

REPORT: TRAINING ON BUDGETARY OVERSIGHT

“Financial Oversight Function of Parliamentarians: Tools and Mechanisms for Optimum Government Budget Analysis”

Accra, March 3-7, 2008

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, within the context of democratic sub Saharan African countries, in the poverty and development discourse.

With support from the Austrian Development Agency, the Canadian Parliamentary Centre (PC) organized a training workshop on the theme “*Financial Oversight Function of Parliamentarians: Tools and Mechanisms for Optimum Government Budget Analysis*”. The training program was held at the newly inaugurated Learning and Resource Unit of the PC in Accra, Ghana March 3-7, 2008. Independence Day of Ghana fell on the third day of training. Therefore the training was reduced to four days instead of the usual five days. This was the third Anglophone training taking place within this program, which is estimated to continue with funding from ADA until 2011.

2. OBJECTIVES

The objectives of the training workshop were to:

- Strengthen capacity of parliamentarians to perform their financial oversight functions; and
- Equip parliamentarians with tools with which to analyze government budgets particularly identifying pro-poor and gender equity programs.

3. WORKSHOP SUMMARY

Participants (see Annex A) from Nigeria, Malawi, Tanzania, Sudan and Uganda came together during the training workshop to learn and share experiences. Of the seventeen participants, five or 29% were female.

Before the program started, the participants expressed their expectation of the training. The essence of this exercise was to collect views of participants with the view to help improve programme design and delivery. For this workshop, the views expressed by participants were largely in tune with the modules presented.

The following were some of the participants' expectations:

- Acquire practical skills necessary for pro-poor budget analysis
- To become conversant with the budget cycle and get a better understanding of the critical role MPs play in the budget process
- Understand how the MDGs and other pro-poor development frameworks are integrated into national budgets
- Understand Gender Budgeting and Gender Analysis
- Get a better grasp of how a *Budget Office* operates, for instance, in supporting pro-poor budgeting.

The program (see Annex B) specifically contained:

- **Understanding National Budgets**
 - *What is a budget?*
 - *Budget Functions: Political, Economic, Legal*
 - *Actors and activities*
 - *The Budget Cycle*
 - *Monitoring, Evaluation and Accountability*
 - *Principles of good budgeting*
 - *Budget Overview: a typical budget*
- **Role of Parliamentarians in the Budget Process**
 - *Functions of Parliament*
 - *The Budget Cycle (recap)*
 - *Executive-Legislative Relations in the Budget Process*
 - *Ensuring Budget Compliance*
 - *Factors Shaping Legislative Roles in the Budget Process: Rules; Constitutional Framework; Civil Society Outreach*
 - *Role of Parliamentary Committees*
- **The Role of Legislative Budget Offices** (presented by WBI)
 - *Parliamentary Strategies for Better Engagement in the Budget Process*
 - *A Nonpartisan, Independent, Objective Analytical Budget Office*
 - *Potential Value*

- *Core Functions*
- *Fundamental Characteristics*
- *Examples: Ugandan experience; Nigerian efforts*
- **National Budgets and the Millennium Development Goals (MDGs)**
 - *What are the MDGs?*
 - *Progress made so far*
 - *Why MDGs and national budgets*
 - *Policy direction for optimum budget impact*
 - *Assessment of MDG considerations in national budgets*
- **Analyzing Government Budget Statements: How Pro-Poor Should a Budget Be?**
 - *What is pro-poor growth?*
 - *Elements of pro-poor economic policy initiatives*
 - *Measurement of pro-poor growth*
 - *What makes growth pro-poor*
 - *Indicators of pro-poor budgets*
 - *Pro-poor initiatives: National Budgets versus Poverty Reduction Strategies (PRSPs)*
 - *Are pro-poor policies sufficient?*
- **Analyzing Gender Equity in Budget Statements: Key Issues**
 - *Definition/historical perspective*
 - *Gender Analysis*
 - *MDGs and Gender Issues*
 - *Gender considerations in National Budgets*
 - *Why Gender Responsive Budgets*
 - *Gender Budgeting and Budget Reform*
 - *Role of Parliaments in Gender Budgeting*
 - *Gender issues in national Budgets*
 - *Review of National Gender Policies*
 - *Implementation Challenges*

The training modules were presented by Dr. Rasheed Draman, Director Africa Program, Issifu Lampo, Budget and Governance Advisor, and Marilyn Aniwa, In-country Coordinator and Gender expert. An additional module on *the Role of Legislative Budget Offices* was added to the program. It was presented by Mitchell O'Brien from the World Bank Institute (WBI), who participated in the full week of training as part of our ongoing collaboration with the WBI. Practical group work followed each presentation, which had been carefully tailored to address the presentations made. The participants were divided into two groups where all countries were represented. The budgets from Ghana and South Africa were used to allow for a practical use and analysis during the group works. The specific themes were:

- Principles of Good Budgeting;
- The Budget as an Economic, Political and Legal Tool;

- The Functions of and the Role Parliament in the Different Stages of the Budget Process;
- How the Budget is linked to the MDGs and if the Budget is used as a tool to achieve the MDGs;
- Pro-Poor Policy Initiatives in National Budgets; and
- Gender Consideration in the Budget.

The participants appreciated these exercises very much and showed true dedication during discussions and presentations. It was expressed that these practical exercises linked directly to the presentations made as well as the opportunity to share experiences from their respective countries during these group discussions, added great value and increased the ability to understand the various aspects of the budget process.

