

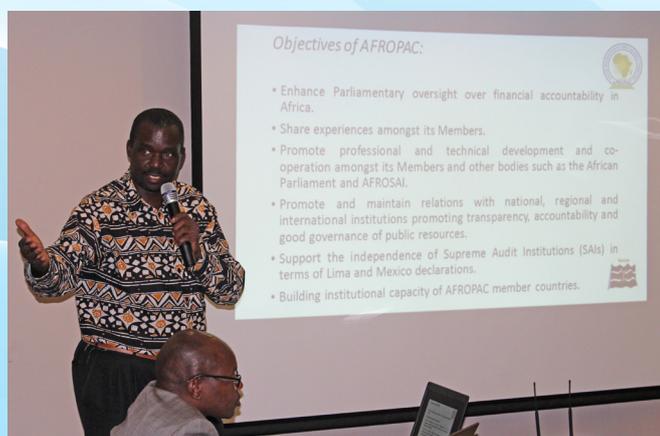
Good Financial Governance in Africa

Promoting transparent and responsible use of public finances in Africa

The role of parliaments in supervising the budget: Between perfection and reality

A key task of parliament is to oversee the state budget implementation. Parliamentary oversight is a crucial pillar for creating credibility in budgeting and in holding governments accountable for the results. The mandates of public accounts committees (PACs) and committees with similar responsibilities are mainly to investigate budget decisions, and to follow up questions such as: What amount of money should go to the education sector? How much should be spent to support small or big businesses? Was the money spent as planned and with the expected results? If not, did the change of plan follow transparent procedures?

Ideally, such questions are discussed in public and decisions are made in a transparent way. Thereby, budget transparency is enhanced and allocation of financial resources is done effectively. In cooperation with the external audit institutions, parliamentarians responsible for budget processes can promote credibility with regard to public spending. Unfortunately, the realities of budget control and oversight by parliaments are often far from perfect. In general, parliamentary committees in African countries suffer from a lack of commitment, technical capacities, and financial means, which hinder coherent legislative oversight over the budget cycle.



Hon Nicolas Gumbo, Secretary-General of AFROPAC, delivers a presentation to other African networks during a workshop held in Pretoria in June 2016. (Photo © GIZ)

Democratic accountability and budget control: Identifying challenges for decision making

The main institutions dealing with Legislative Oversight are specialised committees, such as finance and budget committees and PACs. These committees need support structures inside parliament, as well as assistance in the form of appropriate external institutions, to optimally use their political influence and fulfil their oversight role, as provided by the constitution. The work of the portfolio committees can be strengthened by applying parliamentary tools that increase transparency, accountability and compliance in public finance management (PFM) systems.

Understaffing and a lack of resources to bring in external expertise can pose a challenge for many parliaments in Africa. In addition, the African context is particularly complex when it comes to Illicit Financial Flows (IFFs). Although IFFs are not only an African problem, the resulting loss of revenue is especially harmful to the economic development of African countries.

Highly qualified and experienced experts on legislative budget processes are key in parliamentary decision making. The work of GIZ's Good Financial Governance (GFG) in Africa programme is to support and strengthen pan-African networks that are striving for democratic legislative budget control over finances in order to make executive decisions more transparent, manageable and efficient.

Cooperation and exchange: How networks can make a difference

The roles and functions of legislatures in Africa differ from one country to another, with functions and processes linked to political and administrative traditions and chosen reform paths. They all have their strengths and weaknesses. This influences envisaged capacity development strategies, but it also means that African parliaments can learn from each other with regard to applying broader approaches to hold governments to account. Pan-African networks are crucial for highlighting the differences of national parliaments, thereby paving the way for knowledge exchange and transfer between countries and regions. At the same time they serve as platforms for discussion on matters of

Guardians of Democratic Accountability



Africa-wide importance and can help parliamentarians to raise a common voice.

In 2016, GIZ's GFG in Africa programme published an overview study that compares the parliamentary budget supervision of thirteen Anglophone and thirteen Francophone African countries. The publication, *Guardians of Democratic Accountability: The Role of Anglophone and Francophone African Parliaments in Supervising the Budget*, summarises contrasting institutional traditions, settings and experiences, and identifies the most important areas that require reform and change in order to improve budget oversight.

The programme aims at building the technical capacities of parliamentary budget specialists by supporting networking and peer learning. GIZ has been cooperating with the networks of PACs of Southern and Eastern Africa since 2009. It supported these organisations in the development of manuals, advanced training and peer learning events.

This work is currently being continued with an Africa-wide focus in cooperation with continental network structures and a broader stakeholder group, including all forms of parliamentary budget oversight committees and their support structures, for

example research departments, committee secretariats and parliamentary budget offices.

A continental perspective: Support to AFROPAC

The GFG in Africa programme provides technical and financial support to the African Organisation of Public Accounts Committees (AFROPAC). It is a pan-African network with the aim of creating structures where the work of parliaments in the field of budget processes can be strengthened and good practices can be exchanged between all African countries.

GIZ supports the organisation to grow into a network that strengthens democratic accountability across Africa. AFROPAC had its second general meeting and conference in Kenya in August 2016. The main theme of the conference was raising awareness on IFFs. Participants, mostly members of parliaments, discussed ways in which African legislators could curb these illicit flows. A lively debate on the topic sensitised all participants to the role of legislative oversight in fighting IFFs.

The conference was followed by the organisation's general meeting, where its constitution was revised. A discussion on AFROPAC's organisational development resulted in a mandate for the organisation to strengthen its secretariat, as well as to identify the needs of the participants, which will be the future services and deliverables of the AFROPAC Action Plan.



Around 160 participants from over 14 African countries, mainly members of parliaments dealing with budget oversight, attended AFROPAC's general meeting and conference in Nairobi, Kenya in August 2016. (Photo © GIZ)

Published by
Deutsche Gesellschaft für Internationale
Zusammenarbeit (GIZ) GmbH
Registered offices Bonn and Eschborn, Germany

Good Financial Governance in Africa Programme

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www.giz.de/en/worldwide/15725.html

On behalf of
The German Federal Ministry for Economic Cooperation and
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Layout
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As at
November 2016

GIZ is responsible for the content of this publication.



Implemented by:

