Parliament and the Budgetary Process, Including from a Gender Perspective

*Regional Seminar for English-Speaking African Parliaments*

22–24 May 2000, Nairobi (Kenya)

"The participation of elected representatives of the people in the budgeting process is necessary, as it will ensure that national resources are distributed fairly and equitably."

His Excellency Daniel arap Moi, The President of the Republic of Kenya
Parliament and the Budgetary Process, Including from a Gender Perspective
Foreword

There is much more in a national budget than figures and estimates of expenditure. In all countries around the world, the budget bill is the most important document put before parliament in the year. The budget expresses the general policies of the Government and states its precise intentions in every field. It conveys a vision of society and of the way in which the Government intends to respond to the needs of all its layers and components. Explicitly or implicitly it is built on a given approach to gender issues and more often than not highlights a lack of sensitivity to the fact that society is composed of men and women, boys and girls, who provide equally valuable input and outcomes, even when they can be different.

In Constitutions, parliament is embodied with a crucial role in the budgetary process. Yet, in practice, for want of means and access to information, parliaments and their members find it difficult to have a real impact on the process in its three crucial phases - preparation, reading in parliament and control.

With the Nairobi regional seminar on "Parliament and the budgetary process, including from a gender perspective", the Inter-Parliamentary Union has broken new ground in attempting to help parliaments and their members to become more effective in accomplishing this crucial part of their constitutional mission. At the kind invitation of the Kenyan National Assembly, during three intensive days, some 120 participants from 17 English-speaking African Parliaments shared their views and experiences on the respective roles and functions of Government and Parliament in the budgetary process and paid special attention to ways in which a gender perspective in the budget may in fact highlight incomes that are usually "invisible" or neglected.

Clearly, this activity falls within IPU's efforts to promote democracy, transparent and accountable governance and, in that context, partnership between men and women in all fields. It is part of a long-term strategy aimed at empowering parliaments and their members with regard to one aspect of their mission which is crucial to society's well-being. The seminar also planted the seeds for further such events in other parts of the world.

It is hoped that the Key Issues and Guidelines which emerged from the seminar will serve MPs and parliamentary staff in Africa and in the English speaking world as a vital reference tool. But beyond that immediate purpose, and even if they require some fine-tuning on the occasion of similar seminars involving parliaments with different backgrounds and budgetary cultures, the Guidelines will provide the foundation for comprehensive and representative information which the IPU intends to present in a Handbook for Parliamentarians on the National Budget - a practical tool aimed at strengthening the role of parliamentarians and parliamentary staff in the budgetary process. The Nairobi Key Issues and Guidelines will therefore serve as one of the key elements in the Handbook's preparation.

The present publication is a recapitulation of what transpired during the Nairobi seminar: it contains the various speeches made at the inaugural ceremony, the texts of the presentations made by resource persons, the summary report of the proceedings by the President of the seminar, quotes from the debates, the Nairobi Declaration (adopted by consensus) and the Key Issues and Guidelines already mentioned.

The IPU would like to express its appreciation and thanks to the United Nations Development Programme (UNDP) for its unfailing support as the seminar was funded under the IPU/UNDP Parliamentary Support Programme. It would also like to thank the United Nations Fund for Women (UNIFEM) and the Commonwealth Parliamentary Association (CPA) for their input and guidance in the organisation of this seminar.
A special tribute should also be paid to the resource persons for their invaluable intellectual contribution to the proceedings and, last but not least, to the Kenyan National Assembly for its kind hospitality.

Anders B. Johnsson
Secretary General
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# Programme of the Seminar

Parliament and the Budgetary Process, Including from a Gender Perspective

## Monday, 22 May 2000

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<td>Opening</td>
<td>Inaugural ceremony</td>
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<td>11.00</td>
<td><strong>Joint session for Members of Parliament and Parliamentary Staff</strong></td>
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<tr>
<td>11.15</td>
<td>Parliament and the budgetary process</td>
<td>Mr. Colin Eglin</td>
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<td>12.45</td>
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<td>14.00</td>
<td>The budget: purpose, composition and terminology</td>
<td>Mr. J.H. Mensah</td>
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<td>15.30</td>
<td>Gender perspective on the national budget</td>
<td>Dr. Marilyn Waring</td>
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## Tuesday, 23 May 2000

### Session for Members of Parliament

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<tr>
<td>9.00</td>
<td>The respective roles of Government and Parliament in the budget process</td>
<td>Mr. Colin Eglin</td>
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<td>11.15</td>
<td>Accountability and transparency in the budget process:</td>
<td>Mr. Colin Eglin</td>
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<td>12.30</td>
<td>Parliamentary oversight of the budget</td>
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<td>14.00</td>
<td>Accountability and transparency in the budget process - The National Audit</td>
<td>Mr. J. H. Mensah</td>
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<td>15.30</td>
<td>Gender impact analysis of the budget</td>
<td>Dr. Marilyn Waring/Dr. Mbaye Diouf</td>
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### Session for the Parliamentary Staff

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<tr>
<td>9.00</td>
<td>Gender impact analysis of the budget</td>
<td>Dr. Marilyn Waring</td>
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<td>11.15</td>
<td>Gender impact analysis of the budget</td>
<td>Dr. Marilyn Waring</td>
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<td>14.00</td>
<td>Mechanisms and methods for developing a gender-sensitive budget:</td>
<td>Dr. Marylin Waring</td>
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<td>16.00</td>
<td>The respective roles of Government and Parliament in the budget process</td>
<td>Mr. Colin Eglin</td>
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### Session for Members of Parliament

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<td>9.00 – 11.00</td>
<td>Gender impact analysis of the budget</td>
<td>Dr. Marilyn Waring/Dr. Mbaye Diouf</td>
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<td>11.15 - 12.30</td>
<td>Mechanisms and methods for improving Parliament's role in the budgetary process and developing a gender-sensitive budget</td>
<td>Mr. Colin Eglin/ Dr. Marilyn Waring/ Dr. Mbaye Diouf</td>
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<tr>
<td>14.00</td>
<td>General assessment of the Seminar by participating Members of Parliament</td>
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<td>9.00 – 11.00</td>
<td>Accountability and transparency in the budget process: Parliamentary oversight of the budget</td>
<td>Mr. Colin Eglin</td>
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<td>11.15 - 12.30</td>
<td>Accountability and transparency in the budget process: The National Audit</td>
<td>Mr. J.H. Mensah</td>
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<tr>
<td>14.00</td>
<td>General assessment of the Seminar by participating Parliamentary Staff</td>
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### Closure

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<td>15.00</td>
<td>Presentation of summing-up of the Seminar</td>
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Officials of the Seminar

Parliament and the Budgetary Process, Including from a Gender Perspective

President of the Seminar

Honourable Francis X. ole Kaparo, EGH., MP
Speaker of the National Assembly of Kenya

Vice-Presidents of the Seminar (Leaders of all delegations)


Acting Presidents assisting the President in chairing the Seminar

Hon. Rev. Peter Kaleso, Malawi; Hon. Kandy Nehova, Namibia; Hon. Sanusi Daggash, Nigeria; Hon. (Ms) B. P. Sonjica, South Africa, Hon. Cyril E. Ndebele, Zimbabwe

Chair of the parallel session for the parliamentary staff

Mr. Samuel W. Ndindiri,
Clerk of the Kenya National Assembly, Secretary General

Acting chairpersons assisting the Chair of the parallel session for the Parliamentary Staff

Ms. Liliane Bruce-Lyle, Ghana; Mr. Ollium M. Phiri, Malawi; Mr. Stanley Simaata, Namibia; Mr. Yemi Ogunyomi, Nigeria; Mr. H.E. Phiri, Zambia

Resource Persons
Dr. Mbaye Diouf, Director, Eastern Africa Sub-Regional Development Center, United Nations Economic Commission for Africa
Mr. Colin Eglin, Member of Parliament, South Africa
Mr. J.H. Mensah, Member of Parliament, Ghana
Dr. Marilyn Waring, Associate Professor, Department of Policy and Social Work, Massey University, New Zealand
Key Issues and Guidelines

The following key issues and guidelines, emerged from the Inter-Parliamentary Union’s Seminar on "Parliament and the budgetary process, including from a gender perspective" held in Nairobi (Kenya) from 22 to 24 May 2000. They have been identified for future reference and are applicable more specifically in the English-speaking African context.

The national budget

- The national budget is not just a technical instrument compiling income and expenditure. It is the most important policy statement made by the Executive in the course of the year. It reflects the fundamental values underlying national policy. It outlines the government’s views of the socio-economic state of the nation. It is a declaration of the government’s fiscal, financial and economic objectives and reflects its social and economic priorities. It also reflects the level of gender sensitivity of government policy. The budget further provides a valuable measure of the government’s future intentions and past performance.

- The budget is a critically important document in ensuring transparency, accountability, comprehensiveness and good governance. By providing a detailed description of proposed expenditure, it allows Parliament and the general public to “know where the money goes” and thus increases transparency. In addition, the budget requires approval by Parliament before the government can spend money or raise revenue, making ministers accountable to Parliament and its committees. Finally, it provides a regulating and disciplining framework within which government departments must be managed and must perform their functions.

- Transparency and accountability should be constitutional requirements, especially with regard to the national budgetary process. Together with transparency in the entire budgetary process, accountability is at the very heart of democracy.

The budgetary process – Respective roles of Parliament and the Executive

- The budgetary process includes three main phases: formulation of the budget; reading and adoption of the budget; execution and oversight.

- The second phase is the one that directly involves the exclusive mandate of Parliament whereas responsibility for drawing up the budget and carrying out the programmes in accordance therewith lies mainly with the Executive, although Parliament is responsible for the policy choices and priorities which should inform the Budget and for overseeing its implementation.

- As far as Parliament is concerned, the budget should not be an event but a process, developing throughout the year if Parliament is to perform its function of overseeing the Executive.

- The budget in itself and the procedure relating to its shaping and execution underscore a fundamental constitutional relationship between the Executive and Parliament.

- Clarity in constitutional provisions regarding the role and powers of Parliament in this field is thus crucial.
Formulating the budget

- The elaboration of the budget is not only based on national needs and priorities. It is also affected by a variety of external factors and pressures.

- In many countries, the largest single item of expenditure – and one that is not optional - is the cost of servicing debts incurred in attempting to balance the budgets of previous years. Debt servicing may represent such a burden that it deprives the nation of resources and services that are crucial to its development such as education, health, social welfare, housing, etc.

- International financial institutions can impose conditions on States that represent great constraints on the budget drafting process and have a significant impact on the welfare of the community. Parliaments need to be more involved in setting these conditionalities since eventually it is the constituents who bear the brunt thereof.

- Excessive budget deficits tend to drive up interest rates to the detriment of the whole economy and to starve the private sector of funds for productive investment.

- While there should not be any interference in the responsibilities of the Executive in drawing up the budget, this process should be transparent and participatory so as to meet the needs of the community and also feature a consensus in Parliament. In one form or another, the process should involve not only officials and ministries but also large sectors of society: private sector, industrialists, trade unions, NGOs, women’s organisations, interests groups, etc. It should also involve vulnerable, underprivileged groups such as the disabled. Provincial parliamentary assemblies, where they exist, should also be able to contribute further to the elaboration of the budget.

- In a democratic environment, Parliament should be able to influence the drafting of the budget more pro-actively and make sure that the balance of appropriations is horizontally correct between the various sectors and groups of the population and vertically correct between the various levels of government: national, provincial and local.

- One effective way of achieving this is through the presentation to Parliament by the Executive of a medium-term policy statement providing an opportunity for MPs to gain an understanding of the overall policy framework within which the next budget will be developed.

- Parliament’s influence in the drafting of the budget should be the result of an ongoing process throughout the year, especially through its relevant committees and thanks to the parliamentary mechanisms available for raising the awareness of the Executive about the needs and concerns of the public: oral and written questions procedure, motions, inquiries, Select Committee hearings, White Papers, representations to ministers and departments.

- To secure such an ongoing and meaningful contribution by Parliament, parliamentary programming could, where appropriate, be revised to include separate debates and votes on each appropriation, as well as a full budget debate, full Select Committee examination of each appropriation based on audited and tabled annual reports of each department, ministry and Government Trading Organisation.

- Parliament may already at the early stages of drawing up the budget, help to enhance the gender sensitivity of the budget. It may do so in a variety of forms: for example by looking into economic priorities as reflected in the national budget and by requesting that the budget include gender-disaggregated data. Parliament could also move towards demanding that the national accounting framework is based not only on cash-generating activities but incorporates all productive activities, thus rendering visible in the budget all those unpaid productive activities that are not accurately reflected in national accounts.

- Parliament can assume to the fullest its oversight functions of the Executive with regard to the budget through the following mechanisms: six monthly fiscal reports and projections tabled and debated; mission statements for each appropriation, purchase agreements between ministers and departments,
performance agreements between the public service authorities and heads of departments and ministries, and specific government goals or strategic results areas which specifically guide annual budget programmes.

Reading and adopting of the budget

- Once the budget reaches Parliament, it becomes “Parliament's property”.
- It is crucial that Parliament should have the necessary time to proceed to a thorough reading of the budget and that budget passage not be rushed through it.
- Parliaments need to be capacitated to deal with the budget adequately. MPs should be more prepared to understand the overall structure and process of the budget as well as the underlying policy issues so as to fully perform their role with regard to the budget. Also, Parliaments should be equipped with the relevant technological facilities for a proper reading of the budget. MPs should further dispose of the assistance of experts and research units and well-trained support staff able to assist them in their duties; to that effect, capacity-building sessions for the parliamentary staff should be developed. In addition, MPs should have access to relevant information, including gender-disaggregated data allowing them to proceed to a gender analysis of the budget.
- The traditional system by which a parliamentary rejection of the budget amounts to a vote of no confidence in the Executive leading to its resignation may affect not only the ruling party but the country as a whole.
- Parliament should be enabled by law to do more than just accept or reject the budget bill. It should be able to discuss the budget as an instrument of policy and to assure itself that it meets the values and principles enshrined in the Constitution. Parliament should also be able to proceed to a detailed sectoral analysis and reading of the budget. It should be able to cross-examine the accounts, and request separate votes for each allocation.
- Parliament should further be authorised by law to amend the budget so as to meet more adequately the needs and aspirations of society as reflected by the variety of the political views within it. However, such powers should not serve to cripple the Executive, especially in the context of a democratic transition.
- The highest interests of the nation should transcend the power relations between the majority and the opposition in Parliament and should not hinder a democratic reading of the budget.
- Affiliation to the majority party should not prevent MPs from looking at the budget critically in the interests of the electorate. For the majority party to be able to discuss and negotiate with the other parties in Parliament, party caucuses in which experts inform MPs about the proposed budget may be a useful instrument in reaching a consensus in Parliament.
- Similarly, the budget should serve for the Executive and Parliament to act as partners interested in achieving the common good.
- The existence in Parliament of a specialised standing committee to deal with all issues relating to the budget process in all its three phases is crucial to ensure that Parliament can perform its constitutional role in this field.
- Through questions and motions, Parliament may in fact be used as a forum to increase transparency in the entire budget process.
- The budget of Parliament should be initiated, developed and approved by Parliament.
Executing and overseeing the budget

- Parliament's responsibility with the budget does not end with its adoption. Its oversight and audit functions should be rigorously enforced.
- To that end, there needs to exist a formal link, established by constitutional law, between the Executive and the Parliament with regard to the execution of the budget.
- As a matter of practice, Parliament should arrange for regular reporting to Parliament on how the ministries spend the money through the following procedures: departmental annual reports, examination of each appropriation by parliamentary committees, audited annual accounts of each ministry, specific estimates debates on each department in parliament: independent authority of the Auditor-General to report to Parliament on any matter of expenditure at any time.
- Parliament should make sure that the Auditor-General is appointed by Parliament and has a clear term of office, that he/she has the means to perform his/her mission independently and report to Parliament and its Finance Committee.
- The auditing process entails both the auditing of figures and the auditing of performances.
- The way in which money is actually spent should be fully documented at all stages. The fully audited presentation of accounts to Parliament is one of the symptoms of democracy.
- Parliament should see to it that judicial sanctions are provided for by law and are applied in case of corruption and mismanagement of State resources by officials and the political body.
- Parliament should also see to it that remedies are applied in case of fault.

