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TWELFTH PARLIAMENT
SECOND SESSION

SPECIAL FUNDS ACCOUNTS COMMITTEE

**REPORT OF THE REGIONAL PUBLIC FINANCIAL MANAGEMENT
TRAINING FOR IMPROVED BUDGET OVERSIGHT AND
ACCOUNTABILITY HELD IN ACCRA, GHANA ON
OCTOBER, 22-26, 2018**

Directorate of Committee Services
National Assembly
Parliament of Kenya
NAIROBI

NOVEMBER, 2018

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|---|----|
| Contents | |
| Directorate of Committee Services..... | 1 |
| LIST OF ABBREVIATIONS AND ACRONYMS..... | 3 |
| FOREWORD..... | 4 |
| 1. PREFACE..... | 7 |
| 1.1 Committee Mandate..... | 7 |
| 1.2 Membership..... | 8 |
| 1.3 Secretariat..... | 1 |
| 2. INTRODUCTION..... | 2 |
| 2.1 Objectives of the training..... | 2 |
| 2.2 The African Organisation of Public Accounts Committees (AFROPAC)..... | 3 |
| 2.3 The West Africa Association of Public Accounts Committees (WAAPAC)..... | 4 |
| 3. OPENING REMARKS..... | 5 |
| 4. DELIBERATIONS AND PRESENTATIONS..... | 7 |
| 4.1 Public Finance Management functions and the Budget Cycle..... | 7 |
| 4.2 Public Reforms in West Africa-The role of Parliamentary Budget Oversight..... | 9 |
| 4.3 Illicit Financial Flows and Parliamentary Budget Oversight..... | 10 |
| 4.4 Understanding and assessing Public Finance Management systems: <i>Towards a Public Finance Management Reporting Framework</i> | 13 |
| 4.5 African Parliamentary Systems: Defining Active Role and Contribution of Legislators in Public Finance Management..... | 14 |
| 4.6 Agenda 2030 and the Sustainable Development Goals (SDGs)..... | 15 |
| 5. GENERAL OBSERVATIONS..... | 18 |
| 6. GENERAL RECOMMENDATIONS..... | 19 |

LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|----------|--|
| AFROPAC | African Organization of Public Accounts Committees |
| AG | Auditor General |
| APAC | African Parliamentarians Network Against Corruption |
| CSO | Civil society organisation |
| DSA | Daily Subsistence Allowance |
| EAAPAC | Eastern African Association of Public Accounts Committees |
| ECOWAS | Economic Community of West African States |
| GFG | Good Financial Governance |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH |
| IFF | Illicit Financial Flow |
| MDAs | Ministries, departments and agencies |
| MOF | Ministry of Finance |
| MP | Member of Parliament |
| PAC | Public Accounts Committee |
| PEC | Public Enterprise Committee |
| PFM | Public Financial Management |
| PEFA | Public Expenditure and Financial Accountability |
| SADC | Southern Africa Development Community Organisation |
| SADCOPAC | SADC Organisation of Public Accounts Committees |
| SAI | Supreme Audit Institution |
| SDG | Sustainable Development Goal |
| SMART | Specific, Measurable, Achievable, Results-oriented, Time-bound |
| UEMOA | Union Economic et Monétaire Ouest-Africaine |
| VFM | Value for Money |
| WAAPAC | West Africa Association of Public Accounts Committees |
| WAEMU | West African Economic and Monetary Union |

FOREWORD

Capacity building for Members of the Special Funds Accounts Committee is one of the key activities of the Committee in its work plan for the current financial year 2018/19. To achieve this, the committee has adopted various strategies, amongst them collaboration with regional bodies including African Organization of Public Accounts Committees (AFROPAC), a network of African Public Accounts Committees (PACs) and similar Watchdog Committees in Africa whose objective is establishing networks through advocacy, synergies, capacity building, and research, to ensure accountability and good governance for the well-being of Africa.

The training entitled “Regional Public Financial Management Training for Improved Budget Oversight and Accountability,” took place at the Fiesta Royale Hotel in Accra, Ghana during the week of October 22nd, 2018. It was organised by the African Organisation of Public Accounts Committees (AFROPAC) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in close cooperation with the West Africa Association of Public Accounts Committees (WAAPAC) and the Parliament of the Republic of Ghana.

