MPs and 33 parliamentary staff from different countries have benefited from this training program so far. The results thus achieved are beginning to impact positively on the work of parliaments in budget oversight responsibilities in beneficiary countries.

### ***Training for parliamentary staff on the full budget process***

Following several requests from parliamentary staff to develop a training to cater to their specific needs, the Parliamentary Centre developed training material on focusing on their role in the budget process and how they can better assist Members of Parliament in fulfilling their roles during this process.

The training was piloted in two phases in order to properly test the material and allow for comments and input from the participants regarding the relevance and usefulness of the material as well as to identify information gaps and comment on how it can be improved in order to reflect their needs better.

The first phase of the pilot training for parliamentary staff entitled *The Role of Parliamentary Staff and Parliamentary Committees during the Budget Process* took place in Kampala, Uganda September 29-October 3, 2008. The training was planned and delivered in cooperation with the Parliament of Uganda, where several people from their Parliamentary Budget Office helped with the preparations and also delivered training on the role of legislative budget offices. Four committee clerks from Kenya, South Sudan and Zambia respectively and six from Uganda participated in the training. This first phase focused on the various stages of the budget process:

- Introducing the Budget
- Budget Preparation and the Drafting Stage
- The Legislative Stage of the Budget
- Issues to consider in Budget Approval:
- The Budget and the National Development Framework
- The Budget and MDGs
- Pro-poor Budgeting
- Gender Budgeting
- HIV/AIDS and the Budget
- Budget Implementation, Monitoring and Control
- Audit and Evaluation
- Role of Parliamentary Committees and Parliamentary Staff in Ensuring Committee Effectiveness
- Introduction to Parliamentary Research
- Effective Tools for Planning, Monitoring and Evaluation
- The Logical Framework Approach
- Participatory Tools for Monitoring and Evaluation
- Transparency, Participation and Outreach
- Information Management and ICT



*Participants from Kenya, South Sudan, Uganda and Zambia during the staff training in Kampala, Uganda*

The second phase of the training took place in Accra, Ghana February 2-6, 2009. All the same participants, except the committee clerks from Zambia who were in the middle of their country's budget process, partook in the training. This phase was focused on equipping the parliamentary staff with tools to better assist MPs and parliamentary committees in their legislative and oversight roles.

This second phase also included a field visit to a local community in central Ghana called Gomoa Fetteh. The objective of the field visit was to conduct a pilot study on community assessment of development issues whereby parliamentary committee staff from Kenya, Uganda and South Sudan would interact with community members and promote dialogue on livelihood issues confronting the community. Through the engagement, the community members had the opportunity to identify key problems faced in the community and assessed the problems relative to performance of service providers and assign scores by using the Community Score Card (CSC) methodology.

Part of the objective with the training was to test the developed training material on the participants in order to get input on its relevance, usefulness and accessibility; the existence of information gaps; and on how to improve it in order to reflect their needs better. During discussions, the participants expressed that the training material did indeed meet many of their needs for information knowledge, and useful suggestions were also made with a view to improving the content of the training manual and the presentations, for example allowing for more time on various practical tools such as LFA, CSC and the Citizen Report Card. They also highlighted several areas where additional focus is needed, for example on revenue mobilization in relation to the budget process; how current issues, such as the ongoing economic meltdown, can affect development; and various templates and tools for record-keeping and report writing.

Another staff training took place May 16-24, 2009. This time, the material from the first and second phase was presented on one occasion instead of two, as it had shown difficult to ensure the availability of all participants on two different occasions. The 18

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participating staff came from Ghana, Nigeria, Rwanda, Tanzania and Zambia. This training saw the addition of the training unit “The revenue side of the budget”. Some of the other training modules were combined during the presentation to be able to cover as much as possible during the eight day training. More time was given to properly learn the practical tools LFA and Community Score Card. The latter was also tested during a field visit to Asempanaye, a farming community located in the Akwapim North District in the Eastern region of Ghana. The purpose of the field visit was to oversee how the government policies on free compulsory and universal basic education was lived up to, as well as the impact of the government capitation grant and its food programs that benefit some communities, but not others, Asempanaye included. The participants were able to meet with various service providers, such as the District School Board representative, the regional MP, several teachers etc. They were also able to meet with the beneficiaries, who were divided into three groups, i.e. adult women, adult men and children and youth during the implementation of the the Community Score Card (CSC) methodology. Each group was able to identify key issues and/or problems in relation to education, and then the results from the scoring was presented to the service providers during a community interface. The service providers were then given an opportunity to respond to these issues and concerns, which gave the community members an opportunity to hear firsthand how the service providers were going to proceed.



Participants from Ghana, Nigeria, Rwanda, Tanzania and Zambia during the May 2009 staff training.

The training was very successful and the next step is to translate the training material to French to enable similar training to take place for Francophone countries.

## Wilton Park Conference - Enhancing the Effectiveness of Parliaments: Challenges and Opportunities

By Issifu Lampo, Budget and Governance Advisor, PC Africa

The 934<sup>th</sup> Wilton Park Conference under the theme “*Enhancing the Effectiveness of Parliaments: Challenges and Opportunities*” was organised in cooperation with the Commonwealth Parliamentary Association (CPA), Department for International Development (DFID), World Bank Institute (WBI) and the Parliamentary Centre (PC). The Conference, which was heavily subscribed with ninety five participants from across the globe, took place October 27<sup>th</sup> to October 30<sup>th</sup>, 2008. Participants ranged from Non-Governmental Organizations, Government Agencies such as USAID, DFID, CIDA, Commonwealth Parliamentary Association (CPA), and Parliamentary Centre (PC). Also represented were Members of Parliament from selected African countries, South Asia, the Caribbean, Latin America and Europe.

