

REPORT: TRAINING ON BUDGETARY OVERSIGHT

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

Accra, September 17-21, 2007

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 five-day training workshop on the theme “*Financial Oversight Function of Parliamentarians: Tools and Mechanisms for Optimum Government Budget Analysis*”. The training program was held at Learning Centre in the APRO office in Accra, Ghana September 17-21, 2007. This was the second 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 Botswana, Ghana and Zambia came together during the training workshop to learn and share experiences. Of the eleven participants, 45% were female. Since the last training, a complete learning package with important background information completing the training modules had been prepared and this information was distributed to the participants upon their arrival. The participants also received a compilation of background documentation relating to the budget process, poverty reduction and good governance to enable them to further their knowledge.

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*
- **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 program reflected the first training on budgetary oversight which took place in December, 2006. The various training modules were presented by Dr. Rasheed Draman, Director Afriac Programs, and Issifu Lampo, Budget and Governance Advisor. 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;
- Gender Consideration in the Budget;
- How the Budget is linked to the MDGs and if the Budget is used as a tool to achieve the MDGs; and
- Pro-Poor Policy Initiatives in National Budgets.

The participants appreciated these exercises very much and showed true dedication during discussions and presentations. Many of them were newly elected MPs and had not yet been part of the budget process in their respective countries. They expressed their gratitude to be given the necessary tools to analyze the budget while keeping the poor in their constituencies in mind.

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. It focused on the Capitation Grants to Basic Schools provided by the Ghana Education Service. The grants were introduced by the Government in 2005-2006 to enable increased enrolment in schools as part of their program to provide Free Compulsory Universal Basic Education (FCUBE) and its purpose is to replace school

levies, in particular in deprived areas. The field study started with a visit to the Ministry of Education, where the delegation received an interesting and very frank presentation on the education system and the grants from *Charles Otto (do you have the correct name/spelling, Issifu?)*, the financial controller at the Ministry. The presentation showed that much progress had been made and the grants had had the intended effect of increasing enrollment rates, where deprived areas were in focus. The program had also benefited girls in particular, as their education had not been prioritized to the same extent by some families when funding was an issue. The challenges this program faced were also presented, such as increased enrollment leading to there not being enough qualified teachers, class rooms, textbooks and various school materials etc., which the Ministry also tries to address. There is still a lot of misconceptions about the grants, i.e. how they are calculated, how they should be used and how to access the funds, but we were told that they are trying to develop comprehensive guidelines and make the systems more effective as the program unfolds.

This presentation was followed by visit to a school arranged by the Ministry, where the principal explained the processes put in place for them to access the grant and report back to the Ministry. This was to show the overall system put in place for the monitoring and accountability of the grants, as well as from the beneficiaries' point of view and some of the challenges they face. It became apparent that the management system put in place posed some challenges, as it can appear as bureaucratic, time consuming and inflexible, which many of the participants from the training workshop also pointed out during the question period. Their concern was that too much time was taken away from important teaching time. The Parliamentary Centre had initially arranged for another visit to a different school, but due to time constraints, this visit unfortunately had to be cancelled.

The final part of the field visit was a visit to the Parliament of Ghana, where the participants received a presentation about the Parliament and some of the parliamentary procedures. The Parliament was not in session at the time of the visit, but since Ghana was one of the participating countries, the other participants were able to get direct input from the present MPs and parliamentary assistant.

5. EVALUATION OF TRAINING PROGRAM

The evaluation (se 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 pro-poor perspective. Many expressed the need for an extended training program to allow for more discussions (or better time management) as well as extending the training to the majority of MPs in various parliaments (in-country training and even at district levels). The need for specific training for staff was also expressed.

6. CONCLUSIONS

This five-day training 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.