This training enhanced the capacity of Members of the Committee on budget oversight role and sharing experiences on best practices in Public Financial Management (PFM), both of which are key to effective delivery of Watchdog roles of Committees of Parliament that interact with reports of Supreme Audit Institutions (SAI) or the Auditor-General.

The delegation comprised of the following two Members of the Special Funds Accounts Committee being Hon. Mwambu Mabonga, MP and Hon. Dennitah Ghati, MP. The delegation was also accompanied by Ms. Lucy Kimathi, the Clerk in-charge of the Committee and Mr. Oscar Namulanda, the Clerk in-Charge of the National Assembly’s Public Accounts Committee and also the head of AFROPAC secretariat.

The delegation wishes to extend its appreciation to the Office of the Speaker and the Clerk of the National Assembly for facilitating them to attend the training. In addition, the delegation commends African Organization for Public Accounts Committees and West Africa Association of Public Accounts Committees for organising the training aimed at supporting the Committee in achieving its mandate.

On behalf of the delegation, it is my pleasant duty to present this report to the House pursuant to Standing Order number 199.

Hon. Mwambu Mabonga, MP

Leader of the delegation

EXECUTIVE SUMMARY

This report contains deliberations that took place during the Regional Public Financial Management Training for Improved Budget Oversight and Accountability training that took place at the Fiesta Royale Hotel in Accra, Ghana during the week of October 22nd, 2018.

The five days training was organised by the African Organisation of Public Accounts Committees (AFROPAC) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in close cooperation with the West Africa Association of Public Accounts Committees (WAAPAC) and the Parliament of the Republic of Ghana.

The training targeted members of parliament and clerks from across Africa who serves in Watchdog Committees that scrutinize reports of the Supreme Audit Institutions/ Auditor-General. Arising from presentations and deliberations contained in this report, the Committee observed the important role Parliament plays in the budget making process and the little time given to some legislatures to scrutinize proposals from the executive. The Committee further observed that most countries in the West Africa Association of Public Accounts Committees experience challenges in combating illicit financial flows due to difference in application of various laws in different jurisdictions;

The Committee recommends that the Association of Africa Public Accounts Committee (AFROPAC) should review all legislations in the region with a view to coming up with standard timelines within which scrutiny of budget proposals by the executive should take place in parliament. The Committee further recommends that the West Africa Association of Public Accounts Committee (WAAPAC) should establish an integrated information system at the National level that draws on information from all stakeholders concerned with a view to regulate both National and Multinational companies to comply with tax laws aimed at combating illicit financial flows.

1. PREFACE

The Special Funds Accounts Committee was established in the fifth session of the Eleventh Parliament during the review of the National Assembly's Standing Orders and is amongst the Watchdog Committees of the twelfth Parliament. It plays an oversight role on expenditure of public funds for specific public entities to enhance accountability, adherence to public financial management legal framework and ensure that the public gets value for money.

The Committee executes its mandate on the basis of annual and special audit reports prepared by the Office of the Auditor General.

1.1 Committee Mandate

The Special Funds Accounts Committee is a Select Committee of the House established under Standing Order number 205A of the National Assembly and mandated to examine accounts laid before the House of the National Government Constituencies Development Fund, Equalization Fund, Judiciary Fund, Political Parties Fund and other Funds established by law as the Speaker may direct.

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Chairperson

Hon. William Kamuren Chepkut, M.P.

Vice-Chairperson

Members

Hon. Alfred Agoi Masadia, M.P.

Hon. Dennitah Ghati, M.P.

Hon. Mark Lomunokol, M.P.

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Hon. Esther Passaris, M.P.

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Hon. Mohamed Ali Lokiru, M.P.

Hon. Abdi Koropu Tepo, M.P.

7.3 Secretariat

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Ms. Naserian Kaare
Serjeant-at- Arms

2. INTRODUCTION

2.1 Objectives of the training

The Regional Public Financial Management Training for improved Budget Oversight and Accountability took place at the Fiesta Royale Hotel in Accra, Ghana on October 22-26, 2018. It was organised by the African Organisation of Public Accounts Committees (AFROPAC) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in close cooperation with the West Africa Association of Public Accounts Committees (WAAPAC) and the Parliament of the Republic of Ghana.