“Engendering” the budget

- Budgets are not neutral instruments. The strategic and policy orientations underpinning them do reflect interests and preoccupations of people: men and women, boys and girls.
- Engendering the budget is the best way of meeting the aspirations and needs of the majority of men and women, boys and girls.
- Gender issues are cross-sectoral issues.
- The gender approach to society includes men and women, boys and girls, on the basis of equitable treatment, the emphasis being on uplifting those for whom the current social system is the most unfavourable (mainly women)
- It is crucial for MPs in exercising their responsibilities to ascertain the relevance and validity to gender issues of the strategies and policies underpinning the contents of the budget document and bill.
- Budgetary processes must be reviewed and changed as follows if they are to meet gender requirements:
  (i) Government's economic strategies and policies and resulting budgetary options should be debated by Parliament long before the budget is drawn up (budget orientation debate);
  (ii) MPs should equip themselves with specific instruments to assess budgets to ensure that they are gender-balanced: to this end, MPs must familiarise themselves with the Beijing Platform for Action areas of concentration and related strategies and with macro-economic parameters pointing to a gender-balanced budget.
- African MPs should become more proactive in order to effectively and efficiently influence the emerging budgeting approaches and make sure that they are gender-balanced. There is a clear need for training and guidelines in this area.
Emphasising “outcomes” and moving from a line budgeting to a programme/budget approach could help engender budgets in a relatively effective way. The Medium-Term Expenditure Framework (MTEF) emphasises this programme/budget approach, “outcomes” the unification of the recurrent and capital budget as well. It provides an opportunity for further engendering the budget on a concrete basis.

MPs should insist on elaborate sectoral reviews and seek an informal role in this review with two objectives:
- (i) to gather detailed sectoral information;
- (ii) to influence orientations towards gender biases.

In view of the scarcity of resources, MPs should insist on priority-setting in budget documents, highlighting core programmes/projects with the strongest gender bias.

Governments should be urged to promote reliable statistical databases and particularly gender-disaggregated data.
Your Excellency the President of the Republic of Kenya,
Your Excellency the Vice-President,
Ms. Christine Pintat, Assistant Secretary General, representing the Secretary General of the Inter-Parliamentary Union,
Hon. Ministers,
Hon. Members of Parliament,
Members of the diplomatic corps,
Distinguished guests,
Ladies and gentlemen,

Let me first of all take this unique opportunity to welcome His Excellency the President to this seminar and to thank him most sincerely for having agreed to deliver the keynote address despite his tight and busy schedule. His being here bears witness to his interest in elected representative institutions and the strengthening of good governance.

Secondly, I wish to welcome all the delegates whose presence here is sufficient testimony to the seriousness with which African Parliamentarians have come to regard democratic representative institutions in general, and Parliament, in particular. As the host, we feel extremely privileged and honoured to receive so many parliamentarians from English-speaking African countries. In particular, Your Excellency, I want to give special salute to my fellow presiding officers from Zimbabwe, Namibia and Ethiopia, who have found time to attend this seminar. This, to me, demonstrates their personal commitment to improve their parliaments’ capacity to give the budget presented to them by the Executive the required scrutiny expected of any Parliament worth its name.

The Inter-Parliamentary Union was founded in 1889 as the first permanent forum for multilateral political negotiations. Since then, the IPU has transformed itself into the world organization of national parliaments. The Kenya National Group was established in November, 1975, by a special resolution of the House. Since then, the Kenyan group has been quite active in IPU-organised workshops and seminars across the globe. The IPU last held a meeting on the Kenya soil in 1984. That meeting had a specific agenda: “The Environment”. Your Excellency, this seminar, similarly, has a very specific agenda: “Parliaments and the National Budget, Including From a Gender Perspective”. For two days last week, all hon. Members of the Kenya Parliament met to discuss “Parliament and the Budget- making Process”. The seminar was sponsored by the IPU, in conjunction with UNDP and the Kenya National Assembly. Today’s seminar is being attended by 18 English-speaking parliaments from the African region, and will be held for the next three days. I am happy to say that the same sponsors are meeting the cost of hosting it.

Why the Budget? Some of the principles that the IPU stands for are the promotion of democracy, respect for human rights, the fostering of peace and security through political dialogue, both between and within States, and the development of representative and effective legislative institutions. The IPU sees democracy as being founded on the right of everyone to take part in the management of public affairs.

Your Excellency, from your long experience in public life, you are well aware that the performance of the economy of any country is what matters most. Political ideals might be very high so may be the rhetoric that go with them. But if the people do not have food to eat; good education to give to their children; good shelter to accommodate their families and reasonable clothes to put on, there will certainly be misery and discontent. The theme of the seminar is quite appropriate, taking into account the economic crisis that is facing most countries in
Africa today. Parliaments have a very important role to play in managing this crisis because, year in, year out, they debate the Budget and pass the Finance and Appropriations Bills, which, respectively, authorise the Government to tax the public and supply money to the Executive, both for recurrent and development expenditures.

This seminar is, therefore, meant to enable hon. Members appreciate the role of the annual Budget presented to Parliament as a vital tool in the management of the resources. It is also going to look at the budgeting from a gender perspective. Parliament, being the only elective institution that represents the whole country, must debate the Budget objectively, with the express purpose of ensuring that all national groups and strata in society are included. Marginalization of a section of the national community starts with a skewed way in which the resources are distributed.

Your Excellency, you are aware how fragile democracy is. If democracy cannot deliver food to the people, it is as good as nothing. A development process that excludes the majority of citizens from the development orbit might very easily attain the capacity to demonstrate the irrelevance and ineffectiveness of Parliament for those who are marginalised. The IPU should, therefore, be commended for sponsoring a seminar to discuss the root cause of poverty, which is the greatest threat to security and the democratic institutions in any country.

The importance and relevance of the topic for the seminar cannot be gainsaid, and many delegates must be anxious to give their contributions. There are a total of 18 English-speaking African parliaments represented here. We also have three international organizations, namely, the IPU, the Union of African Parliaments and the United Nations Economic Commission for Africa, in attendance. The countries are: Botswana, Cameroon, Egypt, Ethiopia, Ghana, Lesotho, Liberia, Malawi, Namibia, Nigeria, Rwanda, South Africa, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe and hosts Kenya.

Your Excellency, without the commitment of the IPU to high standards of excellence, this seminar would not have attracted such eminent resource persons as it has done. Their CVs speak volumes about their capacity.

They are the hon. Collin Eglin, MP, a long serving Member and champion against apartheid from South Africa, twice becoming Leader of the Official Opposition in 1977 and 1979, and 1986 and 1987. He played a key role in constitution building in post-apartheid era as the Democratic Party's Chief Negotiator from 1982 to 1996. Secondly, the hon. J. Mensah, MP, a former Finance Minister in Ghana, between 1969 and 1972, a Minority Leader in Parliament since 1997. Before that, he was a lecturer in Economics at the University of Gold Coast, Economics Affairs Officer in the United Nations Secretariat in New York, and Chief Economic Affairs Officer at the United Nations Economic Commission for Africa.

The third one is Dr. Mbaye Diouf, Chief of Economic Co-operation and Integration Division, and a member of staff of the United Nations Economic Commission for Africa for 15 years. He is from Senegal. We also have Dr. Marilyn Waring, an Associate Professor in Social Policy and Social Work at Massey University in New Zealand, a Member of New Zealand Parliament between 1975 and 1984 where she held the position of the Chairman of the Public Expenditure Committee. She is an internationally renowned expert on development and gender issues.

Hon. Members and distinguished delegates, I had a very simple mandate to discharge this morning. I, therefore, now wish to invite His Excellency the President to speak to the gathering and officially open this regional seminar.

Hon. Members, His Excellency the President
H. E. the President of the Republic of Kenya,
Hon. Daniel Toroitich arap Moi

Inaugural address

Mr. Chairman,
Hon. Ministers,
Hon. Members of Parliament,
Distinguished guests,
Ladies and gentlemen,

It gives me great pleasure to join you today for this important Inter-Parliamentary Union Regional Seminar. This is the second seminar to be held in Kenya by the Inter-Parliamentary Union since the one which was held in Nairobi in 1984. I take this opportunity to welcome all the delegates to Nairobi and hence, to Kenya.

Those of you who have been to our country before know Kenyans are warm and hospitable people. I urge you all visitors to feel at home, for you are amongst brothers and sisters. I want to add, that Nairobi is only a small part of Kenya. I hope that at the end of your busy schedule, you will create time to visit other parts of the country to see our diverse fauna and flora, and to sample the varied cultural lives of our people.

Mr. Chairman, Sir, the Inter-Parliamentary Union is an important organization which enables hon. Members of different parliaments from around the globe to interact and exchange views on various aspects of the development of effective legislative institutions. I have personally been associated with activities of the Inter-Parliamentary Union for a long time, and I fully support the principles and ideals that the organization has championed over the years. Of course, individuals would disagree over the interpretation of some of the ideals of the organization, especially when applied to specific countries or regions, but such differences are healthy and must be expected, especially in an organization that has global membership. Over the years, Kenyan Parliamentary delegations have had the opportunity to visit many of the countries represented here, and they have come back home with new ideas that have enriched the conduct and quality of our parliamentary affairs.

The theme of your seminar is very central to the effective functioning of modern democracies. As you will agree, democratic societies are very sensitive to cases where some groups feel excluded from the development process. People hate to be alienated. Exclusion of a group, whether based on gender, linguistic peculiarity, political ideology, religious affinity or ethnic parochialism is bad politics, which is likely to undermine and endanger the stability and well-being of a country.

One of the major issues you will discuss in your seminar are challenges facing the country. The formulation of a budget and its presentation to Parliament for debate and adoption is very crucial to the economic development and stability of a democratic state.

Through the budget, a government spells out its priorities from the manner in which resources are allocated and distributed. It is for this reason that Members of Parliament are always keen to know how the budget will affect their constituents. Besides, we are now operating in a new social and economic environment, where the beneficiaries of development programmes want to play a bigger role in deciding how those programmes are designed and even implemented. The people want to participate in making vital decisions which affect their daily lives. Thus, the participation of elected representatives of the people in the budgeting process is necessary, as it will ensure that national resources are distributed fairly and equitably.

In Kenya, we have, since the beginning of this year, been involved in a constructive dialogue with the hon. Members of Parliament to discuss the principles on which the budget will be based. I have been following the deliberations that have been taking place on this subject, including the meeting at the Safari Park Hotel last week. I have no doubt, that this will go a long way in ironing out any anomalies and weaknesses that have affected our budget-making in the past.
Mr. Chairman, ladies and gentlemen, in a democracy, the three arms of government, namely, the Executive, the Legislature and the Judiciary carry distinct powers and responsibilities. This is in the spirit of checks and balances. These arms of government are autonomous but very often, there is need for consultation between the three arms before crucial decisions are made. For instance, although Parliament has the sole responsibility to enact laws, this mandate needs to be exercised with caution. In particular, parliamentary motions which have financial implications should involve proper consultations in order to ensure that they do not contradict the spirit of the national budget. If a situation such as this is allowed to continue, it can lead to frustrations and unnecessary suspicions between the Legislature and the Executive, for no self-respecting Executive would endorse unbudgeted-for expenditure without first of all knowing where the money will come from.

Another issue related to your discussions concerns the watch-dog role of Parliament. In exercising its mandate towards public spending, Parliament should always pass over to the Judiciary, cases that, in their thinking, require judicial action. After all, Parliament deals with legislations and should not prosecute at the same time. This should be the responsibility of the Judiciary.

Another area where African Parliaments can play an important role is in the implementation of democracy. This needs to be done carefully and cautiously without losing sight of our African values.

As you all know, most African societies are based on ethnicities and many of the African political parties tend to rely on ethnic support. This situation is not always in line with the spirit of democracy, and often undermines the stability of our countries. I do hope that in your seminar, you will also discuss the need for African leaders to strive to expand their horizons beyond their tribes and even nations. The drive towards social, political and economic integration of our continent will remain an illusion if leaders continue to focus on localised issues. We need leaders with a broader appeal, who will facilitate interaction with people of all ethnicities, nationalities and countries. It is in this way that we can succeed in developing a culture of peace and eliminate wars and conflicts which have given the African continent a bad name. Let me also add that this seminar has drawn expertise from a wide range of Parliamentarians and Speakers, who have come to share their knowledge and views with us.

I have learnt that Mr. Eglin from South Africa, who served Parliament for a long time, is present here. I have known him for his liberal views. He helped us in fighting the apartheid system in South Africa, along with his sister who was once a teacher here in Kenya. When she went back, she joined her brother to fight against that system. So, he is welcome here in Kenya.

We have learnt, in this country that good intentions alone are not enough to change bad policies. You are all aware that women play a big role in the development of African economies. I hope that this seminar will go as far as addressing the historical and cultural reasons which have militated against the effective participation of our women-folk, not only in the development of our parliamentary democracy, but also in the development process. I believe that this seminar will, provide you with an opportunity to learn from each other and about one another. Your exchange of views and experiences will, no doubt, help to reinforce our co-operation and mutual respect. While striving to enrich our democratic practices, Africa, as you all know, is a continent where wars, conflicts and civil strife abound. African Parliaments should ensure that the rule of law is maintained while the jungle law is rejected altogether. This calls for consultation and co-operation at all levels of society, so that more attention will be given to the development of our resources.

In conclusion, Mr. Chairman, distinguished guests, ladies and gentlemen, I would like to express, once again my gratitude to the organisers of this seminar for enabling law-makers from our region to come together to exchange views and opinions on various issues affecting our people. There is no doubt that for democracy to flourish in Africa, the legislative organs must play their roles effectively. I do hope that this, and similar forums which will be held in the future, will go a long way towards the promotion of good governance in Africa and to assist our Parliaments to fulfil their constitutional mandate. With these remarks, it is now my greatest pleasure to declare this seminar officially open.

Parliament and the Budgetary Process, Including from a Gender Perspective
Ms. Christine Pintat, Assistant Secretary General of the Inter-Parliamentary Union

Inaugural address

Your Excellency, the President of the Republic,
Honourable Speaker of the Kenya National Assembly,
Honourable Presiding Officers and Members of Parliament from the whole of Africa,
Distinguished participants,
Distinguished Invited Guests,
Ladies and gentlemen,

It is a great pleasure and an honour for me to address this august gathering on behalf of the Inter-Parliamentary Union. The Secretary General, Mr. Anders B. Johnsson, was hoping to be with you here today, and he has asked me to convey to you his apologies for being unable to attend, as well as his best wishes for the success of the unique event which we are initiating.

Kenya is well known for its sense of hospitality and at the outset I would like to thank our hosts for making us feel so welcome in this dynamic city of Nairobi. As far as I am concerned, I feel privileged once again to visit a country which was host of one of the historic World Conferences on Women and whose Parliament has contributed to the work of the IPU for over three decades, without interruption.

The Kenyan Parliament's long standing membership of the world organisation of parliaments is no small evidence of the institutional stability of this country. It is also a clear sign of its attachment to parliament as an institution and the values that the IPU promotes and defends.

Allow me at this point to pay special tribute to His Excellency Mr. Daniel Arap Moi, President of the Republic of Kenya. Your presence here today, Sir, bears witness to your commitment to strengthening good governance with increased transparency and accountability.

Mr. Speaker, the IPU is particularly grateful to you and the National Assembly of Kenya for taking the lead in offering to so many distinguished parliamentarians from English speaking Africa, and also officers of the parliaments concerned, an opportunity to explore in depth the complex issues relating to the national budget. The number and the level of the participants is clear evidence of the importance and topicality of the subject matter in Africa. In this connection allow me to hail the presence in this room of various Presiding Officers of Parliament who are leading their delegations.

For the Inter-Parliamentary Union, the decision to embark upon the organisation of the seminar is the result of much experience.

During international debates on issues of good governance and development, or when conducting technical assistance programmes for the benefit of national parliaments, the IPU has noted that a good number of members of parliament, especially those from emerging democracies, have complained that they lack the means and expertise to undertake a thorough and adequate reading of the national budget presented to them by the Executive. We understood that you frankly felt ill-prepared to carry out properly your functions of overseeing the Executive in this crucial field. This situation is compounded by the fact that members of parliament often do not have enough time to study the proposed budget.
Considering that the national budget is a fundamental policy instrument and that its shaping and process of adoption cannot be dissociated from the extent to which democratic values are achieved in a country, the IPU could not but respond to requests from African parliaments on assistance in this area. We also have realized that in many parliaments the gender perspective on the administration of the affairs of the State is not clearly understood, and this also applies to the ways in which appropriations are made.