PC, with funding from the Austrian Development Agency (ADA), sponsored eight African Members of Parliament from Ghana, Nigeria, Malawi, Zambia, Uganda, Kenya, Rwanda and Tanzania. With increasing recognition of the critical role legislatures play in enhancing and sustaining democracy and good governance, attention has been focused on how best to enhance the effectiveness of legislatures in the discharge of their multidimensional functions. The 934<sup>th</sup> Wilton Park Conference theme was therefore apt in this respect.

Presentations from an array of experts and practitioners in the field of Governance and Parliamentary Strengthening offered a rich menu of information and knowledge. In addition, the participants’ contributions added significant value to the discussions that ensued after each presentation. During the three-day period, Conference (Monday 27-Thursday 30 October 2008), the following ten broad themes on enhancing the effectiveness of parliaments were presented and debated

The following as the broad themes discussed:

- **Promoting Parliamentary Effectiveness: The Current State of Play and the Road Ahead**

The objective of this topic was to set the scene by evaluating the role parliaments in different contexts play, assessing evolving international experience and outlining opportunities/challenges for those involved in parliamentary strengthening. The key questions participants had to address included What accounts for the key differences in parliamentary performance in different contexts? Why some parliaments have become powerful forces for change in particular contexts while others are not? What are the informal and formal political processes which shape the effectiveness of parliaments? To what extent are weaknesses in parliamentary effectiveness susceptible to technical fixes and other types of ‘capacity building’?



- ***Parliaments Strengthening Initiatives: Lessons Learnt and Good Practice***

This topic took stock of emerging lessons and best practices in parliamentary strengthening initiatives from both a donor and a recipient perspective. It also had to consider the implications of the Paris Declaration and the recent Accra High level forum for the relationships between donors, partner governments and parliaments. The issues arising from this topic included What key lessons are to be derived from the last decade or so of parliamentary strengthening programmes? Are parliamentary programmes owned/led by national legislatures? Is donor support effectively co-coordinated? To what extent do parliaments participate in the broader aid dialogue between donors and partner countries? What are the implications of the Accra agenda for the role of parliaments in aid processes? How effective are donors in linking support to parliaments with broader democratic institution-building activities?

- ***Comparative Regional Perspectives on Parliamentary Perspectives (1): Latin America, SE Asia, The Pacific and Middle East***

The key objective was to flesh out the experience of parliaments in different regional contexts in order to better understand the factors which drive/impede parliamentary effectiveness. Some of the issues considered among others include: Are there specific regional stories which can be discerned? Do we have sufficient data on parliamentary performance in different countries/regions which allow for meaningful comparisons? What is the potential for transferring lessons between regions and countries? What roles can and should parliamentary networks play in disseminating best practice between regions/countries?

- ***Comparative Regional Perspectives on Parliamentary Effectiveness (2): Africa***

The principal aim was to understand factors which drive and impede parliamentary reform and effectiveness in the African context and the extent to which parliamentary strengthening initiatives have addressed this. Issues considered here included: Whether there is a distinctive African story which can be discerned? Do we have sufficient data on parliamentary performance in different countries which allow for meaningful comparisons across the Continent? What is the potential for transferring lessons between countries? What roles can and should parliamentary networks play in disseminating best practice between regions/countries?

- ***The Role of Parliaments in Fragile and Conflict Affected State***

The focus was on how to better understand the specific constraints parliaments face in fragile and conflict-affected environment and to draw out key lessons for parliamentary strengthening activities in these contexts. The issues considered for discussion were among others, What is the relationship between parliaments and broader processes of state-building in fragile and conflict-affected environments? What are the opportunities/risks associated with donor support to parliaments in these contexts? Are there successful examples of where parliamentary strengthening has helped to contribute to state and peace building objectives in fragile and conflict-affected contexts?

- ***Parliaments and the Political Context***

The objective was to understand how formal and informal political processes influence the way parliaments operate in different country contexts, and to explore how technical capacity building interventions can be better attuned to political realities. Following this, the session used illustrative case studies to address the political context of parliaments and assess their role in the political system as a whole. The questions addressed under this theme included: What is the role that parliaments play in different political systems? How does the nature of politics influence the way parliamentarians behave? How can donors be more politically-sensitive and astute in the way they support parliaments? What are the incentives that can promote a shift from ethnic, religious or regional-based to issues-based politics? Where are successful examples of such a transformation in the nature of parliamentary politics?

- ***Parliaments and Parliamentary Strengthening-A view from the South and Transition Countries***

Testimonies on parliamentary strengthening efforts from the South was the central focus, the objective was to hear from parliamentarians their perspectives of the main challenges and opportunities facing parliaments in different contexts. And the issues considered included: What are the key constraints that parliaments face in fulfilling their key functions/roles in different contexts? What is the balance between representing constituents, overseeing legislation and drafting legislation in day-to-day work? How do political parties influence the operation of parliaments and the behavior of individual MPs? Does the government welcome parliamentary scrutiny over its activities (e.g. through the budget)? How have donors contributed to (or undermining) parliamentary strengthening initiatives?

- ***The Role of Parliaments in Poverty Reduction and the Promotion of Gender Equality***

The objective was to understand the extent to which parliaments can progress a poverty reduction agenda and represent the interests of the poorest and most marginalized groups, including women, and to identify examples of good practice. The questions discussed included: What factors influence the ability/willingness of parliaments to progress an agenda around poverty reduction or gender equality? What are the key entry points? How can parliaments better represent the societies which they serve? What are the examples of successful initiatives to promote the representation of women and other marginalized groups in parliament? Have these translated into improved policy outcomes for these excluded groups? What are the implications for donors?

- ***Understanding and Engaging with Political Parties***

The aim was to make participants to better understand the role that political parties play in different contexts and draw out lessons learned/best practice from party strengthening initiatives and their links to parliamentary strengthening work. The key questions arising included the following: What is the role that political parties play in different contexts? Do ethnic, religious or regional-based political parties undermine prospects for democratic development

(Continued on page10)

and institution building? Do strong political parties translate into effective parliaments? What has been learnt from donors' work to strengthen political parties? How effective are party-to-party capacity building activities? How can donors better link parliamentary and political party strengthening activities?