This training event was the second in a series of three training events organized under the auspices of AFROPAC with technical and financial support from the GIZ. The first similar training took place in September 17-21, 2018 in Swakopmund, Namibia. The third and final training is scheduled to take on January 21- 25, 2019 in Mombasa, Kenya.

The training was in line AFROPAC strategy to align itself with the Africa Union's Agenda 2063 which is a strategic framework for the socio-economic transformation of the continent over the next 50 years. One of the key aspirations of the AU Agenda 2063 is an Africa of good governance, democracy, respect for human rights, justice and the rule of law. This is in addition to AFROPAC playing a significant role under the United Nation's Sustainable Development Goal 16, which seeks to "Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

The main objective of the training was to enhance capacity of Members of Watchdog Committees with requisite skills on budget oversight and sharing experiences on best practices in Public Financial Management (PFM), both of which are key to effective delivery of the mandates of these Committees of Parliament that interact with reports of Supreme Audit Institutions (SAI) or the Auditor-General to enhance prudence in the use of public resources and holding public officers accountable.

The training was delivered through power point presentations, group discussions, mock sessions and sharing of best practices with focus to public finance management practices and budgetary processes in countries under the West Africa Association of Public Accounts Committees (WAAPAC).

The training focused on the following key areas:

1. The role of legislators in oversight committees, with emphasis on Committees that interact with reports from the Supreme Audit Institutions (SAI) and functions in their systems in regard to the budget cycle and look into structural preconditions for best budget outcomes at various levels and how to promote an active role of legislators;
2. Public Finance Management (PFM) systems and parliamentary oversight, taking into account the involvement of legislators in the parliamentary budget cycle and their function in PFM systems; and
3. Similarities and dissimilarities of contributions to financial scrutiny by the finance, budget and oversight committees of various African parliamentary systems and how transparency, accountability and compliance can be increased in PFM systems; and
4. Integrating Sustainable Development Goals (SDGs) in the budget making process.

2.2 The African Organisation of Public Accounts Committees (AFROPAC)

African Organization of Public Accounts Committees AFROPAC is a Pan-African organization comprising of Public Accounts Committees of African Parliaments which was officially unveiled on 2nd September, 2013 at the Arusha, Tanzania. It creates the necessary tools for common practice by regional Public Accounts Committees (PACS) organizations to strengthen accountability and transparency in the use of public funds by involving elected representatives.

The formation of AFROPAC followed a series of interactions between representatives of PAC regional bodies comprising of Southern Africa Development Community Organisation of Public Accounts Committees (SADCOPAC), West Africa Association of Public Accounts Committees (WAAPAC) and East Africa Association of Public Accounts Committees (EAAPAC). They took note of the need for African Parliaments to pursue common goals, objectives and to create a unified structure for PACs from the entire African continent to share knowledge and experiences and benchmark on best practices to promote accountability, transparency and good financial practices through parliamentary oversight.

The executive Committee of WAAPAC which is the governing body is currently comprised of the following members:

- The Hon. Sen. Edward Dagoseh, MP from Liberia –Chairperson
- The Hon. Angeline Osegge, MP from Uganda - Deputy Chairperson
- The Hon. James Opiyo Wandayi, MP from Kenya - Secretary General
- The Hon. Aleki Menyani , MP from Malawi -DeputySecretary General
- Hon. Omar Suleiman Adam, MP from Tanzania - Treasurer

2.3 The West African Association of Public Accounts Committees (WAAPAC)

West African Association of Public Accounts Committee (WAAPAC) is an autonomous Association of Parliamentary Public Accounts Committees from the ECOWAS states and aims to create a platform for networking with the view of sharing and achieving best practices and where appropriate, harmonizing and standardizing the work of Parliamentary Public Accounts Committees in the West African sub-region. It came into being in February 2009, when participants at a seminar organized by The World Bank Institute (WBI) in partnership with the Commonwealth Parliamentary Association (CPA) and the resolved to have a West –African sub-regional association of PAC.

The Legislatures of Cameroon, The Gambia, Ghana, Nigeria, Liberia and Sierra Leone were represented at this seminar. WAAPAC was born out of the realization that with a common platform for knowledge exchange and peer learning, PACs would be able to build and enhance their capacities to effectively perform their oversight roles.