The national budget is a rather intimidating instrument. One does not become familiar with it spontaneously. One needs a certain training to understand its language and logics, the implications of specific budgetary appropriations and the bearing of certain headings on others. Moreover, MPs need to have a clear insight into how the national budget relates to the daily life of their constituents. Yet, for most MPs such professional development is not available: it is an on-the-job learning experience. Also, generally, they can hardly find in parliament support staff with relevant training.

Today, political leaders are not the only ones learning the rules of improved governance. The general public is increasingly critical of any evidence of corruption or mismanagement by the body political. The electorate is generally attentive to parliament when it scrutinises and adopts the yearly financial plan of action for the nation. It counts on you, members of parliament, their elected representatives, to make sure that resources are allocated adequately and equitably in the next budget year, knowing that, otherwise, the impact on given areas or groups of persons may be dramatically adverse.

When exploring ways of developing a special information programme in this field, the IPU felt that it should be directed not only at MPs, but also at parliamentary staff. We were happy to meet with an immediate positive response from the United Nations Development Programme. As you will all know, this regional seminar follows on the heels of and is an extension of the very stimulating debates involving members and officers of the Kenya National Assembly on ways to undertake an efficient reading of the budget in parliament.

Both seminars are the result of fruitful partnership between the IPU and the United Nations Development Programme. And I thank UNDP for its financial support in making this event possible. The IPU and the UNDP have been working for years now in close partnership to strengthen good governance around the world and, together, we are implementing a sustained programme of multifaceted technical assistance to parliaments and gender-sensitive policies. Furthermore, United Nations Development Fund for Women and the Commonwealth Parliamentary Association have become the IPU's partners and have contributed significantly to the preparation of this event.

Let me now express gratitude to our resource persons. They have already provided excellent food for thought with their written preparatory documents and we know that we can count on them to provoke lively discussion on the key issues at stake, opening our eyes and stimulating an inter-active exchange of experience from which guidelines may be derived for future reference.

It only remains for me to wish you fruitful discussions in this Seminar. You have all taken time from your busy parliamentary schedule to come here and I hope that you will be rewarded with enhanced tools to contribute to democratic governance in your respective countries. This seminar will serve a useful purpose if, each and every one of you goes back to your country with a sense of having learned something, not about figures and taxes but about how to perform your constitutional role to the best as far as the national budget is concerned. It will also serve a useful purpose if it helps to strengthen African understanding and co-operation. For all these reasons, the Seminar is, in itself, a powerful message to the general public in your countries. Thank you.
The National Budget

Introductory statement by The Hon. Colin W. Eglin, MP

In countries with parliamentary systems of government “The National Budget” is a critically important instrument in ensuring transparency, accountability and good governance.

When one adds to this the fascination which legislators, and indeed the wider public, have for learning how much more, and very occasionally how much less, they are going to have to pay in taxes on income, purchases, liquor and tobacco, “Budget Day” is one of the most celebrated days on the Parliament’s annual calendar.

The Budget in itself and the procedures relating to its implementation underscore a fundamental constitutional relationship between the Executive and the Legislature.

In a parliamentary system the Executive receives a mandate from the electorate to govern. Inevitably this involves spending state funds. But the Executive has to do so both within the framework of legislation passed by Parliament and subject to accountability to and oversight by Parliament.

Constitutional provisions

Let me look at the Budget in greater detail. I shall do so against the background of the laws and procedures that obtain in South Africa under its new Constitution. (The Constitution of the Republic of South Africa (Act 108 of 1996). While doing so I remain aware that each country will have its own distinct variant of the laws and procedures relating to the drawing up, approving of and monitoring of the Budget.

The most important Constitutional provisions are found in Section 215:

(1) National, provincial and municipal Budgets and budgetary processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector.

(2) National legislation must prescribe –
(a) the form of national, provincial and municipal budgets;
(b) when national and provincial budgets must be tabled; and
(c) that Budgets in each sphere of government must show the sources of revenue and the way in which proposed expenditure will comply with national legislation.

(2) Budgets in each sphere of government must contain –
(a) estimates of revenue and expenditure, differentiating between capital and current expenditure;
(b) proposals for financing any anticipated deficit for the period to which they apply; and
(c) an indication of intentions regarding borrowing and other forms of public liability that will increase public debt during the ensuing year.
Technical expertise and personal commitment: Two key components

The jargon or the language used in the budget documents is very unfriendly to people who are not that conversant with economic issues and quite intimidating. ... I think it is food for thought that we make budget documents as friendly as it is possible in terms of the language that is used therein. ... Participation through the portfolio committees would need empowerment of those portfolio committees, given that the question of economics and finance is not a very easy one for Members of Parliament, who come from different backgrounds. **B.P. Sonjica (South Africa)**

There is need to rationalise the budgets within the respective countries. Quite a number of the budget booklets are very bulky, and sometimes you will find that there are more than 10 booklets! ... We have to rationalise our budgets and make sure that we make them very simple and easy to read, so that the bulkiness is reduced. **S.M. Mkalla (Kenya)**

It is very important for us to consider empowering ourselves. We can also use other institutions that can provide training. We can provide some resources through the Parliamentary allocation, and make sure that Hon. Members get the empowerment that they need. ... We get intimidated by the large volumes of documents that we get on the budget day. I think that we need to commit ourselves to reading those documents and understanding the jargon that is in them. This is because our officers deal with these issues on a daily basis, but they come to us at that point and we just give up when we see that big volume of documents. We need to commit ourselves. Dr. Diouf said that we wait for people to think for us, that we do not think for ourselves. I think that, that is one weakness that we, as Africans, have. We wait for IMF, the World Bank or whoever from wherever they are seated, to think on our behalf and then we hop behind other people. This is a weakness that we need to acknowledge and begin to do something about. **Q.D. Mahlangu (South Africa)**

I cannot over-emphasise the need for parliamentarians to empower themselves with adequate knowledge, so that their oversight can be meaningful. **B.P. Sonjica (South Africa)**

I am an accountant, so perhaps I do understand a little bit of these things: but I know that most MPs may not be in a position to have the expertise to understand the budget preparation. **G. Owino-Achola (Kenya)**

I recognise the fact that Members of Parliaments have different backgrounds. You will find that some are teachers by profession, some are doctors, while others are professionals in other fields. The budgetary process is a technical process. The officials who undertake the budgetary process are people who may have gone to universities and learnt about budgeting. On the other hand, we, Members of Parliament, because of politics, are caught up in the process, and we have to deal with budgets. So, there is a need for Parliaments to have research units, which can assist Members of Parliament, especially the portfolio Committees, to analyse whatever is tabled, or brought to the House, by the Finance Minister. Because without that, it may be very difficult to just think that all Members of Parliament will go through the Budget Speech and give the necessary recommendations, suggestions or amendments. This is because some of the language used is really technical. ... If new Parliaments could get such Seminars, it would assist them in their work for the coming five years after elections. **T.I. Siwale (Tanzania)**

It is necessary for Parliaments in Africa, or the English-speaking countries, to make sure that they have some financial experts in their respective Parliaments, or libraries, who could advise the relevant Parliamentary Committees, because quite a number of them may not be appreciating what has been done within the budgeting system. **We**
also need to equip Parliaments with relevant facilities like computers and have proper books within the libraries which could be used for references purposes. *S.M. Mkalla (Kenya)*
We must ensure that we have qualified people within the parliaments who will help in looking into the economic mechanics of all the budgets to help us. We must also emphasise training. We have to reorganise ourselves and put resource centres in our parliaments, meaning books, documentation and electronic materials that were mentioned. We must make sure that we have a good parliament library with all the necessary documentation in it. We should ensure that we have provisions in our budget to buy as many documents and data as possible. ... The profile of the Hon. Members in general, especially the African Hon. Members in general, should be redefined. The Hon. Members should not be a lady or gentleman who walks into the Parliament buildings when there is an agenda to examine certain issues and politely sits down and listens to what I call the show of our Ministers. ... Hon. Members, in particular from Africa, should do more homework beforehand: Before coming to Parliament, they should be following very closely the process of drawing the budget by the Executive and equip themselves with instruments of economic-policy frameworks and other policies which would help them weigh the Budget and discuss it more technically than it is right now.

M. Diouf (United Nations Economic Commission for Africa)

We can make all the institutional adjustment in the world such as those that Mr. Eglin and I have just talked about. We can deconstruct language, in the way in which Mr. Mensah's beautiful paper has done. We can understand gender as a cross-cutting issue in the brilliant way Dr. Diouf spoke about it yesterday. But with just institutional changes, yes, there can be change, but without the hard grind of reading those documents and committing yourself to understanding the texture of the economics, there will be no progress. ... Now, Members of Parliament are used to visiting Ministers to make submissions. But it was a very unlikely experience when I started taking myself from my office to walk to the Government Departments to ask questions. This is because too many MPs are on such an ego trip that they think the bureaucrats have to come to them. The bureaucrats often do not want to come to the MPs because they do not want to be seen coming into the MPs offices. You get much better information by putting your shoes on, and walking down the road.

M. Waring (New Zealand)

Two distinct components

The first of these relates to Expenditure:

The Constitution states in Section 213:

(1) There is a National Revenue Fund into which all money received by the national government must be paid, except money reasonably excluded by an Act of Parliament.

(2) Money may be withdrawn from the National Revenue Fund only-

(a) in terms of an appropriation by an Act of Parliament; or

(b) as a direct charge against the National Revenue Fund, when it is provided for in the Constitution or an Act of Parliament.

Thus, before the Executive withdraws money from the National Revenue Fund it must obtain parliamentary approval in the form of an authorising Act of Parliament. The procedure for achieving this is for the Minister of Finance, acting on behalf of the Cabinet (Executive), to present to Parliament as part of his budget proposals:

(1) The Estimate of Expenditure setting out in great detail the national department's spending plans for the coming fiscal year.

(2) An Appropriation Bill through which Parliament approves the appropriation of funds for the purposes set out in the Estimates.

The second component of the Budget relates to Income:

The Minister of Finance, also as part of his Budget proposals, presents to Parliament The Estimate of Revenue (First Print) being the estimate of the anticipated revenue to be raised during the current fiscal
year before taking into account the Minister's tax proposals i.e. the estimates are based on the preceding financial year's tax rates and brackets.

During his Budget Speech – and generally towards its close – the Minister of Finance will announce his tax proposals. These comprise concessions, amendments and additions to existing taxes which together go some way to closing the gap between estimated expenditure and revenue.

Each of the Ministers tax proposals will, in due course, have to be considered and sanctioned by Parliament by way of appropriate Taxation Bills.

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**Sufficient time in parliament for a thorough reading of the budget**

- We must now go for a system where the general public and parliamentarians are aware of the budgetary measures well in advance to generate public debate and to also input. *M. Karua (Kenya)*

- My country has got a problem with the budgetary process especially when it comes to the amount of time that is allocated to the discussion and debate of the budget. *G. Coleman (Ghana)*

- The problem which Parliament has is that, it is not given sufficient time to go through this document so as to give it a healthy debate, so that it could reflect on what Parliament thinks about the Budget. *J. Vekima (Cameroon)*

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**Borrowings**

Should there still be a shortfall in the anticipated revenue compared with proposed expenditure the Minister in the course of his Budget Speech would have to announce:

- (a) Proposals for financing any anticipated deficit for the period to which they apply; and
- (b) An indication of intentions regarding borrowing and other forms of public liability that will increase public debt during the ensuing year. (Section 215 of Constitution)

Perhaps I should mention at this juncture that in many countries, the largest single item of expenditure – and one that is not optional - is the cost of servicing debts incurred in attempting to balance the Budgets of previous years.

In South Africa, where total borrowings are relatively modest, debt servicing costs provided for in this year’s Budget amounted to R46,5 billion out of a total Budget of R233,5 billion. This R46,5 billion compares with expenditure on health and welfare of R53,2 billion and on education of R50,7 billion.

In order to reduce this debt servicing burden which, put simply, means that less money is available for essential services such as education, health, social welfare, prevention of crime, housing, transport, etc. some Governments, including that of South Africa are privatising certain state assets and using the proceeds to reduce the debt and thus also reduce the annual cost of debt servicing.

It is widely accepted that for a country to avoid living beyond its means, and in so doing adding to the debt servicing burden of future generations, the deficit between proposed expenditure and anticipated income i.e. “the deficit before borrowing” should not exceed 3 per cent of Gross Domestic Product.
Division of revenue between national, provincial and local

In terms of the South African Constitution:

Section 214(1) An Act of Parliament must provide for –

(a) The equitable division of revenue raised nationally among the national, provincial and local spheres of government;

(b) The determination of each province’s equitable share of the provincial share of that revenue; and

(c) Any other allocations to provinces, local government or municipalities from the national government’s share of that revenue, and any condition on which those allocations may be made.

Accordingly, as part of his Budget presentation the Minister of Finance tables *The Division of Revenue Bill* which provides for parliamentary approval of this division of nationally raised revenue between national, provincial and local spheres of government.

To supplement the Budget presentation the Department of Finance publishes the following:

- The Budget Review provides an overview of economic development and medium term Budget projections, together with a statistical and other annexes.
- The National Expenditure Survey details the spending plans of national departments. A chapter on each department reviews its past expenditure and spending plans in the context of its policies, key activities and service delivery outputs.
- *The People’s Guide* is a single-sheet summary of the Budget, which is distributed in newspapers and via Post Offices. Published in six languages, the *Guide* aims to make the Budget more accessible.
- Explanatory notes are also provided on the expenditure votes and various other matters. This year these include a discussion document on the proposed capital gains tax.

A rolling three year budget projection

An important part of the Budget process impacting on the Budget itself is the Government’s Medium Term Expenditure Framework (MTEF) through which it budgets for income and expenditure for the three coming fiscal years

Thus during 1999 while the Budget for the year 2000/01 was being compiled, the Government announced through means of a Medium Term Budget Policy Statement (MTBPS):

- How the Budget assists in meeting priorities of Government which the President set out in his opening address to Parliament
- The international and national economic context which influence budgetary decisions
- The level of taxes Government will need over the coming three years to pay for public services
- The level of Government borrowing
  - Government’s spending priorities to provide better services
  - Projections and preliminary information on the 2000/01 to 2002/03 Medium Term Expenditure Framework

Some of the advantages of budgeting over three years by means of the MTEF are:
• It helps provinces and departments plan with greater certainty because they have a better indication of what their allocations will be for the next three years.

• It encourages departments to set three year priorities and to plan further ahead than they did in the past and to enter into development contracts that may span a number of years.

• It gives the public a better picture of how government plans to spend its money. Reconstruction and development goals can be evaluated against how much the Government plans to spend over the next three years.

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### The need for improved access to information

The lack of information about the budget is made very difficult by the Minister for Finance, who takes the budget to be his baby and this makes it very difficult for anybody to have a hand on it. …/… We, in Uganda, would like to have a Budget Bill. Through this, we think we can monitor the performance of the expenditure and revenue. This would make it very easy to create a way of giving people an insight to getting information. We feel that a Budget Committee will help us towards that end.  

*F. A. Kene (Uganda)*

There is a problem with data. … But there are World Bank briefing Papers country by country. There are the Human Development Reports done by the Economic Commission on Africa regionally and, again, the briefing Papers often written for Missions from that organisation. There is the highly comprehensive annual United Nations UNDP Human Development Report, where every country has statistics on everything: from military expenditure to women in office, to human rights indicators to percentages of boys and girls at different levels of school. There is a vast range of material there. There are five-yearly reports like the World's Women, put out by the UN Statistical Commission. If your country has ratified CEDAW, it is required, every five years, to write a report to be submitted to the United Nations Committee on the Status of Women. That is public as well.  

*M. Waring (New Zealand)*

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### Budget – an important policy declaration

The foregoing was a presentation of the formal financial aspect of the Budget; however, there is much more to the Budget than figures and finance.

The Budget tabled by the Minister together with the Minister's Budget Speech, along with more detailed documentation provided by the Department of Finance is undoubtedly the most important policy declaration made by the Government during the course of the year.

• It outlines the Government's view of the socio economic state of the nation.

• It is a declaration of the Government's fiscal, financial and economic objectives.

• It is a declaration of its priorities in the socio economic field.

• It impacts on such matters as economic growth, human development, inflation, international trade and finance, exchange control, job creation, the quality of public services, the reduction of inequality.