- **Parliamentary Benchmarks and Initiatives**

The objective was to gain an appearance of recent developments and initiatives in the parliamentary indicators field and to assess the strengths and weaknesses of different approaches for assessing parliamentary effectiveness. The key questions were: What are the different types of indicators for assessing the effectiveness of parliaments and for evaluating the success of donor interventions? Is it feasible to have universally agreed indicators or do they need to be context-specific? To what extent are donors using recognized indicators to assess the impact of their work? How can greater harmonization be achieved in the indicators field?

### Participants Agree on some key issues

The format of the Conference, which combined plenary sessions with elaborate working group sessions, ensured exhaustive discussions and in-depth analysis of extant issues. A broad consensus was reached on some critical issues. Participants appreciated the fact that well organized political parties are necessary elements for effective parliamentary strengthening process and therefore efforts aimed at enhancing the effectiveness of parliaments should factor in capacity-building for political parties. While recognizing donor support for parliamentary strengthening as critical, concern was also raised about the dangers posed by donor intervention in respect of parliamentary strengthening efforts. It is not always the case that parliamentary reform agenda is led by parliaments/parliamentarians, and this, no doubt, raises serious questions about ownership and legitimacy of a myriad of parliamentary reform agendas in some jurisdictions, including the Africa region.

Even though participants acknowledged the important role capacity building and other technical support efforts play to parliaments, they emphasized the need to look beyond technical fixes and address critical strategic questions in respect to the political environment which was deemed decisive in effective parliamentary strengthening efforts.

For the way forward, participants were encouraged to take the work of parliaments and efforts aimed at enhancing their effectiveness seriously. The building of parliamentary networks, visitations across regions by parliamentarians and other practitioners where ideas could be exchanged and good practices learned will be an important first step.

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The full programme and the official report of the conference can be viewed at [www.wiltonpark.org.uk/themes/governance/pastconference.aspx?confref=WP934](http://www.wiltonpark.org.uk/themes/governance/pastconference.aspx?confref=WP934)

## Engaging Political Parties in Parliamentary Strengthening Initiatives

By Sonja Vojnovic, Director of Operations, PC Ottawa

In October 2008, Wilton Park, in cooperation with the Department for International Development (UK), the World Bank Institute, and the Commonwealth Parliamentary Association, and in association with the Parliamentary Centre and the Westminster Foundation for Democracy, hosted a conference entitled *Enhancing the Effectiveness of Parliaments: Challenges and Opportunities*. The conference brought together donors, practitioners, parliamentarians, and other partners involved in parliamentary strengthening programming. A notable feature of the conference was the participation of eight parliamentarians from Africa, with the express purpose of receiving input from the recipients of technical assistance in these and other countries. Their participation was funded by the Austrian Aid Agency (ADA), through the APRN project implemented by the Parliamentary Centre.

The three-day conference comprised sessions on a number of important themes, including lessons learned and best practices in parliamentary strengthening initiatives; comparative regional perspectives on parliamentary effectiveness; the role of parliaments in fragile and conflict-affected states; parliaments and the political context; the role of parliaments in poverty reduction and the promotion of gender equality; and parliamentary benchmarks and indicators. Additionally, an entire session and working group was dedicated to the theme of engaging political parties in parliamentary strengthening initiatives. This was also an emerging theme throughout the conference.

### Making the Case for Support to Political Parties

There was general agreement among participants that work with parliaments that ignores the political context is work that will not be effective. In this respect, political parties remain an important component of political context in parliamentary democracies. As such, engaging political parties is an important feature of democracy support.

There are compelling arguments to provide support to political parties in emerging and consolidating democracies. Political parties can be seen as a conduit for reducing poverty, and several donors, such as DFID in the UK, focus their work on political parties with the express purpose of reducing poverty, and not just general governance strengthening. In some countries, political parties can also be seen as integral to conflict reduction/resolution and economic development; as such, support to political parties can lead to greater development goals and achievements.

There are also compelling arguments to include political parties in parliamentary strengthening initiatives. For starters, parliament is a political beast, and, with few exceptions, political parties are a predominant feature in most parliaments. Most parliamentarians throughout the globe would agree that his/her leverage to change or affect public policy is higher if he/she is a member of a recognized political party. As such, political parties can and should be viewed



as an integral *input* in the field of parliamentary strengthening. If one is to seek an increase in visible and credible results in the area of parliamentary strengthening, as most donors are rightly demanding, then one must increasingly engage political parties to achieve stated objectives in the field.

Political parties can also be used to strengthen gender equality in emerging democracies. As one participant at the conference suggested, political parties are *gatekeepers* for increasing representation of women in parliament, and in some countries, they are actively challenging parliaments to invent new traditions by addressing systemic inequalities and under-representation of women. In some countries, political parties are taking up this challenge due to the legislation of quotas, which can have both positive and negative effects. In the case of Nigeria, for example, political parties instituted quotas for women as a result of public pressure. However, participants from this country indicated that the practice backfired, as established politicians simply brought in their wives, daughters, and other family relations as party candidates; as a result, there is less support for gender issues by the people at large in this country. However, political parties in other countries have been more successful in strengthening the legitimacy of parliament by increasing the representation of women in parliament. In the case of South Africa, for instance, every other name on most party lists is that of a woman, and, as a result, the Parliament of South Africa includes 30% representation by women. This practice was not instituted by quotas per se, but through the parties themselves, many of which see the value of stronger representation by women.

Most Conference participants acknowledged that political parties can and must be viewed as key governance actors. However, it is their role in the post-election period, rather than the pre-election period, that ties in their work with parliamentary development. Programming partners must ask what skill sets do politicians and party leaders need in the post-election period? Consensus-building, policy development, negotiation, and leadership development emerged as important areas where donors and partners can provide assistance and technical support.