Since its formation in 2009, WAAPAC has consistently and successfully held an accountability conference each year, bringing together PACs and Supreme Audit Institutions from within the West African sub region and beyond, to learn and share ideas and experiences on best practices in conducting parliamentary oversight over the Executive.

Membership of the Association is open to national Public Accounts Committees or similar Legislative committees scrutinizing public spending and post expenditure accounts in all Economic Community of West African States (ECOWAS) States.

3. OPENING REMARKS

The opening remarks were made by Hon. Angeline Ossege, the vice-chairperson AFROPAC who is also the Chairperson, PAC in the Parliament of Uganda.

She thanked participants for turning up in large numbers to participate in the regional training whose aim was to build capacity of Members and Clerks in PACs on budget oversight and accountability. She appreciated WAAPC executive Committee for enhancing collaboration through organising the such trainings whose main objective was to evaluate performance of PACS through sharing of knowledge and networking which was amongst the strategic objectives of AFROPAC for the year 2018.

She informed participants that AFROPAC had recruited an international trainer and engaged regional trainers to develop and implement Public Financial Management (PFM) training modules for PAC members and staff in three regional PAC networks- WAAPAC, SADCOPAC and EAAPAC. The training activities were being carried out with technical and organizational support from the Good Financial Governance (GFG - GIZ) in Africa program (GIZ).

She further informed participants of a survey which was conducted by AFROPAC in December, 2017 to identify training gaps that need to be addressed while mounting such regional capacity building forums where 45 responses gathered from 20 Countries would form key focus areas to be integrated in all the regional trainings before the next survey.

Hon. Ossege reminded participants of the challenges experienced by Parliaments in holding governments accountable for translating the will of the people into action and meeting their constituencies' expectations, particularly on the Sustainable Development Goals (SDGs) , national and regional development goals and how effective Public financial management (PFM) can help in realising these goals. This would form the main focus of the training particularly on the role of Parliamentary oversight bodies and their actual and potential contributions to ensuring democratic accountability with focus on exchange between countries with different backgrounds and PFM systems.

In her final remarks, Hon. Ossege reiterated on the need to promote an Africa-wide peer exchange on democratic accountability and legislative oversight through cooperation between AFROPAC member states across the continent. This was in context to diverse PFM backgrounds of either Anglophone or Francophone given representatives in all the parliaments share a crucial common goal being to promote the democratic accountability of governments regarding their handling of public finances. She reaffirmed that African states had recognised the importance of democratic accountability in ensuring PFM systems contribute to the African Union's Agenda 2063 which is aimed at strengthening accountable democratic institutions.

4. DELIBERATIONS AND PRESENTATIONS

This section contains deliberations made during the five days training, which comprised of power point presentations, presentations recorded from past trainings, group discussions and sharing of ideas.

4.1 Public Finance Management functions and the Budget Cycle

The presentation was made by Mr. Neil Cole, the Executive Director of Collaborative Africa Budget Reform Initiative (CABRI) which is an inter-governmental organisation that provides a platform for peer learning for African finance and planning ministries.

Mr. Cole informed participants of the importance of the Budget Practices and Procedures (BPP) survey which provides CABRI with an overall picture of the state of budgeting in Africa. He emphasized the importance of availability of comparative information on how budget systems work across the African continent to enrich knowledge exchange. The information contributes to CABRI's PFM Knowledge Hub, through which the organisation builds an evidence base on public finance management in Africa.

He took participants through the BPP survey which was conducted between January and September 2015 where participants were drawn from 23 African countries which included Kenya, Benin, Botswana, Burkina, Côte d'Ivoire, Ghana, Guinea, amongst others. The survey focused on the Legislative budget process, understanding fiscal management practices in Africa, insights into expenditure practices in Africa, the legislatures' challenge in budget making process, probing finance ministry powers and size and managing aid in an environment of data scarcity

The results of the survey indicated that Parliamentary engagement in the budget process is essential in democracies and increasingly being recognised as important for good financial governance. However, the role of legislatures in budgetary governance varies greatly between countries, reflecting different constitutional systems, legal constraints, political factors and budgetary institutions. On time for approving the budget, the survey found out that legislatures require adequate time to scrutinise the budget where the Public Expenditure and Financial Accountability Assessment Framework recommended three months as ideal.