• It provides a valuable measure of a Government's future intentions and past performance.
The national budget, a major policy statement

Through the budget, a government spells out its priorities from the manner in which resources are allocated and distributed. *His Excellency The President Daniel Arap Moi of Kenya*

Political ideals might be very high so may be the rhetoric that go with them. But if the people do not have food to eat; good education to give to their children; good shelter to accommodate their families and reasonable clothes to put on, there will certainly be misery and discontent. *F.X. ole Kaparo (Kenya)*

The budget is undoubtedly the most important single declaration of policy made by any Government during the course of the year. While it is highlighted in terms of figures, it is a fundamental statement of policy which outlines the Government's view on the socio-economic state of the nation. ... A budget is a political expression of the policies of the Government of the day, and saying what it has done and what it intends to do. And since that policy has been stated in the political jargon, it is stated in facts, numbers and programmes. Nevertheless, it is an important political process. ... Let us understand that the budget is not just merely the final distribution of how much money goes to each department and within it, how much is to go to each programme. The budget is the whole question of: What is your economic framework? What is the level of taxation at which you are aiming? What is the level of debt at which you are aiming? What are the key things that you will aim at in terms of the distribution of money? Will it go towards the social services, defence, health, fighting against HIV/AIDS or eliminating the unevenness in economic wealth or in developments? All those guiding principles are there. ... It impacts on such matters as economic growth, human development, inflation, international trade, exchange controls, job creation, reduction of inequality and combating HIV/AIDS. A budget should not be an "event" as it tends to be under these sort of rules. A Budget must be a process, to be really meaningful. Because, if it is an event, all that it consists of is a large collection of printed volumes of estimates of expenditure, and then a statement on a given day in which we are told whether, for example, the petrol prices will go up or down. What really the budget should be is a summary of the economic development policy of the country. It should be a statement of the kinds of sacrifices that people are going to be asked to make in carrying out what is a community plan of action. *C. Eglin (South Africa)*

National budgets are political tools operating and influenced by political systems in that particular country. But the biggest challenge for the governments is to ensure that, they meet the needs of all the citizens in a country. *B.P. Sonjica (South Africa)*

The budget is simply an instrument and no more than that. The instrument is there to translate a policy and a strategy. Unless those policies and strategies are right, the instrument translates wrong things that run against the interest of gender. *M. Diouf (United Nations Commission for Africa)*

In some jurisdictions, you have no power, as a legislator, to propose any expenditure. But if you have no power to propose expenditure, then you can hardly have power to propose policy. Policy is meaningless without expenditure. ... Budgetary allocation is a reflection of our choices in this very difficult dilemma. You have got so much money and you are going to have to decide where you are placing your emphasis. That is, whether you believe that from the long-time point of view, you should give your emphasis to primary education, or from a point of view of immediate management of the economy, you need to give equal importance to secondary and tertiary education. So, this is the issue, and transparency must be policy transparency as well as accounting transparency. *J H. Mensah (Ghana)*

The Budget is politically influenced, and it is a mechanism. I think we all agree whether we have Oppositions and Governments of the day, our items, our agenda globally and nationally is normally the same. It should rotate around poverty eradication illiteracy and
good health. This is given and it is what happens. It is just that the emphasis or the priorities of a particular party would vary from time to time.  *J. Sinyo (Kenya)*

A good national budget should also accommodate the wishes of the poor electorate. *G.S. Mvubu (Swaziland)*

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**“Accountability is the heart of democracy.”**

J.H. Mensah (Ghana)

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**Transparency, accountability and good governance**

*I said at the commencement of my address that “the Budget is a critically important instrument in ensuring transparency, accountability and good governance.”* Not perfect perhaps, but nevertheless critically important.

**Transparency**  because in the important issue of “where the money goes” the tabulation of proposed expenditure is remarkably detailed. Expenditure proposals from salaries, to personnel and on to programs and transport and accommodation and equipment and rentals and interest are all out for the public to see.

During the process of the Budget formulation Parliamentary Portfolio Committees, and the important Portfolio Committees on Finance in particular, have opportunities to elicit more information on the figures and the purposes of Budget items. In addition during the course of the Budget debate, which includes a separate debate on each Department’s “Vote”, Members of Parliament can probe and if necessary expose, the Budget proposals still further.

**Accountability:** the Cabinet may not spend money or raise revenue unless it has come to Parliament and Parliament has approved Appropriation or Taxation Bills.

The Cabinet as a whole as well as individual Ministers are continuously accountable to Parliament and to Parliamentary Portfolio Committees for the overall management of their departments in terms of the approved Budget.

**Good governance:** the Budget provides a regulating and disciplining framework within which government departments must be managed and must perform their functions. Bureaucrats may not go beyond the financial and functional parameters set by the Departments’ approved Budget for each Department.

Should the Minister responsible deem it necessary to go beyond those parameters in special instances, the Cabinet, through the Minister of Finance, would have to seek the authority of Parliament by way of an additional Appropriation Bill.

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**The Auditor General**

The head of each Department is also the chief accounting officer. She/he is responsible for ensuring that proper financial records are kept and that the Budget provisions are adhered to. These financial records are available for scrutiny by the Auditor-General who will report directly to Parliament on any irregularities, mismanagement or unauthorised expenditure. Parliament’s Standing Committee on Public Accounts will consider the Auditor-General’s report, could probe the matter further, and will recommend to Parliament on specific action to be taken. This could include recovering any unauthorised expenditure from the official or Minister responsible for this transgression of the Budget.
These are some opening comments. I have no doubt that more information will arise from questions and debate during the course of this seminar.

I trust that I have managed to emphasize to you that the National Budget is about much more than income and expenditure – it has to do with politics, with economics, with good governance and with the well-being of the nation.

The crucial role of the auditor-general / follow-up of audit

- It is vital to understand that [the Controller and Auditor-General] is parliament's person and has a wide range of powers. Not only does that person audit the accounts, but he/she reports on the mechanisms, the functions and the controls, about the process of delivery of programmes, as well as the accounting procedures. There are mechanisms in law governing the Controller and Auditor-General. They make it clear that if there was an utterly corrupt regime, the Controller and Auditor-General has the power not only to report to Parliament, but to report to any person he chooses. He/she is safeguarded in the law. In New Zealand, the Controller and Auditor-General has to report to the Governor General. He might report to the Chief Justice, but also has the power to report outside of Parliament if it is considered that there is a major problem inside the government system. M. Waring (New Zealand)

- I think that Parliament, or the Public Accounts Committee, should be enhanced. We must have experts who are able to go down and audit what the auditors have done in their districts. They should censor mismanagement and financial impropriety in the districts. E. Ackah (Ghana)

- The Auditor-General depends upon departments maintaining a paper trail of evidence. That is, how the money has been spent must be documented at each stage. This is where many African countries fall short. ...So, there must be a good set of regulations about the paper trail. But then, you also have to have a real trail for audit. That is again the paper trail. J.H. Mensah (Ghana)

- Though the Auditor-General's work is normally good, it comes very late. Sometimes he does post-auditing and it makes it very difficult to discuss it. You might find that we are now looking at the audit report of 1998/99, and yet we are in the 1999/2000 Financial Year. With this kind of process, we are not able to give information which can be used to improve on the performance of the budget. F. A. Kene (Uganda)

- We need to have up-to-date Auditor-General's Reports. I do not know how it is in other countries, but I am aware in Kenya, now, we have reached the 1995/96 audit report. We are yet to receive the one for 1996/97. It means that we are dealing with history every year and not current matters. How then can we be effective in the budgetary process if we do not have up-to-date audits? M. Karua (Kenya)

- In Africa, our audit services are developed to the stage where we can catch out a civil servant who has stolen a bit of money on his travel claim. That is very easy to do. But the greater losses are in those contractors who are building with sand and not cement. Those can run into much more money than what the civil servant who has swindled a thousand shilling on his travel claims. So, we need to develop very rapidly, a capability for auditing value for money. ... If there is no systematic machinery for ensuring that the [Public Accounts Committee's] 1999 report and its consequences have been dealt with, then we will move on to the 2000 report and forget what happened in 1999. So, we have to formalize, institutionalise and systematise the follow-up of audit. J.H. Mensah (Ghana)

- In most parliaments, we have the Public Accounts Committee (PAC) which goes through the audit reports of the Controller and Auditor-General, and makes recommendations as to what needs to be done to improve our system and the use of our scarce financial resources. The problem is that the recommendations that are made, are rarely implemented by both the Executive and Parliament. ... The second problem is that, sometimes, legal action is recommended and the Attorney–General never takes any action, or even if he takes action and files a case in a court of law, the court dilly-dallies on that case for years. The results of that recommendation are never seen. J. Angwenyi (Kenya)

- Should Parliament be the accuser and the judge when auditing? I think in some instances, I would like to propose, yes, that, Parliament can act as an accuser and a judge. Where the Controller and Auditor–General has identified clear culprits, who have misused or misapplied public funds, I do think it is within the mandate of Parliament to recommend that such persons should not hold any public
office. But when it comes to the prosecution in a court of law, then that must go to another independent authority. So, it is a question of how we can balance those roles. *M. Karua (Kenya)*

Parliament should not get into the position of receiving an Auditor-General’s report and then becoming the prosecutors, the judge and the jury and imposing sanctions. If we do that, the objectivity of our assessment of audit may be impaired. So, we have to have machinery after we have received the Auditor-General’s report and satisfied ourselves in parliament that, indeed, the conduct complained of has been incorrect, we do not have machinery to make sure the defaulter is sanctioned in some way, or there is a remedy to the mischief. This is missing in many countries including my own. The follow-up of parliaments’ consideration of audit reports is very weak, if not non-existent. That is one of the developments of parliament that we ought to be pursuing in the years ahead. *J.H. Mensah (Ghana)*
The Budget: Purpose, Composition and Terminology
Introductory statement by The Hon. J.H. Mensah, MP

The Budget

The national budget is a compilation consisting of two parts:

i) A joint action plan of the community on matters of common concern as proposed by the Government
ii) Forecasts of the financial resources with which the action plan is to be implemented

Both the action plan and the forecast of resources are expressed in money terms and cover a period which is often prescribed by constitutional law – usually a twelve-month period called the Fiscal or Financial Year.

It is to be noted that neither the action plan nor the resource projections represent actual economic facts. They represent only intentions and expectations. A good executive government is usually quite efficient at relating the expenditure forecast, as expressed in money terms, very closely to the actual physical plan of action: they have accurate information on how much it costs to do various things. Also, methods of forecasting revenues, whether by way of taxes, charges or transfers, can be refined to a high degree of reliability. Nevertheless, neither the expenditure nor the revenue figures in the budget represent facts on the ground, but only intentions and expectations for the future. It is very easy for Parliaments to treat the financial statements of governments as somehow authoritative statements of fact, which it is risky for a layman to question and examine too rigorously. But in a democracy the assumption in the budgetary process is that the government does not have the last word: that belongs to the ordinary citizen and is expressed through his representative in Parliament.

On the expenditure side, the budget reflects in money terms the various physical actions that the government is proposing to the community to be undertaken on behalf of the nation. These estimates of expenditure are commonly seen as a declaration of the government’s intention to spend certain amounts of money. Parliaments and the media spend a lot of time discussing the dollars and cents figures in the budgetary statements which are usually presented as allocations of money to various departments in the Government.

Budget classification

Behind those money figures what the budget is really saying in one part is that during the coming financial year, the community should build for itself so many miles of trunk roads, or feeder roads, so many hospitals or clinics at selected locations, so many schools and offices, and so on. That part of the programme is usually described as the Capital or Development section of the budget. In addition, the budget programme will provide that so much money should be set aside to pay so many teachers, doctors and civil servants, policemen and other public servants for their services. Those provisions come under the Current Account side of the budget, and are usually described as Personal Emoluments, Wages and Salaries or Personnel Compensation. Where government workers are covered by a Social Security System the government must also provide money under this item to pay a contribution towards the retirement benefits of its present employees.
The budgetary process from the perspective of good governance

In countries with parliamentary systems of government, the national budget is a critically important instrument in ensuring transparency, accountability and good governance. Whatever that has got to do with finance, facts and figures, is a critically important instrument in ensuring transparency, accountability and good governance. The budget provides a regulating and disciplining framework in which Government departments must be managed and which services perform their functions. Bureaucrats may not go beyond the financial and structural parameters which are stated in the budget and which have already been approved by Parliament. The issue of transparency, accountability and good governance hinges on consequences of a well constructed budget in which Parliament has had a significant role to play. You should use Parliament as a platform for the Government’s transparency so that the citizens of a country can make up their minds in due course whether it should stand. C. Eglin (South Africa)

In the absence of Parliament, there is really no democracy, and if you are going to pass a budget in a democratic process, or in any democratic system, the only first thing to assume is that Parliament would receive a set of proposals and consider them in line with feelings and aspirations which they have drawn from their various constituencies and pass them into laws. E. Nwajuba (Nigeria)

I think the most important matter for us in Africa is that of democracy and good governance. We cannot have this without being very careful that, we have excellence in so far as our budgetary process is concerned. The budget is the key to all development in an area, and parliamentarians must be pro-active. They must take part in its formulation. C. Ndebele (Zimbabwe)

As Africans, in many of our countries, democracy and democratic culture are only on the start, particularly the exercise of democratic governance such as transparency and public accountability, especially in the areas of resources allocation and their effective performance are the key areas of concern. Hence, the lessons drawn and experiences shared during the last three days on Parliament and the National Budget will, no doubt, contribute towards the strengthening of our democratic efforts. A. Meko (Ethiopia)

Parliament is called upon to co-operate with the Executive in a partnership, both to promote the development of the country, the rendering of the services that people need, and to watch that it is being done as best as possible. J.H. Mensah (Ghana)

To achieve transparency, we must be accountable and there is a Select Committee of Parliament consisting of Hon. Members of the Opposition as a constitutional requirement; that there should be a Public Accounts Committee of Parliament to scrutinise and interview the Accounting Officers of different Departments and Ministries. R. Sebego (Botswana)

Transparency in the budgetary process

Transparency is for a purpose. Transparency is for the purpose that the demos, that is the people; the sovereign power in the land, can actually take an active part in participate in the process of governance. J.H. Mensah (Ghana)

On transparency and accountability, I realise that it is quite difficult in my own Parliament because of what Hon. Mensah said; that many Members of Parliament are also in the Executive and any attempts by Parliament to really talk so much about transparency and accountability is like bringing an indictment on Members of Parliament who are also Executive members. This has been a problem and as a result, transparency and accountability are only done at talk-shops. G. Coleman (Ghana)

One issue that restricts politicians and executives from using the power of politics is, in fact, that they have to do it in an open and transparent way. It has a restraining influence if it is done in the glaring audacity for the media and the voters and, in the end, if the voters do not like what the
Executive is doing, it would have an adverse effect on that Executive. … I want to emphasise that nothing can be more important to a healthy political society than to have a transparent Government. Nothing will be likely to lead to mal-distribution of resources, mismanagement and corruption than to have an opaque or a secretive Government situation. Therefore, luckily in South Africa, we have a constitutional requirement of transparency, openness and sensitivity. Our budget process in particular, is required to be transparent. All I can say to all of us here is that the question of a transparent Government is an essential part of us being able to do our work. There is no way in which hon. Members of Parliament can have an oversight if the Government does not give them the information that they require. … One of the key functions of Parliament in relation to the supervision or the oversight of the Budget, is to force the Government, if it is unwilling, into transparency. … The last question regards Portfolio Committees. I do not know whether this is a common practice everywhere, but in terms of the Constitution, all Committees of Parliament are held in public. Therefore, there is transparency to the extent that when officials and Ministers come to answer questions on the performance of their departments, this is done in an open and transparent way. That is not just done for the benefit of hon. Members of Parliament, but it is done for the benefit of the taxpayers. It is done for the benefit of the recipients so that the broader public can see what is going on. There is an exception in that a Committee can determine that there are various special reasons why it should hold its deliberations in camera. That is an exception and there has to be a very specific reason for it. In fact, the reason has got to be so specific that it could be challenged in court if it was thought that that Committee was just obviously saying that: "We do not want the Press to hear what is taking place". So, the question as to how the Committees conduct their investigations, not only across the Floor of Parliament, but also in Committee proceedings is extremely important.  

C. Eglin (South Africa)

We are talking of information, transparency and the refusal of the Executive to heed our inputs. I think that one of the things that we have to go away with from here is the need to expand the democratic process in Africa. If you said that the Executive arm is secretive; that there is no information and transparency; and these are elements of dictatorship and anti-democracy, let us individually and as a group embrace the notion that wherever, whatever and however we are going to do it, we must begin to expand democracy in our continent.  

E. Chijioke (Nigeria)

Parliamentarians should look into and say: "How do we ensure that the entire population understands this process?"  