Programming partners must also ask themselves what they are trying to maximize when working with political parties—democracy? Poverty reduction? Political parties themselves? This must be thought through carefully before engaging in this sensitive area of work. Additionally, like in all governance and democratic development programming, the dynamics of the region and particular country must be clearly understood. Political will is also of utmost importance before embarking in this programming.

Despite the merits of political party strengthening, most donors and partners working in the field recognize the sensitivity of this programming stream, and the need to tread carefully. While there is increasing donor agreement about the importance of shaping political incentives, there is a wariness of engaging with political parties on “political” issues, which can be perceived as political engineering. Conference participants acknowledged that ways must be found to work professionally and dispassionately with political parties, and that continued work needs to be done to develop guidelines and safeguards for this important area of democracy support.

### What Steps Can/Should Canada Take?

The Government of Canada, as well as Canadian organizations and actors focusing on international democracy support, are increasingly seeing the value of strengthening political parties in democratic development. In July 2007, the House of Commons Standing Committee on Foreign Affairs and International Development (SCFAID) tabled a report entitled “Advancing Canada’s Role in International Support for Democratic Development.” The Committee’s Report noted that Canada has important value-added experience and expertise in the area of political party development, and specifically recommended developing a role for political parties by creating a Canadian Centre for Multiparty and Parliamentary Democracy.

In its 2 November 2007 response to the SCFAID report, the Government of Canada indicated that the central objective of the Government’s focus in democracy support is to “strengthen democratic processes that give citizens a greater say in the decisions that affect their lives, with a focus on elections, parliaments, independent media, civil society and political parties.” Since then, the Government has been taking steps to actively increase its support to political parties. A notable focus has been on strengthening the role that diplomats play in this area by developing a handbook and training initiatives for diplomats in working with political parties.

### Role for the Parliamentary Centre?

The mission of the Parliamentary Centre \*\* is to assist legislatures in building their capacity as effective democratic institutions and to assist legislators in realizing their potential for parliamentary leadership. The value added of the Parliamentary Centre comes from blending Canadian and comparative international expertise in legislative development with practical, on the ground capacity to deliver client-focused, cost-effective legislative strengthening programs. While the Centre has been focusing its international programming in parliamentary development for over 15 years, it has only more recently begun to expressly target the strengthening of political parties in its programming as well. However, the Centre’s programming in this area takes on a unique approach, in that political party strengthening is targeted towards parties represented in parliament (e.g., caucuses) and the role that they play in making parliament an effective institution.

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\*\* A global leader in the field of parliamentary development, the **Parliamentary Centre** is a Canadian not-for-profit organization devoted to improving the effectiveness of representative assemblies and governance mechanisms in Canada and around the world. Founded in 1968 to strengthen the capacity of Canada’s Parliament, the Centre is now a global agency with projects that support democratic institutions in Asia, Africa, Latin America, Eastern Europe and the Middle East. With a host of in-house and networked associates, the Centre designs, implements and manages programs and projects; conducts and publishes research; and establishes and expands parliamentary networks.

## Constituency Development Fund (CDF), an African Democratic Imperative?

By Issifu Lampo, Budget and Governance Advisor, PC Africa

In recent years Africa has been witnessing the burgeoning of fledging democratic institutions, notable among these is the mushrooming of democratically elected National Assemblies/Parliaments. This healthy development in the democratization process across the political landscape in Africa has had a catalytic effect on the quality of representation where citizens at the grassroots are becoming increasingly assertive and conscious of their entitlements in regard to the provision of constituency services. Elected representatives across Africa, faced with increased citizens' demands by their constituents for the provision of constituency services, including the provision of basic social amenities, have been grappling with ways to meet these challenges.

The most significant measure adopted by some legislatures in Africa is the establishment of the 'Constituency Development Funds' (CDFs). Constituency Development Funds (CDFs) are funds allocated by central government to Members of Parliament to help execute development projects in their constituencies. The funds are a direct transfer of budgeted funds from central government to parliamentary districts for financing of local development. Making the case for CDFs, its proponents contend that African legislatures are under intense pressure to provide constituency service, and their reelection depends on the extent to which they are able to deliver services to their constituents. Consequently, MPs are on a never-ending quest for funds to support visits back to their constituencies to provide support for their local communities in the form of public goods. The pursuit of cash is time-consuming and cuts into hours that could otherwise be devoted to legislation and oversight. It also renders legislators vulnerable to the enticements of executive patronage, which hinders lawmakers' legislative independence.

This state of affairs has come about as a result of the centralized nature of the governance system, where the decision-making process is top-down. There is little prospect with citizens at the local level influencing policy decisions which will inure to their benefit. Decisions about the distribution of development projects are often taken at the top political echelon, often lopsided and skewed in favour of the elites in society.

Kenya has the most developed and well structured Constituency Development Fund in Africa. The fund was established in 2003 through the CDF Act in the Kenya Gazette Supplement No. 107 (Act No. 11) of 9<sup>th</sup> January 2004. The main aim is to control imbalances in regional development by granting the program a minimum of 2.5 percent of the national revenue for each financial year. 70% of the fund is allocated amongst all 210 constituencies. The remaining 30% is allocated as per constituency poverty levels. Kenya is said to have disbursed an amount of US\$656, 000 per constituency in 2006 and 2007. This is doubtless a colossal amount that could be used to construct classrooms, health clinics,

water systems and other infrastructure in rural communities.

There are several rules that govern the utilization of the CDF. However, to ensure transparency and accountability, decisions over utilization of the funds are primarily made by constituents. \*\* Essentially, the CDF provides individuals at the grassroots level the opportunity to make expenditure choices that maximize their welfare in line with needs and preferences. The CDF can therefore be considered a decentralization scheme that provides communities with the opportunity to make spending decision that maximize social welfare.