On access to information on the executive's budget proposal, the survey result indicated that there are eight types of budget information considered to be critical for assessing the

executive's budget proposal. They related to among others, the affordability of the budget proposal, the risk associated with the executive's proposals, the degree to which reprioritisation has occurred, and the performance of the programmes being funded in the budget.

On Supreme Audit Institutions (SAIs) as "independent guardian of the public trust", the survey indicated that the reports of SAIs should be published on time to be relevant for the budget cycle. Some SAIs' mandates and work was found to go beyond auditing the public accounts while others conduct audits on the regularity of budget processes and branching into auditing performance information and the performance of budget programmes. While the latter role is not well developed in Africa, some African SAIs were found to be taking up emerging functions of "auditing the cost-effectiveness of individual programmes and assessing the quality of performance accountability and governance frameworks.

Participants noted that the Status Report on Good Financial Governance in Africa, a collaborative effort by CABRI, the African Organization of English-speaking Supreme Audit Institutions (AFROSAI-E) and the African Tax Administration Forum (ATAF) had recognised the importance of functional systems for following up on the findings and recommendations of SAIs. This requires mechanisms managed by the SAI and the legislature to ensure follow up and provide assurance on the implementation status of recommendations

On fiscal reporting, the survey indicated that public availability of reliable, timely information on actual revenue and expenditure is necessary for the public to check governments' fiscal decisions. Regular in-year fiscal reporting to parliament and the public on revenues and expenditures, among other things, is recognised as a principle in IMF Code on Fiscal Transparency.

The findings indicated that eleven of the twenty two countries that answered the question on fiscal reporting in 2015 publish reports monthly. A further six issue quarterly reports while five publish less frequently. Almost all the countries that responded to how much time lapsed after the end of the period to which the report refers, reported that it is available within a month.

4.2 Public Reforms in West Africa-The role of Parliamentary Budget Oversight

The presentation was made by Mr. Ken Ofori-Atta, Minister for Finance in the executive arm of government in Ghana

He reiterated on the Parliament's role in the budget process which depends on a country's institutional configuration and the need for involving the right institutions for an effective supervision of budgetary policy to take place.

He took participants through the budget cycle in Ghana which entails approval by Parliament, implementation by the executive and monitoring and evaluation as the budget undergoes implementation.

During approval of the budget, Parliament puts into consideration aspects such as whether the national and sector plans are aligned with available resources and that budgetary allocations are adequate to meet both Ministries, Departments and Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs) program and activity objectives. This informs whether the budget is reviewed, amended and finally enacted into law.

At implementation stage, the major concern for Parliament is whether budgetary Allocations to implement MDA and MMDA programs and activities are released by the Ministry of Finance on time and in a predictable manner.

The final stage being Monitoring & Evaluation and Reporting to ensure that budget implementation is accounted and assessed for efficiency. This ensures that funds are spent as planned and that they effectively contribute to service delivery.

Mr. Ofori also took participants through Ghana's Public Finance Management cycle which is a highly involving process that is mainly driven by the Ministry of Finance's Budget Division which falls under the Finance Branch of the Ministry of Finance.

The Budget Division advises the Minister of Finance on all matters pertaining to budgeting in Ghana. In addition, it also performs PFM functions of Coordinating technical advice to MDAs and MMDAs about all facets of budgeting; Taking the lead in preparing the Budget Guidelines, national annual expenditure estimates and other important documents that guide stakeholders through the budget cycle; Collaborating with National Development Planning Commission, Controller and Accountant Generals Department, Bank of Ghana, Ghana Audit Service on all matter pertaining to the budget cycle; and Guiding PFM reforms.

He informed participants that the Parliament of Ghana as the national legislative body is the only body which exercises all primary legislative functions, drive policy choices and priorities, approve the budget and oversee budget implementation. The policies and programs that are included in MDA MTDPs, and funded by the budget, may significantly influence the quality of life of the public.

He further informed that Parliament's roles in budgeting is provided in the Constitution of Ghana (1992) which guarantees and defines the Parliament's role in budgeting. It also defines the public's legal right to access public financial information, access public facilities (to attend meetings, hearings, or petition a public servant or parliamentarian), and to participate in political activities.

The informed participants that the Constitution of Ghana also define Parliament's role in budgeting formulation, approval, control and oversight. It also guarantees the public's role in influencing the budgeting process.