M. Kombo (Kenya)

The constraints of the party line

It is not very easy for the Opposition in Parliament to win a battle in trying to influence the way the budget has to be approved by Parliament. In most cases, the Opposition in African Parliaments is sometimes weak, sometimes divided and, therefore, not very effective. Another thing is that, Members of Parliament of the ruling Party are advised during caucuses to toe the Official Party line. So, even if they are problems in the budget itself, very often, it is very difficult for Members of the ruling Party to come out in the open and shoot themselves in the foot in Parliament.  

The Rev. Kaleso (Malawi)

It has been my observation that in many of the Parliaments established under the Westminster tradition, there is a very big difference between what the Standing Orders permit of a Member of Parliament and what the Government or the Opposition Whip thinks that he or she might allow you to do. It was certainly my approach that my rules were the Standing Orders, and not what the Government Whip said. The Standing Orders said that, provided a notice of Motion met the technical requirements of parliamentary procedure; or provided that oral or written questions met those requirements, that as long as I had tabled it with the Clerk's Office by the due time, then there was nothing anybody in my party could do to stop me from using my rights as a Member of Parliament, under Standing Orders, to use those procedures.  

M. Waring (New Zealand)

All of us are politicians and in a sense, we have an obligation to the political party which supported us and through which we were elected. But equally, we have got to balance that against our functions as the watchdog, mouthpiece and invigilators on behalf of the broader public, and smelling risks that one would take by challenging or questioning the party in public and the responsibility that one has in a transparent way to have oversight of the Government through the Parliamentary
Commmittees. All I can say is that it works best if our people will have to work through caucuses and also use the various Committees, especially on issues which are not vital to party policy, but are vital to performance on issues such as corruption and mal-administration. One would hope that party loyalty does not overwhelm or over-balance the question of the right of the public to know if things have gone wrong. *C. Eglin (South Africa)*

The most dangerous trend in Africa is when people stop thinking. When you stop thinking you are no more human beings. We should refuse to stop thinking and to bring our thinking face to face to others' thinking, simply because some of the things are wrong. *M. Diouf (United Nations Commission for Africa)*
Payment of pensions and other remuneration for public officials who have already retired are usually provided for under a different section of the budget, classified economically as **Transfer Payments**. The reason for the difference is that the social security contributions which government makes in respect of present employees have a different impact on the economy from pensions paid to past employees. The former represent part of the payment for valuable services which are currently being provided by public servants and therefore constitute a part of the current output of goods and services in the whole economy – what is technically known as the **Gross Domestic Product** – but the latter is not a payment for any economic activity which is contributing currently to the GDP. Nevertheless that money, once it gets into the hands of pensioners, is also spent on the purchase of goods and services. It can be readily seen that such transfer payments, not being matched by current production, are a potential source of inflation in the economy: it is an increase in the amount of money chasing the available supply of goods and services that are now being produced by the economically active population. That is why **pensions and other transfer payments** have to be considered separately in thinking about the budget, because for the economy to remain stable, the inflationary pressures within it must be contained below tolerable limits.

The other major component of the current budget consists of the amounts that government proposes to spend for the purchase of the **supplies and materials** with which the work of public servants is to be performed. Supplies of paper, fuel, medicine, school text books, water and electricity for government establishments – all these have to be purchased by the government from suppliers in the productive economy within the country or from foreign countries in the form of imports for which the nation has to pay in foreign exchange. It can be seen that by the way the government lays out money for such purposes, it can significantly influence the fortunes of this or that section of the economy. For instance, if the Ministry of Education spends most of its allocation for textbooks on books produced by local publishers, this translates into wages and salaries for workers in that industry and profits for the owners. If, on the other hand, the Ministry spends most of that money on imported books, then the economic impact in terms of its contribution to the GDP (the total production of goods and services in the economy) accrues to foreign workers and businessmen overseas.

It is also a common experience in Africa today that governments have inherited sizeable **civil service establishments** which they find it increasingly difficult to pay regularly because of inadequate inflows of taxes and other revenues into the government coffers. However it is not so easy to lay off workers in response to a shortage of revenues. The result of that rigidity is that in many countries you find hordes of civil servants with insufficient materials to work productively throughout the year. This leads to the phenomenon of **low productivity of the public sector of the economy**. It also means that in proportion to the number of qualified personnel on the government payroll, e.g. agriculturists, doctors and engineers, the services that the state can actually render to the members of the community are relatively low. This constitutes a loss of potential benefits to the economy that would have accrued if those public servants had had the materials to provide their services at the rate that they are capable of.

Another major component of the budget on the expenditure side is that in the course of the year the government should procure and service a certain amount of **equipment**, - vehicles, type-writers, rifles, and so on. Unlike the current supplies these items are to be used for longer than one financial year. Therefore such equipment is economically of the same nature as the roads and buildings mentioned above, and is grouped with them under the **capital budget**. The difference is often that the import content of such equipment budgets in Africa is very high, with obvious consequences for the nations’ balance of payments. Secondly, the total worklife is much shorter than that of other capital items: for instance, five to seven years for a vehicle as against thirty to fifty years for a building. Therefore we distinguish in our budget analysis between such equipment with a **medium-term life** from the capital items with a longer life, knowing that the purchase of such equipment lays on government an obligation to provide for its maintenance and replacement at a much faster rate. This means that the implications of such equipment purchases for budgets in the very near future are much more pressing: inadequate maintenance is a pervasive deficiency in African governments’ budget operations, causing enormous financial losses through premature decommissioning of valuable equipment.

In most African governments’ budgets, it will be noted that an important provision that has to be made is that for paying **interest on government debts (servicing the debt)** and for **repayments of the principal sum of those debts**. Governments get into debt when in a given year they buy goods and services of a monetary value greater than the cash they collect in taxes and other receipts. In such a year, government is said to have incurred a **Budget Deficit**.

It means that in the course of that period, somebody in the economy has supplied to the government goods and services for which they have not yet been paid by the end of the financial year. In return for this credit received, the Government, of course, has to issue documents to those suppliers promising that the payments
will be made at a future date. Sometimes the Government goes out to those institutions which are in the
business of lending money – banks, insurance companies, pension funds etc, collectively called the capital
market – and borrows liquid funds not attached to any particular purchases with which to pay those suppliers
whose bills cannot be met out of current revenues. Again promissory notes have to be issued against such
loans. The total of such promissory notes issued to the government’s creditors is what we call the stock of the
national debt. The government obligations cover different periods of repayment and different terms by way
of interest charged.

In the terminology of finance we distinguish between promises to repay loans in the very short period –
anything from thirty days to one year – which are usually made in the form of what are called treasury bills
and are issued for thirty, ninety, or one hundred and eighty days, and promises to repay over a longer period.
These latter are called Government Bonds and are to be redeemed in periods ranging from a few years to a
maximum of, say thirty years. In each case government also undertakes to pay interest at an agreed rate
during the period when the bills or bonds have yet to be repaid – or redeemed as the trade market calls it.

Very often the government does not actually repay the principal of these debts. As soon as the maturity
date arrives, government reborrows from the same lenders or others in the capital market the moneys that it
should have been repaying. As long as the government is willing to pay the going interest rate these lenders
are prepared to roll over the debt. Indeed, as one year of budget deficit succeeds another more promissory
notes are issued and the stock of the national debt keeps growing. All that the government has to provide
for in the budget is money to pay the interest charges. However even that lower burden cannot be allowed
grow without limit: at some stage the burden of interest payment can overwhelm the taxable capacity of the
community, leaving insufficient room in the budget to provide all the other services that government owes to its
citizens.

To the lender, holding government bills which are guaranteed by all the resources of the state and which
mature in a short time is not much different from holding cash. Indeed currency notes are also a form of
promissory notes. So short-term government papers are treated as part of the liquid assets of such lending
institutions. But this only holds as long as there is confidence that government will meet its obligations. The
mounting load of debt carries the risk that at some point a government might not be able to do so, and once the
market begins to harbor any doubts the government has to offer increasing rates of interest on its loans which
have to be paid out of taxes. In the extreme, the government may find itself unable to borrow at any price in
interest charges.
Involving Parliament in the process of formulating the budget

- I was particularly impressed by the proposal made by Dr. Diouf, who said there should be pre-briefing of parliament before you actually get to the budget day, when the Minister for Finance reads his budget before parliament. That pre-briefing is quite necessary and I would fully agree with that. **B.P. Sonjica (South Africa)**

- During the process of public formulation, the parliamentary portfolio committees and especially the Finance Committee has opportunities of eliciting more information on figures from the budget. In addition, during the budget votes, as Members of Parliament would know, there is an opportunity for Members of Parliament to question, expose and make proposals for the future. ... Uganda actually proposes the Private Member's Bill, specifically to improve the Parliamentary input into Budget Process. That is a specific suggestion which Uganda is making; a way of the Private Member's Bill coming through the important Committee of the national economy. That is the kind of positive suggestion which I think will help very much in the success of this symposium. **C. Eglin (South Africa)**

- It is through the committee systems that our parliamentarians can actually input into the budget before it is brought to the Floor of the House. The problem is that although those committees exist, at least in our experience in Kenya, the departments or Ministries rarely consult us. **M. Karua (Kenya)**

- What happens before the budget is so important and what should happen before the budget is not some vague formality like a question to a Minister but some formal procedure whereby you receive the Minister's proposals and you actually talk about them before he brings you his final document. **J. H. Mensah (Ghana)**

- Normally, the Budget is brought to Parliament and we sort of rush through it. But if now Parliamentarians will get involved in Budget preparation, then I can see that we are moving towards the right direction. **Z. Kittony (Kenya)**

- There is a feeling of inefficiency and ineffectiveness of Parliaments in the budget process. I think those are the key areas. Why are those issues coming up? They are coming up because of the lack of pro-activity of Parliamentarians in the budget process. There is also inefficiency because the desires and goals of all the stakeholders are not taken into account in the budget process. **C. E. Ndebele (Zimbabwe)**

- The defects in most African countries' budgets stems from lack of comprehensiveness in their revenue framework and the Budget preparation. **O. Odire (Nigeria)**

A government that incurs an imprudent amount of debt damages not only itself but the private sector of the economy as well. At any one time there is only so much money which some citizens have saved and are willing to lend to others on the capital market. The more of this money that the government borrows, the less of it that is left to be borrowed by private business which produces the real wealth of the nation. In the words of economists, the government is crowding out the productive sector and this obviously slows down economic progress. Again, the interest rate that government offers has to be matched by private borrowers in order to be able to borrow. By this driving up of interest rates the government increases the burden of interest on all other players - people trying to build new factories, private homebuilders, traders, consumers with hire-purchase obligations. Thirdly, money raised by government does not mostly go to finance the production of any marketable goods and services but just to increase the amount of money chasing the available supplies. Therefore many economists consider it a source of inflation which damages the standards of living of ordinary people. For all these reasons, Parliaments have to concern themselves with the budget deficit and government’s borrowing operations to cover it.
Involving large sectors of society in the process

Where and when do other interested parties get involved? Are they involved only through their Parliaments or should they have a base where they can go and put their suggestions? I am perhaps referring to the private sector, industrialists, farmers and so on. They could either be in what they call the NGOs or the community-based organisations, or they could be citizens in their own interested groups, co-operative societies and so on. Then, it seems that there is no place where they are involved in the whole process of Budget-making. S. Mbilinyi (Tanzania)

The role of the Non-Governmental Organisations (NGOs) is not very dominant. Maybe, we have to do something to ensure that, the NGOs, and the public in general, do play a role in Parliament’s input to the budgetary process. K.T.J. Rakhetla (Lesotho)

How best can we involve the grassroots in the budget formulation process? We, in the case of Botswana, have made an attempt to involve the local level through what we called village development committees. S. Tsogwane (Botswana)

My worry is that Parliament becomes very helpless in the situation where the government has collected taxes and does not give services to the people. So, where do the citizens go to? Do we resort to the civil society so that they can actually take over the role of auditing to ensure that their taxes are utilised effectively? One of the ways which they would audit is to go to the streets and demonstrate when there is no food, education or good schools. You can look at every service which you can think of, at least, in this part of the world where we come from; such services do not exist at all! They do not exist because corruption, for example, has permeated all levels of society. M. Kombo (Kenya)

With reference to the role of advocacy groups and civil society also as a monitoring body or process as far as budgetary decisions are concerned in South Africa, we found it of vital importance for groups from civil society to engage in this process. The role of such advocacy groups is essentially to monitor the link between Government policies on the one end, with specific reference to women, and also Government expenditure, and taxation in specific departments. ... There must be an ability to cross-check these policies; whether there is budget allocation. Therefore, it is important and vital to the oversight function of civil society as a role player and also the legislators. A need exists – and we identify that need – for method and also for skilled Budget analysts that will enable the legislators and civil society to make public set up policy commitments worth the resource allocations and the resource flows. Essentially, a growing pool of Budget researchers is needed inside Government and also in civil society, to further Budget analysis and also advocacy. C. Frolick (South Africa)
The conditions imposed by international financial institutions

Most African countries are governed by IMF and World Bank conditions. Most Budgets, and their processes, are dictated by the World Bank and the IMF, and the truth is that, poor African countries have little to say in the distribution of money. The Structural Adjustment Programmes (SAPS) and the so-called Sector Investment Programmes (SIPS), though well intended from the African countries’ perspective, are ultimately meant to continue making the poor African countries perpetually dependent upon them. At Budget time, in many poor countries, the IMF is there to study and advise. If we wish to increase our input on agriculture, we are advised that, we are incapable because we have no money to buy inputs like fertilizer. When we change and talk about poverty alleviation and, therefore, increasing allocation to gender and the social sector, we are told that we do not have the capacity. Our intentions are good, but unfortunately, as long as Africa remains poor, the only amount of money available in our Budget, especially after repayment of bilateral and multi-lateral debts, will only be enough to enable us to continue sharing poverty among our people. R. Yikona (Zambia)

The question of the IMF, World Bank and international agencies imposing conditionalities, may be technically justified but this clearly has a social-economic impact on the society concerned. C. Eglin (South Africa)

I do not see any reason why Parliament should not call before it, informally if necessary, three months before a budget, the Chairman of the Donors Committee. I say that because the donor agencies are supposed to have relationships with governments and ... the definition of Government is the Executive, the President and the Parliament. It seems to me that there is frequently a lost opportunity. M. Waring (New Zealand)

We must not under-estimate the degree to which our Government – and, indeed, all Governments – is subjected to enormous external pressure on its budget. This pressure is not only on general issues of policy, but rather on macro-economic debate and issues. We have come to the conclusion, rightly or wrongly, that we need foreign direct investment in order to develop our economy. That foreign direct investment depends entirely on international stability and international perceptions by many investment agencies and investment funds. So, we feel extremely vulnerable to the new international order and the instability which obtains, especially in the international financial system. B. Turok (South Africa)

I know that in Nigeria, we are really taking loans and right now, our President is on poverty alleviation. When one looks at that particular programme, one will find that it may not be the right programme for us at this particular time. But the World Bank is ready to give us such large amounts of money. As Parliamentarians, I think the only way we could help our economies is to make sure that we are all aware of any loans that our governments take. This is because eventually, we will have to appropriate the monies that will be used to pay the loans back. So, it is very important that we know what negotiations are in place, when they are taking place and find out whether we really need those loans at that particular time. That will help us to know what projects the government needs to finance through those loans. L.C. Ikpeazu (Nigeria)

Debt servicing: A heavy burden on the budget

But in many countries, the largest single item of expenditure on the Budget and one that is not optional, is the cost of servicing debts incurred in attempting to balance budgets on previous years ... the cost of servicing the debt is almost the same as the cost of all hospitals and schools that we have in South Africa. C. Eglin (South Africa)

In many African budgets, the debt service burden – even when we are not repaying capital, but the interest on the debt – is far outpacing the taxable capacity of our people. J. H. Mensah (Ghana)
Government’s agreements concerning loans from foreign governments and international institutions such as the World Bank are of the same nature as bonds issued to domestic producers, suppliers and contractors. But usually the terms of repayment and servicing are more favorable than for bonds issued to private businesses and institutions. Thus, for instance, on those World Bank loans which are granted through what is called its **Soft Loan Window – the International Development Association** – the borrowing nation is allowed a **grace period** of ten to fifteen years during which no repayments of principal are required followed by a **repayment period of thirty to forty years** which minimizes the yearly burden in the Budget. The **interest charges on these loans are also more favorable**, presently less than 1% of the face value of the loan, as compared to interest on credit from commercial sources which can range as high as 12-15% on international borrowings and in some countries in Africa all the way to 40% on domestic borrowing.