Although the CDF takes a relatively small amount of national resources, i.e. 2.5 percent of government's ordinary revenue collected every year, its impact can be significant if the funds are efficiently utilized. Because communities are involved directly in the disbursement of funds, it stimulates local involvement in development projects, and as a result constituents have more information about projects funded under this program.

Here follows some worthy examples of how CDFs were utilized to make significant impact on the lives of constituents in the Tigania West Constituency in Kenya. The Member of Parliament for the constituency in 2003, Hon. Dr. Kilemi Mwiria embarked on developing a sustainable development plan with the Constituency Development Fund.

Key projects executed under the CDF in the Tigania West Constituency include the following:

### Rehabilitation of existing facilities

Hon. Dr. Mwiria and the Constituency Development Planning Committee focused on building, renovating and equipping primary and secondary schools in the constituency, the Meru Institute for Science and technology and the Kianjai Village Polytechnics Through CDF, in total 36 new classrooms have been constructed and other school infrastructure rehabilitated (22 primary schools, 10 secondary schools, and 4 polytechnics)

### Information Technology

To ensure that schools in the constituency benefit from the ICT revolution, schools including St. Lukes, Akiithi Girls, Athwana and St. Cyprian have been provided with 20 computers each for their computer laboratories. Efforts have also been made through the Fund to expand secondary school opportunity. The MP initiated a project of promoting day and boarding schools in the constituency. As a result several secondary schools have been built since 2003. They include, Miathene, Muchuune, Mituntu Girls, Nchooro, Thinyaine, among others. This initiative is aimed at making secondary school affordable to the students from poor families by reducing the financial boarding expenses. As a result, the transition from primary to secondary has risen from approximately 30% in 2003 to 60% in 2006.

The CDF in Uganda came about as a result of meetings between the Presidency and Members of the 7<sup>th</sup> Parliament and the subsequent Presidential pledge to MPs. It was intended to relieve them of the pressures of their constituents in regard to the promised and other



development projects. The CDF was a sum of money distributed on an annual basis intended to be used by the MPs in regard to those development projects. Unlike Kenya, where there is an elaborate legal framework guiding the use of CDF, in Uganda there is no such legal framework. The legal framework in Kenya is premised on a policy that individual MPs have no direct access to the CDF funds. The MPs only participate with their constituencies to identify the projects to be funded by and amount set for the CDF during a particular financial year. Both the MPs and the constituents participate in monitoring the implementation of the projects under the CDF. In Kenya, the CDF is governed by the Constituencies Development Fund Act, 2003, and the Constituencies Development Fund Regulations, 2004. Both Act and Regulations provide for structures for the prudent governance and administration of the CDF.

Information available on the Uganda CDF highlights the following key points:

- That every MP has to establish a Committee of 5 people composed of him/herself as the Chairperson, a Secretary, a Treasurer and two other members for the purpose of handling this money;
- That the money would be released to the individual MP and the responsibility of accountability to the Accounting Officer (Clerk to Parliament) would tie with the MP;
- That the money for the Financial Year 2005/2006 would be accounted for within 6 months while that of subsequent years would be accounted for within one year;
- That the funds would only be used on activities that directly increase household incomes and productivity; on interventions that can trigger rapid rural transformation and economic development; and on agro-processing and marketing of produce in the respective constituencies; and
- That the money would not be used on development of infrastructure projects already under Local Government initiatives or Central Government programmes or projects; and on political and /or religious activities.

The Parliamentary Commission, on 11<sup>th</sup> October 2005, appointed a Committee of seven MPs and the Clerk to Parliament to formulate the interim guidelines/procedures for the disbursement and accountability of the CDF for the Financial Year 2005/2006. Guidelines worked out by the committee include the following:

The first disbursement of CDF money was sent to individual MPs accounts by the Clerk in November 2005. There is yet precious little evidence to point to the impact CDFs has made in Uganda.

This has however not diminished the attractiveness of CDFs to Parliamentarians in other African countries, including Tanzania, Zambia and Malawi, where CDFs were established in 2007. A variation of this funding mechanism has also been established in Ghana, where 5 percent of the Regional Development Fund is set aside for reallocation to each parliamentary constituency within the

region in question. Most legislators in Ghana regard this as woefully inadequate and are asking for upward adjustment.

Doubtlessly, the Constituency Development Fund as a novel concept seems to be gaining grounds among parliamentarians in quite a number of jurisdictions in Africa.

In addition to advancing the welfare of the people through community projects as exemplified in the Tigania West Constituency in Kenya, CDF has a salutary effect on participation, which is itself pivotal to empowerment of communities. It is not surprising therefore to find citizens' assessment of the CDFs in Kenya to be generally positive. Significantly, there are also tales of gross abuse of CDFs in Kenya, conflict of interest issues and other challenges associated with the utilization of CDFs.

Even though the CDF concept seem seductive and appealing to quite a number of parliamentarians in as far as meeting the demands of their constituents, this representation function of MPs should not in any way compromise the other critical functions of oversight and lawmaking.

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\*\* Funding per constituency is fairly uniform but some allowance is made for poverty levels so that higher poverty areas receive slightly more resources. There are also some restrictions such as limits on the share of funds that go to a particular type of project.

For more on Tigania West Constituency –Development Updates, please visit [www.tigania.com/development\\_updates.asp](http://www.tigania.com/development_updates.asp)



## The Parliament of Uganda and the Budget Process

By Hon. William Okecho, Member of Parliament, Parliament of Uganda, Former Chairperson of the Budget Committee and Member of APRN Executive Committee

### Introduction

Parliaments contribute to the promotion of good governance and democracy. Its role in overseeing, supervising or monitoring the work of the Executive enhances the key pre-requisites for good governance and accountability.

The Parliament of Uganda as a whole is mandated to legislate, to appropriate resources of national budgets and to oversee the functions of the executive in general and to monitor all expenditure of public funds as per Article 164 (3) of the Constitution of Uganda.