Participants noted that Political processes determine how the Parliament, the public and MDAs reach a consensus to resolve differences and ensure the budget reflects the needs and Expectation of the people.

4.3 Direct Financial Flows and Parliamentary Budget Oversight

Participants watched a recorded video clip where Mr. Logan Wort, the Executive Secretary, Africa Tax Administration Forum

Participants were informed that the Africa Tax Administration Forum (ATAF) was established to create a platform to promote and facilitate mutual cooperation among African Tax Administrations and other relevant and interested stakeholders with the aim of improving the efficiency of their tax legislation and administration. It was founded on the understanding that improved tax systems will increase accountability of the State to its citizens, enhance domestic resource mobilisation and thereby foster inclusive economic growth.

It serves as an African network that aims at improving tax systems in Africa through exchanges, knowledge dissemination, capacity development and active contribution to the regional and global tax agenda.

In his presentation, Mr. Wort informed that over the past two decades, illicit financial flows (IFF) had emerged as a key issue for discussion in international taxation and development. This was due to the loss of trillions of resources for public use which had become a matter of major due to the threat to the achievement of the Sustainable Development Goals. As a result IFFs are implicitly mentioned in SDG 16.4 which targets significance reduction of illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organised crime by the year 2030. In addition, SDG 17.1 explicitly calls for the development community to strengthen Domestic Resource Mobilisation with a view to improving domestic capacity for tax and other revenue collection.

He defined Illicit Financial Flows as Money illegally earned, transferred, or used that crosses borders leading to reduction in domestic resources and tax revenue. The money is obtained through illegal acts which include corruption, tax evasion, smuggling and trafficking in minerals, wildlife, drugs, and people. Application of these funds is also illegal, since most of it has been found to finance organized crime.

Participants noted that IFFs pose a huge challenge to political and economic security around the world, particularly to developing countries. Corruption, organized crime, illegal exploitation of natural resources, fraud in international trade and tax evasion are as harmful as the diversion of money from public priorities. In Africa, IFF has led to reduction in funding of poverty-reducing programs and infrastructure and has been identified as one of key development challenge

Mr. Wort informed that IFFs are substantial and growing from a global perspective and that they are inherently difficult to measure given the illegality of the flows and their underlying activities. Despite the difficulty to quantify IFFs, there is widespread agreement that that the amounts involved are significant and growing and that they pose deep problems, particularly in resource-rich countries and fragile and conflict-affected states.

He noted that whilst international initiatives to limit tax evasion and address the proceeds of crime have been ongoing for two decades, these efforts haven't been sufficient to stem IFFs.

He indicated that solutions to addressing IFFs will differ depending on the country context and the underlying activities that result in these outflows. In some cases, actions will involve

preventing criminal activity. In other cases, it may involve identifying and sanctioning serious and substantial illegal tax evasion.

On interventions to curb the vice, Mr. Wort proposed the need for a new and reinvigorated approach with greater coordination and cooperation around key issues and players, including the private sector, governments, international organizations and civil society. He further proposed collaboration on management and regulation of finances, governance and transparency, natural resources, trade, and proactive international cooperation on proceeds of crime and tax.

He further proposed that developed countries need to take the lead on preventing inflows of illicit money, while developing countries must address weaknesses in their legal and regulatory regimes that make them susceptible to the activities that lead to IFFs. He challenged the private sector to create a business environment with fair, clear and transparent tax and trade policies and ensure their tax and trade practices comply with local laws.

On emerging strategies being adopted to curb the vice, Mr. Wolf cited initiatives like *Publish What You Pay* as one of the effective mechanism which could lead to increase transparency around financial arrangements between governments and firms. This is in addition to implementation of “transparency pacts” and other forms of collective action to support ethical conduct around particular transactions.

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He lauded the efforts being made by the private sector in paying close attention to adherence to ethical compliance across all business practices. This included increased legal and market risks connected to being associated with corruption which had spurred firms to establish ethics and compliance programs and ultimately led to compliance in management certification. These interventions by the private sector in collaboration with government were likely to be essential elements of a coordinated effort to address IFFs.

Mr. Wolf challenged the civil society organizations to play as advocates to increase transparency around revenues and expenditures. He also called for interventions by the international community to scale up implementation of an effective and transparent tax and trade policies to address countries and firms that seek to profit from illegal behaviors that undercut national efforts on the fight against IFFs.