It has been emphasized above that the financial allocations that are made to various industries, departments and agencies in the expenditure estimates are only a monetary representation of the real goods and services that government proposes to make use of during the financial year. To perform efficiently its constitutional duty to oversee the operations of the executive and to control the common purse, a **Parliament needs to go behind the money veil and appraise the actual operations, purchases and contracts** that lie behind the figures. Only thus can parliament ensure that citizens can get good returns in the government system from the taxes they pay. All too often budget debates in our parliaments just stop at the examination of figures. Thus if inefficiency and low productivity persist in the public services, as we all constantly complain, it is largely because parliaments year after year have failed to assess the real economic matters behind the veil of money.

Now governments everywhere are vast and hugely complicated operations. To oversee and control them, parliaments need to have as much information about the reality behind the budget figures and understand them as well as the government itself. At the same time, the more details are supplied, the more likely MPs are to be swamped and unable to make any sense out of them. So parliamentary development in this area requires that legislators are provided at the same time with both more **detailed information** on what is in the plan of action and the **professional support to organize, summarize, and analyze it**. Most African parliaments have a long way to go in this matter. In the meantime, the specialist **Select Committees** which are supposed to oversee particular agencies easily degenerate into fan clubs calling every year for budgetary allocations for “their own” institutions to be increased.

The only sections of the expenditure budget which stop at just the financial data are the allocations for debt service and repayment and for the payment of pensions, block grants and similar transfers. Often these are classified as **Statutory Payments** because the government has a contractual or constitutional obligation to pay them, as compared to what are called **discretionary** expenditures which could be varied in the course of the year e.g. the wages bill can be increased or lowered by changing the number of public servants through a policy decision. Statutory payments are often treated as a **first charge** on the budgetary resources, to be met first before other parts of the annual plan of action are provided for. With the increasing load of debt service obligations, it is becoming more and more common to see African countries striving to redeem their promises to creditors religiously on schedule while all around the nation’s social services crumble.

When Parliament has finally made up its mind about the plan of action proposed to it by the government through the **Expenditure Estimates**, it proceeds to pass the **Appropriation Act**, or a series of such Acts, for that financial year. This is the **law which authorizes the government to draw various monies from the Treasury and spells out the purposes for which such monies may be spent**. In any constitutional system of government, the **Executive has no power to draw money for any purpose that it might conceive however laudable, unless such money has been appropriated/voted/provided for it by Parliament.**
Parliamentary oversight

During the departments' annual reporting, we, in the portfolio Committees, make sure that when they are responding to what they have done, the departments come up with the breakdown of what they have started with, including what they have in their departments in terms of representation. So, it will deal with racial breakdown, gender balance in view of making sure that they move towards achieving a gender balance. E. Thabethe (South Africa)

Also, in the [budgetary] procedure, it should be required that the Executive gives quarterly or periodic reports on performance of the budget. If they have achieved the targets, they will say it. If they have not achieved the targets, they will explain why. Then, there could be an implementation committee. In Uganda, we have got an Assurance Committee, which checks and finds out whether proposals given in the budget, have been implemented or not. The Implementation Committee is Parliament's organ aimed at seeing that most of the proposals made in the budget have been implemented to the benefit of the people. J. Angwenyi (Kenya)

We, in South Africa, believe that we need an effective Government which is able to take decisions, and one would not want to cripple the Executive in the period of transition and transformation. At the same time, we want to be able to exercise a critical capacity on those things. B. Turok (South Africa)

It is very important for the legislators to take seriously their oversight function. I believe that if we can take it a step further and monitor the projects that are appropriated for, and if the Ministries and the parastatals know that they are accountable or they are mostly accountable to the people, it will help in ensuring the system being transparent. L. C. Ikpeazu (Nigeria)

There is the need to have a formal link or obligation between the Legislature and the Executive in the field of being able to examine the implementation of the budget because it is one thing to pass a budget, and the other one is to ensure that it is being implemented properly. ... The cabinet has a responsibility to be accountable to parliament. Parliament has a responsibility to have oversight of the cabinet and in terms of reports and words, this can be done. ... Our South African Constitution says that the Cabinet Ministers shall make regular and full reports on the operations of their Departments. It would appear that in South Africa, the Finance Committee, has persuaded the Reserve Bank to give a quarterly report to it. It may well be that it should be part of general rules that each of the Departments, not only at the time of the Budget, but, say, two or three times during the year and in between the Budgets should, in fact, give reports to Parliament either as an institution or to Parliamentary Committees on how they are performing in relation to the Budget. ... In terms of various constitutions, parliament has a right to require information and to demand that Ministers and other people appear before it in order to give information. So, in terms of the South African Constitution, the Cabinet is required, both collectively and individually, to be accountable to parliament on a continuous basis. Ministers are required to give full and regular reports on the policies and activities. So, there is an obligation on the Executive both to be accountable to parliament and to provide parliament with full and regular reports. On the other side, the South African Constitution makes specific provisions that parliament, in its rules and orders, must make provisions for parliament or committees of parliament to help the Ministries to account and create the machinery through which those can take place. ... I believe that the role of parliament in its oversight of the implementation of the budget would be strengthened if there were some mechanisms by which parliament could intervene in the event of a budget which has been approved both by parliament and the Executive, not being adhered to during the course of that year. Maybe, you have got to put some programmes on halt, or maybe, there is a mechanism saying:— "Right, we will watch you carefully, but when the next budget comes up, you must be forewarned that, in fact, because of your dereliction of duties in the previous years, money may well be withheld from you next year." I put it to you that as part of the overall oversight, some mechanism should be created by which parliament can be effective in seeing that, in fact, the budget is properly adhered to. C. Eglin (South Africa)

We, as the Members of Parliament, have been very much keen in following when a certain expenditure has not been made as approved in the budget, particularly when it concerns our constituents. For example, it is possible to ask a question in Parliament, or follow the Minister directly and ask him why it has not been done. But I think there is a problem in regard to the performance of revenue. For example, when there is a poor performance of the collection of revenue, the Members of Parliament are not very keen in following. M. Mbega (Tanzania)
The contrast with a dictatorship is that there the ruler can spend public monies on his own initiative and authority without permission from anybody else. Naturally, in any plan for future action such as a national budget, some provision has to be made even under a democracy for that government to respond to unforeseen circumstances or to initiate some programmes which it is sure Parliament will subsequently approve. This is done through the anticipatory provision of limited amounts of **Contingency Funds** in the Appropriation Act, or later on by Parliament’s approving **supplementary estimates** for the unscripted expenditures through a **Supplementary Appropriation Act**. That cautionary arrangement can open the door to the circumvention of parliament’s exclusive mandate to authorize expenditure.

**The National Treasury – Consolidated Fund**

Under most constitutions all the money coming into the government’s coffers is collected into one pool or wallet. Indeed the word budget comes from the French word “bougette” – a small bag in which sovereigns used to keep their gold and other valuables. In countries which use the British terminology, this communal wallet is called the **Consolidated Fund**. The point of the legal requirement that all revenues and receipts should go into one Fund is that it creates an identifiable office, the **Government Treasury**, which can be held to account for all the inflows of monies in the course of the year and for all the payments that are made in the same year. A decisive moment for democratic development arrived when in Europe control of the Treasury was wrested from the hereditary kings and oligarchies and put into the hands of the ordinary people’s representatives in Parliament. In Britain the Prime Minister’s highest title is First Lord of the Treasury, reflecting the constitutional significance of the control of the purse.

In every country with a properly developed system of governance, there are **financial and administration laws and regulations** which spell out in great detail how public monies may be drawn out from the Treasury and spent even after the purpose of such spending has been approved in an Appropriation Act. Bureaucratic red tape is the deserved butt of many popular jokes and complaints, but it bears emphasizing that every system of government needs strong, clear and secure procedures to safeguard its financial resources. This principle indeed applies to both the public and the private sectors. Too often governments in post-colonial Africa have ridden roughshod over the financial regulations, in the interests of getting rid of antiquated colonial procedures as part of the nationalist revolution and speeding up the development process. Invariably, these shortcuts have turned out to be, or have degenerated into an alibi for emptying the Treasury through corruption and wasteful expenditure.

It is particularly important that Parliaments become the protectors of the procedures laid down for the management of government’s **contracts for work and tenders for procurement of supplies and services**. By taking the shortcuts around the financial administration laws, our governments soon fall into the “10 per cent culture” with the aid of businessmen who are always available to make and share a fast buck. As politicians, African legislators have a hard task to restrain their own colleagues in government from disregarding financial procedures for whatever reasons. Parliaments with lop-sided government majorities are especially prone to complacency in these matters. But we have to constantly bear in mind that once the top people have driven a hole in the protective wall that these laws are intended to provide for our common treasure house, then every official down the line will also be able to take part in the looting, right down to the smallest clerk who fiddles the purchasing of pencils and paper.
Government Income and Expenditure: Taxes and Appropriations

As indicated above, the Constitution of every country entrusts to the executive arm of government the task of preparing the national plan of community action, proposing the methods by which monies should be raised to carry out the plan and then implementing the plan. But even though the Constitution mandates the Executive branch to carry out these functions, it also contains provisions which make it clear that it is the whole community as a sovereign body which holds and exercises the right to tax itself, to plan how the tax money should be used, and to carry out the plan. Before the era of Constitutions, most communities were governed by hereditary kings in whom these sovereign rights were vested, and who exercised them without being subjected to any higher authority.

The essence of the advent of democracy is that these sovereign powers have now been transferred into the hands of the mass citizenry who exercise them in two ways:

- By retaining the right to elect the executive arm of government and to delegate the powers to them for a limited period at any one time. This means that rulers have to account directly to the people for their stewardship, especially when they go back at election time to seek a fresh mandate. That is why under all democratic Constitutions, there are provisions under which fresh elections have to be held within a fixed term of years at which the electorate can choose between competing aspirants in awarding the mandate to exercise the executive powers. Africa’s post-colonial experiments with one-party states and life presidencies were a direct negation of this sovereign right of the mass citizenry and account for our failure to consolidate the practice of accountability after so many decades.

- To exercise their right to executive accountability in between elections, the people also elect Parliament, a body of representatives who are expected to follow in detail and on a day to day basis the actions that the Executive is taking in carrying out their mandate to collect taxes and spend public monies. It is immediately obvious that if the Executive branch elected by the people were only answerable to themselves for the decisions that they make in these matters, then the dictatorship of hereditary kings would simply have been replaced by the dictatorship of elected presidents. Thus the most important function of Parliament is to watch over the exercise by the Executive branch of these powers to plan/budget, to tax and to spend public money in the pursuance of all these policies and programmes that have to be instituted for the common welfare.

The power of taxation

It is provided in all constitutions that while the Executive has (sometimes exclusively) the initiative to propose what levies the citizenry should pay to support the common services, the representatives of the people in Parliament should give their consent to those proposals before such levies become enforceable. A modern budget provides for the collection of these financial resources through three channels:

- Taxes- Direct and Indirect
- Fees, Charges and other Levies
- Loans and Grants

Taxes

Taxes represent a demand on the citizen to give up a part of the money that he would otherwise have to spend on himself and his family and to put those sums in the hands of the government for common purposes. In order to assess how much tax each citizen should pay many different methods have been devised among which the most important are discussed below.

Taxes on Income and Profits

These are levied on the wages and salaries that people can earn from their employment or from the ownership of business. The income may have been earned from agricultural produce, such as food sold on the market for export, or as wages, salaries and profits made in manufacturing industries and service activities by individuals and companies, or it may be the income that people derive from property in the form of rent.
It is recognized as a natural principle of equity that the more income that one citizen has in comparison to another than the more he should be asked to pay. In modern systems of taxation it is also accepted that equity demands that the proportion of the income that a richer person pays should be greater than the proportion that a poorer person pays. Indeed all income tax systems provide for every citizen a basic allowance, a fixed amount of his income which is free of tax and which is usually related to the costs of providing such essential items like food and rent for the family. Very often this threshold of taxation exceeds the incomes of many poor workers so that they do not have to pay any direct tax at all. Above that threshold, the income taxes are graduated in a series of steps so that with each additional slice of income a higher and higher proportion has to be paid in taxes. This represents the progressive principal in taxation.

Taxes on Goods and Trade

The other form of taxation is levied at the point where people carry out some economic activity such as trading or manufacture, and on things that it is easy for tax authorities to attach. For instance, foreign goods are imported into a country through a limited number of ports, frontier posts on roads, and airports. It is easy to check at those locations the quantity of value of goods that are coming in and to place tax on them. Such taxes are called import duties. Similarly, the factories that produce goods, clothing, drinks and so on are limited in number and their locations are known, so that it is easy to count their production and tax the value as that production is moved into the marker. In accordance with the way in which they are assessed, these taxes are variously called, excise duties, sales taxes, value-added taxes.

Since colonial times the most important sources of income for many countries have been in the export of agricultural food and raw materials, forest product and minerals. Governments have found means of taxing this export trade under various guises – export duty on rubber, oil seeds, cacao, coffee, cotton; mineral duties and royalties; timber export duties, excise and royalties; special taxes on non-renewable resources and for environmental protection. Together with export and import duties, the taxes on the commodities that local consumers buy and sell are called indirect taxes because the tax payer does not pay the money directly into the coffers of government, as with income taxes, but indirectly through the prices that are charged by the local trader, the exporter or importer and by the manufacturer for these goods.

Because indirect taxes are paid on products without regard to the income of the person who eventually purchases them, their impact on the citizen is felt in a way that is generally considered to be less equitable than the impact of direct or income taxes. Thus if 10 cents are to be paid on each bottle of Coca-Cola as excise duty, then the poor man who consumes one bottle, pays the same amount of money as the rich man who consumes one. Obviously, ten cents represent a bigger burden on a poor person, a bigger slice of his disposable income, than it does for the richer person. Therefore, these indirect taxes have what economists called a regressive effect, that is, they impose a more severe burden on poorer people than on richer people, as compared to income taxes which contain a progressive element, that is, taxes which take proportionately more and more from each tax payer as his means increase.

Parliaments exercise this power of control over taxation on behalf of the people by passing every year a Finance Act or a series of Acts on the different forms of taxes. It is these tax laws which legally authorize the Government to collect the various taxes from citizens and in the way that Parliament decides and prescribes for each tax. Thus in a modern state the elected representatives in Parliament are tasked to decide the amount of taxation which is reasonable to ask citizens to pay at any given time. Perhaps fortunately for parliamentarians, the popular understanding is that it is the government which imposes all three burdens of taxation which citizens have reasons to complain about, and this misconception exists largely because it is the Executive which is constitutionally mandated to propose what taxes are to be levied and to collect them. But less excusably, parliamentarians themselves all too often also place the responsibility for the burden of taxation on the Executive, conveniently forgetting that taxes can only result from decisions and laws made on the sole authority of Parliament, to the exclusion of the Executive.

The corollary of this prevailing failure of Parliaments to confront their own responsibility for the burden of taxation is that their examination of the tax proposals which they receive on the initiative of the executive branch tends often to be quite superficial. This failure to accept to accept the political challenge of taxation
accounts to a considerable degree for the inability of parliaments to win the prestige and authority that should belong to them under a constitutional dispensation.

Theoretically people would wish to have more and more of all services that the governments provide: medical services when they are sick, education services for their children, police services to protect their lives and property, and good roads to move from one place to another. There is no limit to the amount of such good things that a community could provide through its combined actions under the government for the use of the individual, but the citizen has also to have some money left over after taxation to provide for his private needs – to buy food for his family, pay rent, and fulfill many social obligations. Under the Constitution, it is left to Parliament to judge what the tolerable limits of taxation are.

For its part, the Executive invariably has an unlimited appetite to collect taxes and spend them, forever expanding the scope and size of the public sector of the economy. But we have to remember that there are many things that the government could do which will not result in the provision of really valuable goods and services for the individual or the economy as a whole. Tax money is free money: the government does not have to pay anybody for it. Therefore, there is the need for somebody else to see to it that an over-bloated public sector does not become an ever-increasing burden for the productive sector of the economy to support. It is Parliament which is mandated to preserve the right balance between taxes and retained income. And the economic difficulties in which so many African countries find themselves embroiled reflect the failure of legislatures to exercise prudent control over the explosion of the government sector by passively agreeing to impose ever higher and higher taxes on individuals and companies.