It is important to note that budgets are central to the development processes of nations and should therefore not only be looked at as tools for collecting and allocating financial resources, but also as powerful instruments for shaping the future of nations in ways that either advance or retard economic, social and political processes.

Budgets should thus move a step further from being just mere statements of receipts (revenue) and payments (expenditure) to instruments of growth and development. Public revenue and spending procedures should promote efficiency and equity. It promotes efficiency by correcting the various failures that arise from the market, and promotes equity through improvements in the distribution of economic welfare. Whereas the efficiency component can, to a large extent, be left to the technocrats who design public priorities, the equity requirement calls for involvement of all the stakeholders, even if, through representation or delegated authority.

These are some of the reasons why it was deemed necessary to carefully regulate the process of budget formulation, preparation, implementation and evaluation, through the enactment of a relevant law. The need to make the budget process effective led Parliament to enact the Budget Act in 2001. The Budget Act originated from a private members bill.

### Parliament Increased Role during Budget Process

Prior to the enactment of the Budget Act, Parliament did not play an active role in the budget-making process, although the Constitution requires Parliament to pass the budget. Parliament received untimely and scanty information and was never able to scrutinize the budget fully. The time available to Parliament between the reading and passing of the budget was never enough and Parliament had no opportunity to participate in the drawing of policies and programmes that affect the budget and the economy.

The Budget Act effectively amended the previous budget cycle by giving Parliament the opportunity to effectively participate in the budget process early and continuously.

Whilst individual Members of Parliament can participate in the budget process prior to the budget speech, the critical intervention

of Parliament in the budget process as enshrined in the Budget Act, 2001 starts with the formal presentation of the preliminary indicative budget estimates by the 1<sup>st</sup> of April.

The activities involved in the Parliamentary Budget Approval process can generally be summarized as follows:

- Submission of indicative preliminary estimates to Parliament:** By April 1, Parliament receives the preliminary estimates of revenue and expenditure for discussion. These preliminary estimates include economic assumptions and projections upon which the proposed budget will be realized.
- Macro Economic plans for 3 years:** Parliament receives the Macro Economic Plan and mandates the Budget Committee and the Sessional Committees to debate and comment on it in their respective areas of jurisdiction. Sessional Committees' comments are then debated and form part of the Budget Committee report to the Parliament. This ensures consistency in planning, policy formulation and priority setting.
- Comments on the Preliminary Budget Proposals and Macro Economic Plans:** By the 25<sup>th</sup> of April, all Sessional Committees make reports to the Budget Committee, commenting on the budgets of the sectors that fall under them. The Budget Committee, after scrutinizing these reports, then submits (through the Speaker) its recommendations to H.E the President.
- Budget Speech:** At the end of all the consultations and when all the necessary decisions have been made on resource availability from donors and government, resource allocation and expenditure priorities, the Minister of Finance will deliver the Budget speech by June 15<sup>th</sup>. The Minister also prepares the appropriate documents, such as the Background to the Budget (BTTB).
- National Debt Statement:** Parliament also receives the National Debt Statement and the Budget Committee and the respective Sessional Committees review the statement to ascertain debt utilization and repayment schedules.
- Review of Ministerial Policy Statements:** After the Budget Speech, each Minister submits a report to Parliament reflecting specific data on value for money and the extent of achievements of the objective targets on money received. These policy statements are then reviewed by the relevant Sectoral Committee and the Committee reports are thereafter presented to the floor of the House for debate.
- Appropriations Bill:** The appropriations Bill is then prepared by the Executive and passed by Parliament after the policy statements have been reviewed.
- Monitoring Budget Implementation:** Parliament is mandated (article 164 (3) of the Constitution) to monitor all expenditures of public funds. This activity involves looking at the financial



releases and their timing, receiving and debating reports on appropriations in aid, exemption on taxes, supplementary requests, quarterly budget performance reports, and loan and grants reports. Budget monitoring also involves carrying out field visits to meet the local government administrators, inspect ongoing development projects and also hold public hearings.

### Remaining Challenges for Parliament in the Budget Process

While Parliament as a legislative arm of Government has a key role of ensuring a sound budget system, it is constrained by numerous factors:

- **Quantum of work:** Since government policy and budget statements are presented in various forms and volumes, Parliament is always challenged with enhancing its institutional capabilities in order to scrutinize such voluminous technical documents.
- **Legislation:** The Constitution does not empower Parliament to propose measures which would impose a cost to the Consolidated Fund unless they are first introduced by the Executive and thus, it only has the powers to refuse to approve the Budget by the Executive.
- **Contradictions:** While the Public Finance and Accountability Act 2003 (section 156) and the Budget Act 2001 (section 12) constrain Government from spending over and above the amount appropriated without the approval of Parliament, the Constitution (article 152 (2)) permits the spending (supplementary expenditures) and reporting to Parliament within four months after the money is spent.
- **Limited scope for influence:** The MTEF and decentralization of spending to Local Government based on specific grants allocation formulae reduces the potential for MPs to lobby for additional resources for certain sectors and their focus has shifted towards approving sector ceilings and/or allocations, and to a limited extent to ensure that funds reach the intended beneficiaries and that projects are properly implemented.
- **Non-binding recommendations:** Most recommendations and resolutions made by Parliament do not have a legal enforcement; hence they alone are not binding on the Executive. They are taken as advisory they may or may not be taken into account.
- **Rationality in resource allocations:** The budget process is essentially a political rather than a technocratic matter; hence politicians ultimately make decisions on resource allocation in order to build “political capital”. Rationality is ideal, but the politics of decision-making at all levels is real and is a binding constraint. It is possible to have increased attention to poverty in the political rhetoric, while commitments remain flimsy.