4.4 Understanding and assessing Public Finance Management system -: *Towards a Public Finance Management Reporting Framework*

The presentation was made by Mr. Tassilo von Droste zu Hulshoff of Budget Cycles in He defined Public Finance Management (PFM) as how governments collect, spend and manage public resources, and the resulting impacts on the economy and society. It consists of the systems and processes used to develop, approve and execute government budgets, and for making budgets accountable to parliament and the public. These systems and processes determine how government priorities are set, how funds flow, how money is spent and reported on, and what external scrutiny is applied to budget plans and outcomes.

He informed participants that PFM systems vary from country to country though they exist key elements on budget formulation, approval, execution and evaluation which cuts across all PFM systems.

Mr. Hulshoff highlighted on the four ways that functional PFM contributes to effective governance. First, it promotes prudent, sustainable decisions on spending and debt management (fiscal discipline). Secondly, it supports efficient distribution of public resources to best meet the government's strategic objectives (allocative efficiency). Thirdly, it helps the government to produce goods and deliver services at a reasonable cost (operational efficiency). Finally, it promotes transparency and supports the government's accountability to citizens and other stakeholders.

On the need to have effective PFM systems, Mr. Hulshoff stated that poor PFM can prevent governments from achieving their policy objectives, create uncertainty for the private sector, and hamper growth and poverty reduction efforts.

He further stated that unsustainable or volatile spending may cause debt blowouts that limit a government's capacity to pursue its objectives, and make it hard for the private sector to plan and invest for the future. In addition, inefficient resource allocation meant that funds may not go to the top priority policies and most effective programs. He also stated that inefficient spending wastes scarce public resources and can limit the quality and coverage of public services.

Participants noted that dysfunctional PFM, including low levels of transparency and Accountability, also raises the risk of corruption and that countries with sound PFM are better placed to contribute to global economic growth.

He called for legislatures to work towards effective PFM framework which would provide a sound basis for effective and efficient service delivery, fiscal stability and for an environment that is attractive to investment and trade. He added that strengthening PFM may also increase trade opportunities for businesses.

4.5 African Parliamentary Systems: Defining Active Role and Contribution of Legislators in Public Finance Management

The presentation was made by Hon. Emmanuel Kwasi Bedzrah, Member of Parliament in Ghana and Chairman, APNAC -Ghana Chapter

Hon. Kwasi took participants through Parliamentary Oversight role which entails control over the Executive by holding it accountable to its constitutional obligations of ensuring a just and free society through the implementation of cost effective and efficient development plans, policies, annual budgets, programs and projects. He highlighted on the key roles that members of Parliament play, which includes oversight over National Development Plans, scrutiny of Annual Budget and Financial Policy Statements, Consideration of Audit Reports, Loan Agreements & Grants from MDAs, Commissioning of inquiries into matters of public interest, Direct Questioning of Ministers in Parliament and oversight of Quasi-Governmental Public Agencies.

He highlighted on the interface between Parliament and Civil Society Organisations in ensuring effective budgeting during the budget approval process and emphasized on key considerations that legislators need to address while commenting, approving or disapproving the proposals in the budget. They include expected impact of the policies, programs and projects indicated in the proposal, the segments of the population targeted to benefit from the proposed policies, the benefits that will accrue from each proposal and corresponding costs and the impact on the lives of the target group.

He pointed out the superficial and partisan nature of debates in Parliament on key policy proposals which in some case is based on opinions rather than facts and figures. He proposed engagement of experts on the policy issues, consultations with the target population that

would be impacted by the policy proposal and collaboration with the Civil Society Organizations for their input during consideration of such policies.

On budget implementation, Hon.Kwasi raised concern on the lack of capacity, resources and time to research into all the data that is required for effective evaluation of budget targets by parliaments. He stated that although parliament is a potential consumer of evidenced-based monitoring & evaluation data, it suffers from what he termed as “democratic deficit” due to lack of capacity to effectively perform oversight functions.

He called for collaboration between parliaments and the civil society organisations to enhance sharing of information to enhance the capacity on budget evaluation, monitoring which ultimately enhance accountability. He further proposed that civil society organisations need to conduct impact assessment on government policies and programmes and share the findings with Parliament. Such information would be useful in ensuring improvement in the budget process and accountability mechanisms.