The training took place at the Parliamentary Centre's new Training and Research Unit, which is also the new location for the new Learning Centre. The official inauguration of this Centre took place during the week of training. Representatives from the Public Accounts Committee of Ghana were present as well as the Auditor General, representatives from CIDA, DFID and USAID among others. The Centre was officially opened by a representative from the Speaker of Parliament's office, as the Speaker himself could not be present.

Part of the Program was also a scheduled visit to the Parliament of Ghana. The participants received a presentation about the history of the Ghanaian Parliament, its composition and some of the parliamentary procedures. The Parliament was not sitting during the visit, but the Chief Whip of the governing party NPP was present during the presentation so the participants were able to get direct answers to their questions from a fellow MP.

Training activities took place during three and a half days instead of normally four and a half, partly due to the inauguration of the Centre, but mostly because March 6th was Independence Day in Ghana and no training activities took place that day. We were instead invited to partake in the celebrations at Independence Square, followed by a garden party at President John Kofi Agyekum Kufuor's statehouse. The delegation was also fortunate to meet former President Kwame Nkrumah's daughter Samia Nkrumah, who joined us at the memorial site of her father (and mother) for a photo opportunity for the delegation.

4. FIELD VISIT

In order to give a practical meaning to the theoretical issues of tracking expenditure in national budgets, as well as to gain a better appreciation and understanding of how accountability and oversight issues in the budget process could be addressed, a field visit was arranged.

The field visit to Ridge Hospital, Accra, Ghana, took place on March 7, 2008. The purpose of the visit, among others, was to afford MPs the opportunity to learn first-hand the lessons being learnt and challenges faced in implementing a key government pro-poor policy (backed by an act of parliament-*The National Health Insurance Scheme*) aimed at providing access to quality health care.

The medical superintendent of Ridge Hospital, Dr. George Acquaye, in his brief, indicated that the Ridge Hospital was established in 1912 and upgraded to a Regional Hospital in 1997, and since then it has become one of the main hospitals catering for patients in the greater Accra area. For instance, the hospital recorded 131, 841 outpatient attendance and 15,273 admissions by December 2007. The top ten cases seen at the OPD include: Malaria, oral condition, acute eye infection, CVA, accidents, pregnancy and related complications, acute ear infection, skin diseases and ulcers and anemia.

The National Health Insurance Scheme (NHIS) was established by an act of Parliament in Ghana September 2003. And by this act, the District Mutual Health Insurance Schemes (DMHIS) were set up to provide health insurance services to members who subscribe to the health care benefit package. The scheme managers work with accredited health facilities to provide health services to their members. Claims of service providers are reimbursed through the submission of claims and the claims management body is responsible for the timely processing of claims.

By the close of December, 2007 Ridge Hospital received 52, 789 insured clients from the Greater Accra Area.

The hospital recruitment policy is gender-sensitive. This came to the fore when Hon. Raymond from Tanzania wanted to know the gender balance of the workforce at the hospital. Out of the hundred plus nurses working in the hospital, only 11 are men. Again, majority of the doctors are also female.

The key issues highlighted during the discussion were *the drug list, criteria for subscription, insurance coverage and issues related with processing claims*. All public servants who contribute to the Social Security and National Insurance Trust (SSNIT) are subscribers to the NHIS. 2.5 % their SSNIT contribution is deducted at source and paid into the NHIS fund. For those in private businesses and have not taken any other personal health insurance cover, they are required to pay a minimum premium of GH¢75.00. And for those who have no means of earning an income and thus referred to as *very poor* in the policy document, they are exempted from premium payment. The criteria for determining who is poor generated lively discussion among the participants. It was noted that the drug list needed to be reviewed because the current drug list excludes common drugs for diseases such as malaria and hypertension. The processing of service providers' claims, according to Dr. Acquaye, leaves much to be desired. These teething problems notwithstanding, MPs expressed the view that the Ghanaian model of the NHIS is good and needed to be replicated in other African countries. Members were particularly impressed about the fact that the insurance package catered for those suffering from HIV/AIDS and covers the poor and vulnerable.

5. EVALUATION OF TRAINING PROGRAM

The evaluation (see ANNEX C) showed that the participants thought the training was very relevant and useful to them in their current functions. It enabled them to achieve new knowledge in all the focus areas of the training, in particular regarding analyzing the budget from a gender and pro-poor perspective as well as in relation to the MDGs. Many expressed the need for an extended training program to allow for more discussions and to address certain problems for a specific country. It was also suggested extending the training to the majority of MPs in various parliaments (in-country training or allowing for bigger groups from one country) as well as providing the training at different locations (regional training workshops). The need for specific training for staff was also expressed. The importance of communicating with the participants both before the training, for example to ask them to bring their respective budgets, as well as a follow-up after the training to see the impact of the training in the select countries was also stressed.

6. CONCLUSIONS

This training on budgetary oversight contributed to develop a shared understanding of national budgets through the presentations and group work exercises. It also enabled the participants to share their country specific experiences and viewpoints. The Budget not only reflects the direction of the economy, but it also includes policy statements of the current Executive that affect the lives of constituents who parliamentarians represent. By increasing the understanding of the budget process and the role parliamentarians should play, MPs will be able to ensure that elements of this policy document will address important gender issues and pro-poor policy initiatives that can improve the lives of the people they represent.

The training on budgetary oversight sets out to reflect an expressed need by MPs and parliamentary staff with regards to parliamentary budgetary oversight. Input from the participant has and will continue to contribute to improving this training program even further. By providing the participants with a complete learning package, we hope that they will continue to further their knowledge and share this knowledge with their fellow parliamentarians in order to better the lives of the poor they represent.