### The Establishment of a Budget Committee

The implementation of the Budget Act 2001, commenced in July 2001 purposely to effect Article 155 of the Constitution by setting definite milestones for sharing vital budgetary information among the various stakeholders in the budget process. The importance of the Budget Act is to increase transparency and accountability in the budget process by mandating early and continuous involvement of Parliament at all stages of the budgetary process. This Act assigns roles and responsibilities to each actor/stakeholder who deals in a consultative and participatory manner.

The Budget Act created the Budget Committee; a Standing Committee of Parliament with Chairpersons of other parliamentary committees as ex-officio members. The main focus of the Budget Committee is to consider macroeconomic plans and programs, the national budget and budget related matters.

The Budget Committee considers:

- Preliminary budget estimates and the macroeconomic plan and programmes;
- The national budget and refers amendments to relevant committees;
- Other functions assigned by Parliament or any other laws.

The Budget Committee in particular is responsible for monitoring the budgetary actions of Government ministries and departments, including Local Governments and Parastatal bodies that derive funding from Government have consolidated funds. The Budget implementation function is carried out by the Executive arm of Government, which is led by H.E. the President, and comprises Ministers and Departments. The Ministries and Departments comprise of technical officers (public servants) who are headed by Permanent Secretaries who serve as accounting officers. Any questions or issues on the Budget by Parliament are directed to the Ministers of relevant ministries or departments.

The Budget Committee operates in a similar manner like all other Committees of Parliament, whose brief highlight of roles and responsibilities are outlined below:

- Committees do carry out the most intensive and extensive oversight functions of Parliament using bills, reports and special inquiries that are referred to them by the House.
- Committees do report back to the House, and further general and detailed debates follow in the entire House the bills/reports are approved by Parliament
- Committees enjoy the Power of the Court to summon any person to appear before it as a witness, to quiz or probe anybody and receive petitions on the subjects under their consideration, from any person and member of the society.
- Committees are empowered to commission research and engage experts on the subjects to assist them to establish credible information.
- A committee of the House may initiate any Bill within its are of competence

- The deliberations of the Committees of the Business and Welfare, and meetings are conducted in the open (with the exception of when the committee has decided to conduct business in camera) and attendance is extended to non-members.
- The subjects that attract great public interest and therefore Parliament oversight are those relating to prioritization and implementation of government policies, pledges and programmes, audit reports and how public funds are spent, conduct of members of the executive (i.e. the President, Ministers and the civil servants). Questions of equity, fairness and matters of fundamental freedoms and human rights and corruption are key concerns of the Committees.
- In carrying out its responsibilities, the Committee may review literature, sermon witnesses, carry out on-spot visits, convene public hearings, commission research and surveys into specific areas or employ technical people who are experts in specific subjects. Areas requiring such interventions are reports of funds failing to reach beneficiaries, existence of “ghost” students, teachers, schools soldiers etc., “air supply, shoddy works, undue competitions and outright corruption and embezzlement of public funds.

## Some of the Key Challenges Faced by the Budget Committee

Although the Constitution mandates Parliament to monitor all the public funds; financial resources to undertake this task are not usually provided. In that case, Parliament and subsequently (the Budget Committee) may continue to rely on Government structures for tracking budgetary resources.

Parliament is challenged with a limitation of access to some data, such as the classified expenditures of the defence sector. For example, until last financial year, the Auditor General was not allowed to audit the classified expenditure of the army.

## The Parliamentary Budget Office

The Parliamentary Budget Office (PBO) is a department of the Parliamentary Commission, also born by the Budget Act, 2001.

PBO was established, with the objective of creating technical capacity within Parliament to interpret National Budget/Economic data and to provide Parliament and its Committees with objective, timely and independent analysis needed for national economic and budgetary legislative decisions. The role of the Budget Office is to provide technical support for Parliament to effectively deal with the massive information and data involved arising from the implementation of the Act.

The goal of the PBO is to support Parliament in its role of promoting the rule of law, good governance, accountability and transparency within Government as key ingredients into Uganda’s overall development process. This entails strengthening the system of “checks and balances” in the public fiscal institutions, and in particular to ensure transparency and accountability in the national budget process.

The Mandate of the PBO is derived from sections 20 and 21 of the Budget Act 2001, which set out PBO operations and allows it to carry out several functions as part of the implementation of the Act, specifically:

- Section 20 of the Budget Act 2001 sets up the PBO with staff who are budget and economic experts; and
- Section 21 further sets out functions of PBO in accordance with the proper implementation of the Budget Act.

While the main function of the PBO is to support Parliament to increase transparency and accountability in the national budget process, specifically the functions of the PBO as enshrined in the Budget Act 2001, include but are not limited to:

- Providing budget-related information to all Committees in relation to their jurisdiction;
- Submitting reports on but not limited to economic forecasts, budget projections, and options of reducing the budget deficit;
- Identifying and recommending on Bills that provide an increase or decrease in revenue and the budget;
- Preparing analytic studies of specific subjects such as financial risks posed by Government sponsored enterprises and financial policy; and
- Generally advising Parliament and its Committees on the

## Objective of the Parliamentary Budget Office

The objectives of the PBO for the medium term include, but are limited to:

- To ensure that provisions of the Budget Act 2001 are sufficiently implemented and complied with.
- To establish a mechanism for the Parliament and its committees to have timely access to budgetary data and information.
- To strengthen the link between the Civil Society and Parliament on budgetary issues with a view to reinforce and improve consultations and civil debate on the national budget. The link should gradually act as means to ensure that the budget reflects the wishes and aspirations of civil society and the general public.
- To provide a non-partisan critique to the Executive’s revenue and expenditure proposals and their economic assumptions. This will assist Parliament in developing alternative forecasts and appropriate policy options to the Executive’s proposals.
- To produce reports on spending patterns of Government programmes for a multi-year period, which enables Parliament to analyze Ministerial Policy statements. This helps in examining and assessing the relative proportions of budgetary allocations within and across various sectors in line with national objectives and goals.
- To produce quarterly reports for Parliament, summarizing the economic data and trends, in order to advise Parliament and its Committees on their budget oversight responsibilities.