4.6 Agenda 2030 and the Sustainable Development Goals (SDGs)

The presentation was made by Paolo de Renzio, Senior Research Fellow, International Budget Partnership

He stated that Sustainable Development Goals (SDGs) which are 17 in number as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. These 17 Goals are holistic approach to sustainable development and are build on the successes of the Millennium Development Goals upon their expiry in the year 2015. The SDGs came into effect from January 2016 and will go all the way to the year 2030

He highlighted on the 17 SDGs have the following with 169 targets and 231 indicators:

1. **End poverty in all its forms and everywhere** where economic growth must be inclusive to provide sustainable jobs and promote equality;
2. **Zero Hunger** where food and agriculture sector offers key solutions for development, and is central for hunger and poverty eradication;
3. **Good Health and Well-Being** by ensuring healthy lives and promoting the well-being for all at all ages;

4. **Quality Education** as the foundation to improving people's lives and sustainable development;
5. **Gender Equality** as a fundamental human right and necessary foundation for a peaceful, prosperous and sustainable world;
6. **Clean Water and Sanitation** which is accessible for all;
7. **Affordable and Clean Energy**;
8. **Decent Work and Economic Growth** which calls for quality work;
9. **Industry, Innovation and Infrastructure** where Investments in infrastructure are crucial to achieving sustainable development.
10. **Reduced Inequalities** where policies should be universal in principle, paying attention to the needs of disadvantaged and marginalized populations;
11. **Sustainable Cities and Communities** which calls for a future in which cities provide opportunities for all, with access to basic services, energy, housing, transportation and more;
12. Responsible Production and Consumption;
13. Climate change action;
14. Life below water;
15. **Life on Land** to Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss;
16. Peace, Justice and Strong to enable institutions access to justice for all, and building effective, accountable institutions at all levels; and
17. Partnerships for the Goals which require Revitalized global partnerships.

Mr. Renzio informed participants that the SDGs are integrated and indivisible hence they mirror our complex realities across the globe and cannot be ranked.

He took participants through the principles of the SDGs which include universality which makes them applicable to all countries in the planet. They also use integrated approach or dimensions of social, economical and geographical making it possible to apply different approaches to achieve them. The other principle is that of 'leave no one behind' since they call for equality and upgrading the marginalised. Being global in nature, the SDGs have a shared responsibility and calls for global partnership. Lastly, the SDGs have accountability framework at all levels from national to regional and globally.

Participants noted that achieving the SDGs requires the partnership of governments, private sector, civil society and citizens alike to make sure that the ultimate goal of leaving a better

planet for future generations is tenable. This is in addition to parliament ensuring that key sectors which contribute to SDGs are allocated adequate resources to achieve the set targets.

5. GENERAL OBSERVATIONS

Arising from the presentations and discussions made during the training, the Committee made the following general observations;

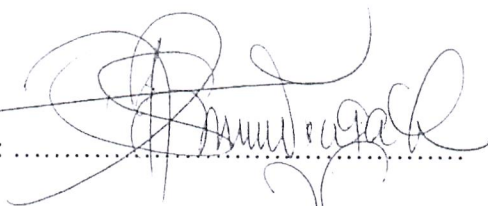
1. Despite the key role that Parliament plays in the budget making process, most legislatures under the West Africa Association of {Public Accounts Committees are given as little as less than one month to scrutinize budget proposals from the executive; and
2. African Countries have been experiencing challenges in combating illicit financial flows due to difference in application of laws in different jurisdictions.

6. GENERAL RECOMMENDATIONS

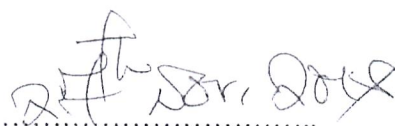
Arising from the observations, the Committee recommends that:

1. The Association of Africa Public Accounts Committee (AFROPAC) should review all legislations in the region with a view to coming up with standard timelines within which scrutiny of budget proposals by the executive should take place in parliament; and
2. The West Africa Association of Public Accounts Committee (WAAPAC) should establish an integrated information system at the National level that draws on information from all stakeholders concerned with a view to regulate both National and Multinational companies to comply with tax laws aimed at combating illicit financial flows.

Signed:



Date:



Hon. Mwambu Mabonga, MP

Leader of the delegation