In a number of African countries, the ratio of the public sector to GDP is already over 30%; in other words, of all the goods and services that are produced in the economy every year, one third by value passes through the hands of the State. For one out of every three dollars of the nation’s economic transactions to be in effect managed by one board of directors, the President and his Cabinet, already poses the danger of inefficiency arising from sheer size. Again, democracy itself works best when every center of power is counterpoised with another which can restrain it – the famous American concept of checks and balances. An over powerful government controlling so much of the country’s economic resources, inevitably poses a threat to the freedom of those individuals who do not share its political beliefs, and to the process of democratic competition itself. Already in many African countries, the economic patronage available to ruling parties – contracts, loans, social development projects – is such that the political system operates as a one-party state regardless of the multi-party intentions of the constitution-makers.

Economists have learnt from the experience of the post-war years that it is beneficial to limit the demands of the machinery of the state on the total resources available to any nation. In certain “welfare states”, such as those in Scandinavia, the government sector grew to the extent of controlling as much as two out of every three dollars in the economy. It became clear that even at much lower levels than that, the tax burden had become a disincentive to the effort of those agents in the private sector who actually produce the wealth of the nation. Workers, managers, entrepreneurs, those who save their money to provide funds for investment – all of them have shown that there are certain levels of demand for tax which seriously limit their motivation to play their role. The State can, literally, “kill the hen that lays the golden egg” by excessive taxation.

With our present economic circumstances, each one of us African countries has to look to attract a share of international finance capital. Without it, none of us can be reasonably sure of being able to provide the jobs and social services that our burgeoning populations require, or even just to alleviate the grinding poverty of the most deprived members of our community. A beggar-my-neighbor policy in the competition for foreign investment will obviously not pay us as a group. But with its option to go everywhere else in the world, not just to stay at home, it is certain that finance capital will continue to pass Africa by unless our parliaments can impose prudent limits on our governments’ appetite for tax money.

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<td>We have the international conventions and covenants which locally or nationally are never ratified, never signed or domesticated. So, when it comes to policy making, we have nothing in place which parliamentarians can hold on to be able to pressurise the respective Government to have budget paying attention to the particular international concerns. For example, gender is a topic that we could discuss, children’s rights, disability and UN standard rules. These are leading examples. In our respective regional countries</td>
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we do not have domesticated laws that we as Parliamentarians would use to be able to have the budget direct these concerns. J. Sinyo (Kenya)

Appropriations: the power of the purse

Parallel to its power to impose taxes by law, parliament is also responsible for authorizing the Executive by law to spend out of the common kitty public monies for any purposes that might be desired. These expenditure proposals are usually presented in the form of departmental estimates because the government has to conduct the different types of operation through specialized agencies: the Ministry of Agriculture specializes in doing things that will promote agricultural production. The Ministry of Defense must plan how best to spend money in securing the safety of the nation, and so on. With the President and/or Prime Minister, the Ministers in charge of these departments constitute the Cabinet. Acting collectively, this Cabinet has to decide on the operations and the pattern of expenditure to be proposed to Parliament.

Obviously, given the limits on the total amount of taxation that the government feels emboldened to place on its citizens, the expenditure proposals coming from the Cabinet to Parliament already represent the outcome of a negotiated settlement between the various departments. The allocation of public money to one activity means that it is not available for another activity. The first obstacle in the way of a thorough re-appraisal of the expenditure estimates by Parliament is that it would imply a reopening of the compromises that have been negotiated at Cabinet level. Yet that is precisely what every legislature worth its salt should be trying to do. For, given the inertia in any large bureaucratic system, rarely does the pattern of expenditure emanating from the interactions within that machinery coincide with the current order of priorities among the felt needs of the citizenry, which each good legislator can readily ascertain from his own constituents and should strive to see reflected in the relative allocations of public funds.

One of the most difficult jobs for the Executive branch of governments is to be able to stand back and really assess whether, reviewed as a whole, the pattern in which public monies are being spent on the different services and activities represents the best use of money. Very often, having come to power to inherit a given establishment of public servants and a given pattern of expenditure, governments find themselves with little power to really transform the operations of the state, regardless of their electoral undertaking. What most governments have the latitude to do is to decide how to spend any additional resources that might become available rather than how to reform the inherited structure of expenditure.
This budgetary inertia can have quite serious economic and social effects. Thus, for instance, many countries find it hard to achieve the right balance between preventive and corrective services within their health budgets, let alone an optimum balance between health services on the one hand and military services on the other. But if the net outcome of all that our governments have been doing for decades is to have Africa in the state of technological backwardness and economic poverty that we have on the continent today, then there is at least a very strong presumption, that all over the continent we need a radical transformation of our development plans and action. Legislators are mandated to initiate that revolution through their budgetary decisions.

Regrettably, most Parliaments up till now are unable, whether due to rigidities and deficiencies in their own procedures, or to constitutional limitations, to influence significantly the pattern of their communities' budgetary operations. In some constitutions, the Executive is given the sole mandate to propose any expenditure of public funds out of the Treasury. Thus, if the Parliament should, for example, think that it would be socially preferable to put more money into education and less into military spending, it cannot so decide and provide the budgetary allocations accordingly. It has to wait for an initiative from the Executive to that effect which may never come. In such a situation, both legislators and constitutional experts have to reexamine the question: what is the real content of Parliament's so called “power of the purse”?

In other jurisdictions, even though the Parliament may have the power to vary the expenditure proposals presented by the Executive, the political relations between powerful governing parties and executive patronage, on the one hand, and the feebleness of legislators when it comes to the exercise of its budgetary powers by the Parliament, on the other hand, are often such as to blunt severely whatever power of the purse is nominally vested in Parliament by the constitution.

In most Parliaments, the proposals received from the Executive to spend money on this, that or the other departmental activity are remitted to various Select Committees for examination before they are approved. In principle, it is this Committee system which should enable Parliament to go behind the monetary figures on which the budget is couched and examine the actual recurrent or development programmes that it is intended to carry out. Thus if the Ministry proposes to build a number of classrooms for y million units of currency, then this implies that each classroom is going to cost on the average y/x units of currency. Parliamentarians must be equipped to decide whether that price per classroom is reasonable: unfortunately, in Africa today, they are rarely able to do so.

Unlike businesses, governments do not have to pay for the tax money that they use. It is free money, and it does not belong to anybody in particular. Therefore, without a watchful legislature, the cost of providing common goods and services can rapidly escalate beyond all reasonable levels. And there is always the possibility that such escalation may be simply due to corruption which means that a proportion of the money provided by the taxes that people have sacrificed to pay goes not to build classrooms at all but to line the pockets of ministers and officials.

The expenditure proposals in a budget are also a reflection of policy. For example, the government may decide that the most important area in education is to provide a basic schooling for all children and pay relatively little attention to higher forms of education, or it may propose a quite different balance. The long-term consequence of such policy choices are immediately obvious. Some authorities claim that in terms of developmental pay-off expenditure on universal basic education far outstrips the pay-off on money spent on secondary and tertiary education. On the other hand it is certain that the development of this is severely handicapped by our failure so far to produce the scientific and technological solutions to the many problems that perpetuate low productivity in Africa’s agriculture and industry. Besides, the economy and public services have to be managed by people with secondary and tertiary levels of education. The path that African countries choose in the dilemma between these conflicting considerations in educational policy, will determine whether and how fast Africa emerges from the cycle of poverty.

Legislators must obviously take a leading role in making such policy choices: and rational choice demands a sufficiency of information and technical advice. The problem with the exercise of Parliament’s budgetary role is that in most legislatures there is not only insufficient information to check on the reasonableness of government operations as to costs and balances but also insufficient advice particularly to decide on the basic policies which lie behind these expenditure proposals. All too often, the Parliamentary Committee slips into the position of becoming simply an advocate for an ever increasing amount of financial resources to be allocated to the functions on which it is specialized rather than a partner making policy to assure the best use of money on behalf of the community.

Building up African parliamentarians’ access to information and advice should be the topmost priority in any program of parliamentary development.

Parliament and the Budgetary Process, Including from a Gender Perspective
Emphasising outcomes

Let us not be so motivated by the issue of numbers that we lose sight of the outcome. Let me quote from this morning’s newspaper, The East African Standard, on what it says about Tanzania: “We are concerned about the macro-micro paradox where the grassroots people are not feeling the consequences of a better macro-economy.” I say that because all our governments are being urged to observe macro-economic discipline, and Parliament may want to know the outcome of that macro-economic discipline in so far as the effect on the people is concerned. B. Turok (South Africa)

Every electoral officer; in other words, the Minister, in his or her department should take into account the practical and physical needs of the community when he puts up the mission statements which is an action at the end of today. In other words, there must be an outcome-based action plan which is within the mission statement of every Ministry so that the Ministry is able to fulfil the needs of the community and not the abstract. V.B. Ndlovu (South Africa)

When we started our changes in New Zealand, we had mission statements. The mission statements would say something like “we will enhance the well-being of the population”. Well, what a statement! That does not tell of the outcome. That is what increase well-being actually means, if you had to specify what your outputs were. The mission statements were so broad and something had to be done about them. Who was to do something about them? In our system, the Controller and Auditor-General is the person with the power to require specificity from departments. M. Waring (New Zealand)
Towards a Gender Perspective of the National Budget
Introductory statement by Dr. Marilyn Waring

Gender analysis is a process. It is not a checklist after the event, or an audit introduced at only one point of the process. Gender analysis is not just focused on outcomes, but on the concepts, presumptions, arguments and language used to justify policy, and how, and by whom, needs are interpreted.

Any budgetary analysis is incomplete if the impact of gender has not been considered. Gender is an integral part of economic issues, and the focus of analysis is whether or not the policies challenge or reinforce the existing power structure and dominant groups.

The processes of gender are dynamic and display constantly changing patterns. Understanding gender demands an understanding of cross cutting phenomena and the use of cross-disciplinary methods.

Incorporating gender at budget level calls for integration not only horizontally but also vertically to bridge the macro/micro divide. For example structural adjustment policies (SAPS) have typically included modification of the tax structure, freeing of prices to allow more unfettered functioning of the market, removal of direct subsidies and indirect transfers, dismantling of state enterprises for marketing and distribution, tightening of credit and incentives to particular sectors of the economy - all of which have different gendered implications for the micro level.

Gender and economic analysis

It is impossible to talk about women without talking about the processes occurring throughout an economy. Yet planners usually talk about the economy without talking about the specific effects on women. The direct discrimination against women is both overt and covert and exacts major economic costs. There are the opportunity costs, of ignoring constraints women face and of failing to provide them with improved opportunities to participate fully in the development process. There are the costs of gender stereotyping in major labour market and home maintenance activities.

There are the costs of refusing to recognize women by claiming that the household is the unit of economic analysis, but failing to analyse the household as a business enterprise of interdependent workers, contributing to two sub- systems of production with different skills, potentials, knowledge bases, and rights to resources. Where women would rather allocate their labour to activities that give them more control over their own and their children's destinies, and away from activities that may be more profitable, but which make them more dependent, economic incentives will not work - except for widows and women alone. This is especially the case where there is marked intra household separation of income and responsibilities.

Without gender analysis of the budget there is inefficient use of resources, poor targeting, and mal-investment, with deliberate obstruction by men of women's access to land titles, credit, knowledge, extension services, appropriate technology and a wide range of services, all of which hinder a nation's development and its growth statistics. And all the above accumulatively contribute to the inter-generational costs incurred through poor nutrition, overpopulation and poverty.

Equity and efficiency are not naturally exclusive outcomes. Women are not a problem for the economy. On the contrary, meeting the challenges of survival is more dependent than ever before on women's organisational management, ecological and productive skills. That women have been, through direct discrimination, denied both opportunities to influence the adjustment process and their share of benefits brought by structural change, means that they are the least dependent resource in the community. They are, therefore, the group most likely to respond to inputs leading to self-reliance.
What does gender and a gender perspective mean?

- Gender does not equate with women. ... The gender approach is the balanced approach to society, including men, women, boys and girls on the basis of an equitable treatment. Emphasis being, uplifting the weakest members of society. M. Diouf (United Nations Economic Commission for Africa)

- Gender is about women and men; girls and boys. The exercise is more difficult in economics because in the last generation, economics mostly omitted people altogether, from its mathematical models. But gender is an integral part of economic issues, and the focus of analysis is on whether or not the policies challenge or reinforce the existing power structure and dominant groups. ... If your key government goal or strategic result area does not say people, citizen and children, but instead on every goal, it says men and women, boys and girls, then every department will be required immediately in its explaining and budgeting, to put up programmes, not the ones dealing with citizens or children, but the ones dealing specifically with men and women, boys and girls. That very simple change has a profound effect on every Ministry, department and State trading organisation. M. Waring (New Zealand)

- There are numerous inadequacies in our country on the question of gender, as on many other issues. We often talk about historically disadvantaged communities; much of our legislation refers to that. That is quite a great term because, inevitably, in the historically disadvantaged community concept, women play a major role. In a way, Dr. Waring pointed out, using certain terms that were actually referring to gender; she nevertheless achieved the same objective. But, I nevertheless, found the way she discussed men and women, as opposed to people, very useful. I think we can elaborate on the notion of the historically disadvantaged communities by also referring to historically disadvantaged men and women. B. Turok (South Africa)

The UNSNA and the rules on production

The method for measuring growth and production throughout the world is called the United Nations System of National Accounts (UNSNA). The rules of this system state that there are areas of human activity which lie outside a ‘production boundary’ (that is outside the market), established for the purposes of the national accounts. The rules were established to meet the vicissitudes of a particular moment in history. Developed in the UK during World War II, it was obvious they would be very useful in the period of decolonisation.

Any economic report of the World Bank, the International Monetary Fund (IMF), United Nations (UN) Agencies, or national governments, is based on national account statistics. The UN uses national accounts to assess annual contributions, and to appraise the success of regional development programmes. Aid donors use the UNSNA to identify deserving cases, ‘need’ being determined by ‘per capita gross domestic product (GDP)’. While the most in ‘need’ would tend to register low growth figures, donors prefer to invest in countries showing high rates of growth, paving the way for their own exports and investment opportunities.

In the same way, the World Bank uses these figures to identify nations that most urgently need economic assistance, but prefers those with higher rates of growth, making it easier for multinational corporations to use the same figures to locate new areas for overseas investments. The IMF loan availability and loan roll-overs come with contingencies to force changes in government economic policies to increase growth rates based on these figures. Companies project the markets for their goods on the basis of the national accounts projections and plan their investment, personnel, and other internal policies accordingly.

For individual countries, the uses made of national accounts and their supporting statistics are manifold and have far-reaching effects. They are used for creating frameworks or models for the integration of economic statistics generally. They are used to analyse past and current developments in the national economy, and are the basis of projections of the possible effects of changes in policy or other economic changes. They are used to quantify all areas of what is considered the national economy so that resource allocation decisions can be made accordingly.

Governments project public service investment and revenue requirements for the nation - and plan new construction, training, and other programmes necessary to meet those needs - by using their national accounts.
They are used to forecast short and medium term future trends. They are also used internationally to compare one nation’s economic performance with another’s.

Economists boast that per capita GDP in any country is a measurement of the well-being of its citizens. A major reason that only cash-generating activities are taken into account is to ensure that countries can determine balance of payments and loan requirements - not as a comparative exercise, but as a controlling exercise. Those to whom money is owed (First World governments, multinational banks, and multilateral agencies) are primarily interested in seeing the cash generating capacity of the debtor countries, not their productive capacity.

It is claimed that national accounting provides factual information. But in the UNSNA, facts are carefully selected in a way that pre-determines public policy.

The UNSNA measures the value of all goods and services that actually enter the market. It also measures the value of other production that does not enter the market, such as government and non-profit services provided free or at a nominal charge, and accommodation provided by owner-occupied dwellings.

From the UNSNA are derived the figures for the gross domestic product (GDP). The GDP is used to monitor rates and patterns of growth, to set priorities in policy making, to measure the success of policies, to measure ‘economic welfare’. Activities that are outside the production boundary - that is, in every nation the great bulk of labour performed by women in an unpaid capacity - are left out of the GDP. It is not a large step from that point to leaving them out of policy considerations altogether.

Cooking, according to the UNSNA, is ‘active labour’ when cooked food is sold and ‘economically inactive labour’ when it is not. Housework is ‘productive’ when performed by a paid domestic servant and ‘non-productive’ when no payment is involved. Those who care for children in an orphanage are occupied; mothers who care for their children at home are ‘unoccupied.’

The exchange of cash is the key. The transactions can be immoral and illegal and universally condemned, but no one cares. Resources are mined, skies are polluted, forests are devastated, watercourses become open sewers and drains, whole populations are relocated as valleys are flooded and dammed, and labour is exploited in chronically inhumane working conditions. The statistics record economic growth.