- To examine and assess performance measurement indicators for Government programmes for ensuring efficiency and effectiveness.
- To design and carry out analytical and policy studies on matters of public interest and concern.

**Challenges Faced by the Parliamentary Budget Office**

Despite the numerous responsibilities bestowed on the PBO by the Budget Act 2001, there are still some challenges faced by the PBO in executing its duties:

- **Insufficient information:** in some cases, the PBO is not able to receive independent information and data from Ministries, the Central Bank, the Revenue Collection body or the Bureau of Statistics. The proposal to have IT connectivity with these institutions and the Ministry of Finance was not implemented due to financial constraints.
- **Bureaucracy:** The bureaucracy within the administration of Parliament slows down the work of PBO. Release of funds for the PBO activities is sometimes not as timely as would be necessary.

All in all, despite the several challenges faced by PBO, Parliament as a whole, and the Budget Committee in particular, have recorded several benefits over the last six financial years.

- There has been tremendous improvement in the capacity of MPs in scrutinizing the budget proposals;
- The quality of budget debates in Parliament is high;
- The Budget Act has provided Parliament with an opportunity to analyze and recommend alternative policy options to Government before the Budget is passed;

- Parliament has a significant role in setting of priorities for Government expenditure;
- The Budget Act has to a great extent reduced the time Parliament takes to pass the Budget. During the time the Act has been in place, the budget has been passed by the 31<sup>st</sup> of August each financial year;
- There has been improvement in the quality and content of reports from the Government and from Committees to Parliament; and
- The timetable for exchanging vital budgetary information between the Executive and the Legislature has to a large extent been adhered to.

**Conclusion**

In conclusion, the importance of parliamentary oversight functions cannot be overemphasised. Parliament plays a critical role in good governance by ensuring that state institutions are accountable, by representing the population at the highest level of government, and by helping formulate and enact policies and legislation. More specifically, the Budget Committee and Office play part in helping Parliament’s role in curbing corruption by exercising efficient resource application and utilization. Moreover, the Members of Parliament (as the people’s representatives, majority of whom are poor), should always strive to promote pro-poor budgeting. In order to promote pro-poor budgeting, Parliament should have a mechanism of establishing the needs and concerns of the poor and the vulnerable in place, as to ensure that these needs remain a priority in the entire budget making process.

**Resources for Parliamentary Strengthening**

One of the Parliamentary Centre’s main focus areas is to develop knowledge tools for Members of Parliament, and for parliamentary staff that support them. The goal is to assist them in strengthening their capacity to carry out their legislative, oversight and representative functions in a way that engender good governance, values of accountability, transparency and participation. Several of these tools have been developed with financing from the Austrian Development Agency (ADA), in particular the training material that is being used in our various training activities for MPs and staff.

However, the Parliamentary Centre has also developed knowledge material in cooperation with the World Bank Institute (WBI), as part of their Parliamentary Strengthening Program. This is an excellent resource for MPs and parliamentary staff, as well as others interested in parliamentary development. WBI also offers regular e-learning courses on the various learning modules. The Parliamentary Centre has been directly involved in the development of the learning course on Parliamentary Committees. In the near future, an additional learning course on Parliaments and HIV/AIDS, developed by the Parliamentary Centre, will be published on the WBI learning site.

For more information on WBI’s Professional Development Programs for Parliamentarians and Staff, please visit: [www.parliamentarystrengthening.org](http://www.parliamentarystrengthening.org)

Additional resources available from the Parliamentary Centre can be found at [www.parlcent.ca](http://www.parlcent.ca) or [www.aprnetwork.org](http://www.aprnetwork.org).



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## Links and Resources

### Paris Declaration and Accra Agenda for Action:

#### OECD Development Assistance Committee - Better Aid series:

- *Managing Aid: Practices of DAC Member Countries (2009)*
- *Managing Development Resources: The Use of Country Systems in Public Financial Management*
- *Aid Effectiveness: A Progress Report on the Implementation of the Paris Declaration*
- *2008 Survey on Monitoring the Paris Declaration: Making Aid more Effective by 2010*

[www.oecd.org/document/16/0,3343,en\\_2649\\_33721\\_41726352\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/16/0,3343,en_2649_33721_41726352_1_1_1_1,00.html)

[www.oecd.org/topic/0,3373,en\\_2649\\_15577209\\_1\\_1\\_1\\_1\\_37413,00.html](http://www.oecd.org/topic/0,3373,en_2649_15577209_1_1_1_1_37413,00.html)

#### Accra High Level Forum

[www.accrahlhf.net](http://www.accrahlhf.net)

#### Aid Harmonization & Alignment

[www.aidharmonization.org](http://www.aidharmonization.org)

#### The Reality of Aid

[www.realityofaid.org](http://www.realityofaid.org)

### Legislative Budget Offices:

#### Uganda Parliamentary Budget office

[www.parliament.go.ug/index.php?option=com\\_content&task=view&id=31&Itemid=93](http://www.parliament.go.ug/index.php?option=com_content&task=view&id=31&Itemid=93)

#### WBI Seminar on Legislative Budget Offices:

<http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPROGRAMS/PSGLP/0,,contentMDK:21840650~isCURL:Y~menuPK:461615~pagePK:64156158~piPK:64152884~theSitePK:461606,00.html>

WBI (2008), *Sourcebook on Legislative Budget Offices*

WBI (2008), *Legislative Oversight and Budgeting*

### Parliamentary Strengthening:

#### WBI Professional Development Programs for Parliamentarians and Staff

[www.parliamentarystrengthening.org](http://www.parliamentarystrengthening.org)

#### Wilton Park

[www.wiltonpark.org.uk/themes/governance/pastconference.aspx?confref=WP934](http://www.wiltonpark.org.uk/themes/governance/pastconference.aspx?confref=WP934)