Gender and economic activity

Consider Tendai, a young girl in the Lowveld in Zimbabwe. Her day starts at 4.00 am when, to fetch water, she carries a 30-litre tin to a borehole about 11 kilometres from her home. She walks barefoot and is home by 9.00 am. She eats a little and proceeds to fetch firewood until midday. She cleans the utensils from the family’s morning meal and sits preparing a lunch of sadza for the family. After lunch and the cleaning of the dishes, she walks in the hot sun until early evening, fetching wild vegetables for supper before making the evening trip for water. Her day ends at 9.00 pm after she’s prepared supper and put her younger brothers and sisters to sleep. Tendai is considered unproductive, unoccupied and economically inactive. According to the International Economic System, Tendai does not work and is not part of the labour force.

Mario is a pimp and a heroin addict in Rome. He regularly pays graft. While Mario’s services and his consumption and production are illegal, they are nonetheless marketed. Money changes hands. Mario’s activities are part of Italy’s hidden economy. In a nation’s bookkeeping not all transactions are accounted for, but at the end of any year, it’s impossible to measure the black market. So many nations, including Italy, regularly impute the minimal value for the hidden economy in their national accounts. So Mario’s illegal services and production and consumption activities are recognised and recorded as work. That’s what the International Economic System says.
Recognizing women's work as productive work

If you just keep on talking about the household, as if it is a generic un–differentiated unit, it is wrong. The household consists of two sub–systems of production, with two different workers with different skills, different potentials, different knowledge bases and different rights to resources. Then, policy makers get confused when they say that, women would rather allocate their labour to the activities that give them more control over their own, and their children's destinies, and not allocate them to activities that appear to be more profitable, because by allocating them to activities that appear more profitable, they become more dependent. ... Cooking is an active economic labour when the cooked food is sold, and inactive labour when mum does it at home. Housework is productive when it is performed by a paid domestic service, and non–productive when no payment is involved. Those who keep their children in an orphanage are economically occupied, but mothers who keep their children at home are un–occupied. The exchange of cash is the key. The transactions can be immoral, illegal or universally condemned and no one cares. It should by now, occur to you that, as long as cash is exchanged, it is good for growth. ... If you are visible as a producer in the nation's economy, you will be visible in the distribution of benefits. If you are invisible as a producer, but you are economically active and un–occupied, you will only be visible in the distribution of benefits, because you are a problem; you are a welfare and you need help. ... Overwhelmingly, the result has been that the single largest productive and service sector of everyone of those developed nations' economy has been the household. ... I would suggest that, overwhelmingly in Africa, the size of women's agricultural subsistence production and the household work, and very often the separation of men from women inside the household because of the division of labour would mean that the size of that productive and service sector is even larger than the percentages recorded in the so–called developed world. M. Waring (New Zealand)

In Tanzania, we say that the economy of the country depends on agriculture, which is very true. But who does most of the work in this area of agriculture? It is the subsistence farmers. Therefore, it is women who do most of the work, but in the National Budget, unfortunately, they do not really take into consideration the work done by women in their contribution towards economic development. It is very sad! T. Siwale (Tanzania)

Kathy, a young middle class Australian house wife, spends her days preparing food, setting the table, serving meals, clearing food and dishes from the table, washing dishes, dressing her children, disciplining them, taking them to day care and to school, disposing of garbage, dusting, gathering clothes for the washing, doing the laundry, going to the gas station and the supermarket, repairing household items, ironing, keeping an eye on, or playing with the children, making beds, paying bills, caring for pets and plants, putting away toys books and clothes, sewing or mending or knitting, talking with door-to-door sales people, answering the telephone, vacuuming, sweeping and washing floors, cutting the grass, weeding, cleaning the bathroom and kitchen, putting her children to bed. Kathy has to face the fact that she too uses her time in a totally unproductive manner. She is economically inactive. Economists record her as unoccupied and not working.

Ben is a highly trained member of the US military. When last spoken to he was regularly descending to an underground facility, where he waits with a colleague, for hours at a time, for an order to fire a nuclear missile. So skilled and effective is Ben, that if his colleague were to attempt to subvert an order to fire, Ben would, if all else failed, be expected to kill him to ensure a successful missile launch. Ben is in paid work, he is economically active. His work has value, and contributes as part of the nuclear machine to the nation's growth, wealth and productivity. That's what the International Economic System says.
UNSN changes in 1993

Changes were made to the ‘boundary of production’ in the revision of the rules of the United Nations System of National Accounts. (UNSN) in 1993. Of particular importance is paragraph 1.22, describing the UNSN as a “multi-purpose system ... designed to meet a wide range of analytical and policy needs”. It states that “a balance has to be struck between the desire for the accounts to be as comprehensive as possible and their being swamped with non-monetary values.” The revised system excludes all “production of services for own final consumption within households ... The location of the production boundary ... is a compromise but a deliberate one that takes account of most users. If the production boundary were extended to include production of personal and domestic services by members of households for their own final consumption all persons engaged in such activities would become self-employed, making unemployment virtually impossible by definition”.

I would have thought that was a reflection of the inappropriateness of the definition of unemployment, rather than an excuse to leave most of the work done by most women out of the equation. For example, if a woman spends an hour or more a day fetching water (which in some circumstances, according to the new rules, may be a subsistence activity), she will use it critically and sparingly. She may use it in the care of livestock and poultry, she may use it to assist in food storage or the preparation of food which is marketed or bartered, she may water the vegetables in her garden - all of which may be classified as subsistence activities. She will also use it in food preparation, cooking, cleaning dishes and other utensils. She may wash children and other dependents and clothes. She will probably even recycle the water, so that the same liquid is used first to wash children and then to wash the pig, or first to prepare food for the family and then to water the garden. Her ‘transportation of goods’ will also supply the household’s drinking water. Half of her work counts; the other half, with the same water, and however critical these activities are as ‘an important basis to livelihood’, are on the wrong side of ‘the deliberate compromise’.

The United Nations Statistical Commission explains that “personal services for own final consumption within the same household are excluded because of measurement and valuation problems”. Yet in the same publication the Commission states “the lack of concrete knowledge about the activities of women has been a major impediment to the formulation of policies and programmes, at both the national and international levels, to achieve equality. Revisions of international statistical standards and methodologies may be one tool to overcome these impediments. The 1993 SNA is one of these tools”.

The lack of knowledge is admitted as a major impediment for policy making, but because of measurement and valuation problems we still fail to recognise the bulk of the work that women do in an unpaid capacity. In some countries it does not matter what the rules say, because practices will not even reflect the 1993 changes. I was in Pakistan in 1994, and met with the deputy government statistician in charge of national accounts, He was very aware of the new boundaries, and especially the inclusion of the collection of water, firewood and fodder. In no uncertain terms he told me that he had no intention of counting these activities, as it could then be claimed that most women worked (sic), and as far as he was concerned, they didn’t, and that was that.

The trade off is the establishment of satellite accounts, where “extended definitions of the production boundary can be applied where the restrictions of being in line with other statistical systems”, (for example, such as on labour market, governmental, financial, or monetary statistics), “are eased in favour of in depth analysis of the real magnitude and economic significance of the production of personal services within the household”.

Acknowledgement and valuing unpaid work for the purposes of policy responses to a nation's economic interest, and to women's demands and needs, does not require the monetary imputation of the value of such work in satellite accounts. Ironically, the statistical surveys necessary to compile the satellite accounts, based on time use, provide what is needed.

Data difficulties

Frequently we are told that we have to accept these outcomes because there are technical or conceptual problems associated with compiling adequate databases. Now I’m the first to accept that there are major logistical difficulties in data collection. A report of the UN Statistical Commission in 1993 noted that problems encountered by countries in implementing their survey programmes included a lack of strong commitment to statistics by governments, inadequate donor support, failure to present results of surveys in an attractive way,
lack of co-ordination between different producers of survey data, timeliness, quality of results, delays due to processing bottlenecks and unsatisfactory distribution of survey findings.

Frequently the difficult terrain, vast areas to cover, and communication difficulties influence the effectiveness of supervision and control of the field elements of the surveys. Quality of data may suffer because of the temporary nature of field staff, or the heavy workload of enumerators in multi-purpose surveys. Surveys frequently impose heavy burdens on interviewers and respondents, giving rise to fatigue. Survey data are often under-utilised, owing to a lack of analytical capabilities, especially in national statistical offices. Many statistical offices have serious shortcomings in report writing and analytical skills. There remains a large amount of data collected on women which is simply never analysed.

In situations where various units within an agency are responsible for the different components of the survey - such as sampling, fieldwork and data processing - lack of co-ordination among those units poses problems for the survey design and implementation. Delays in data processing are often caused by the absence or late design of a processing system. The data processing system for any application consists of three important components: personnel, machines and methods. The monitoring of progress and effective quality control are other vital ingredients. If one is missing, the whole programme is in jeopardy. Frequently surveys are promoted when no software package has been specifically developed for processing the data collected.

The influence of donors frequently plays a part in the difficulties encountered. In one developing country under the regime of ad hoc surveys, for survey one, donor A provided a data processing expert with the necessary computer equipment. For survey two, funded by donor B, the country wanted to retain the same data processing expert so that the systems and programmes he had designed could be further developed. It had also wanted additional microcomputers compatible with what had been used for the first survey. It was not possible to keep the expert because donor B fielded its own adviser and the equipment brought in was incompatible with the previous set. Even in the poorest countries, in competitive ‘aid’ schemes, Macintosh competes with IBM.

The situation generally is complicated by the status of statistics. One expert, noting that by the end of 1992 only seven countries from Asia and the Pacific were participating in the World Bank National Household Survey Capability Programme (NHSCP), commented that governments’ commitment to statistics were ‘suspect in

The need for gender disaggregated data

Emphasis should be put on work on gender disaggregated data but, as you know, the statistical situation in our countries is deplorable not only in what regards gender disaggregated data. Some of the economic analysis that we even carry out are made really out of mixed up data.  M. Diouf (United Nations Economic Commission for Africa)

It is only in few areas; for example, in Ministries of Education and Health where you get some data on women and men. But in the economic ventures even in the area of land, if you ask how many women have been given land so that they use it for their own agricultural activities or even to build their own houses, you will always be told that: "Oho, there is no data " and yet, personally I do not see any problem in having the data disaggregated so that we know what exactly is happening to women and men.  T. Siwale (Tanzania)

To be able to analyse our Budgets from a gender perspective, we, as Parliamentarians and other stakeholders, need to have information. This information must be disaggregated. For us, in Uganda, our Ministry of Gender, Labour and Social Development made an attempt to disaggregate data and came up with a book called "Women and Men – Facts and Figures". This concerned however employment, national indicators, health, education and research, but it did not go deep to analyse the Budget and allocations as far as women and men are concerned.  K.R. Masiko (Uganda)

At the moment, particularly in Kenya, we do not have statistics which are disaggregated. If you talk about poverty in the rural areas, it is only in certain areas that we know of the ratio of men to women. This is something that will take time to sink. Therefore, our effort as MPs in trying to produce a gender sensitive budget will not be immediately realised.  G. Owino-Achola (Kenya)
many countries in the developing regions.’ This is attributed to three main factors: (1) Governments tend to give priority to projects whose outputs can be clearly identified, such as boreholes or bridges. (2) Users in the government sector are generally not so statistically sophisticated as to feel unease at the lack of data. (3) The statistical offices have not yet found an effective way of promoting their products. A lack of commitment on the part of governments mainly explains the inadequate resources given to statistical offices and to survey work.

Further logistical difficulties can be located in the operational demarcations of UN agencies. For example, FAO’s mandate is to work with ministries related to food and agriculture and rural development. The overwhelming majority of their work is with agriculture, livestock, forests, fisheries, food, rural development, and occasionally with local government or the Interior Ministry in the areas of health (nutrition) or commerce (food processing, exports, food standards), but very seldom with women's affairs or statistics. This means that the ministries most likely to seek assistance for better indicators on women and rural development are not targeted for FAO assistance.

And I would be dishonest to overlook the extraordinary corruption and manipulation I have observed surrounding data collection in much of the world. Data is manipulated by governments for electoral purposes. It is manipulated to control different ethnicities. Economic data is invented to please the World Bank or the IMF. Literacy rates are manipulated to get UNESCO funding, and fertility rates are manipulated to get UNFPA funding.

The needs for data collection provide great “wish list” opportunities for corrupt government officials seeking aid donors. High on the agenda are vehicles, especially of the four-wheel drive variety, along with motorcycles. Mainline computers, and portables or notebooks also feature, along with vast amounts of software. In the field, there’s even more fun and games: census responses are invented by the interviewer seated under a shady tree on the outskirts of the village, if they bother to get that close to the intended respondents. Study tours to foreign countries are also fun.

The marginalisation of women

Parliament, being the only elective institution that represents the whole country, must debate the budget objectively, with the express purpose of ensuring that all national groups and strata in society are included. Marginalisation of a section of the national community starts with a skewed way in which the resources are distributed. … A development process that excludes the majority of citizens from the development orbit might very easily attain the capacity to demonstrate the irrelevance and ineffectiveness of Parliament for those who are marginalised. F.X. ole Kaparo (Kenya)

For us women, people perceive that we cannot understand even the budget formulation. What they do not realise is that, women make budgets every month in their homes and that, the National Budget is the same, only that, it is just done on a large scale.

I. Chisala (Zambia)

An institutional response to gender concerns

In Ethiopia, we adopted a National Women Affairs Policy as early as 1993. This policy proposes the establishment of Women Focal Points within each Ministry both at Federal and State levels. The main purpose of these focal points is to mainstream gender balances within the activities of each sector and authority which also includes the gendering of the Budget. Apart from that, we have a Women’s Affairs Committee in our Parliament which is one of the nine Standing Committees. The role of this Committee is to see to it that every piece of legislation that is passed by Parliament has incorporated the proper gender balance. Besides, through the oversight role of Parliament, the Committee tries to monitor how effective the activities of various Ministries and agencies are in gradually ensuring real gender balance. This being a very important premise to build upon, we still believe that we need to exert maximum effort especially to make visible impact on the lives of the grassroots women who are majority in number. A. Meko (Ethiopia)

Mission Statements should take into account national and international law which our countries have subscribed to; each country should also have a unit to deal with implementation of a gender perspective in all policies and planning, and not just budgets. I am saying that because I am also aware that it is not in every country that there is such a unit. M. Karua (Kenya)
Gender and resistance - some stories

Gender sensitive budgetary policy is likely to be both more efficient and more effective. It may also, at times, conflict with the dominant values of the most powerful people who ‘organise’ society and government at any given time. Gender analysis of the budget will also be a tension-creating situation if women’s experiences and contributions are measured against a male standard rather than in their own right. Those responsible for budget development and analysis must contend with these conflicting and competing views.

When working on gender analysis it is very important for men and women to be aware of their own personal values and how these influence their decision making, their willingness to learn, their defensiveness and their sensitivity. It is useful and beneficial to ask: how do my values and experiences heighten my perception and willingness to investigate? In what way might these cloud my vision and prevent me from asking questions and hearing answers. How do my values and those of the system and those of the dominant power base in society limit the range of policy options offered? If I don't know, whom can I ask?

Let me give some examples of these points. A Secretary of the Department of National Planning was responsible for the mission to mainstream women into the Five Year plan. He was in his last year before retirement. He did not see this activity as something some middle ranking bureaucrat on the ‘women’s desk’ should take care of. He was totally supportive, interested, determined that all assistance would be given. He had sharp words for the neoclassical Western educated male economists of his department who were patronizing and offhand about the mission's proposals. He wasn't interested in banal chatter about ‘integrating women into development’. He had briefed himself on the international literature. He wanted strategic concrete proposals.

He might have been unique, but his Minister of National Development was equally assiduously attentive. He missed a Ravi Shankar concert attended by the whole Cabinet, to read the Mission's final report the evening before chairing the meeting to receive it. He quickly silenced the ill-informed male critics at the meeting. He announced that while the criticisms contained in the report were harsh, they were true. He accepted and endorsed the findings and the recommendations. The male United Nations Development Programme (UNDP) Resident Representative was amazed. “He seldom comes to these meetings”, he said. “I can’t understand it”.

I might not have understood either, but earlier in the month I had spent some time talking to the wife of the Secretary of the Department. They had three daughters, and had worked hard to give them the best possible education, all culminating in University degrees in the U.K. or the U.S.A. Now each daughter refused to return home. “They refuse to be treated as second class citizens”, she told me. The Secretary was doing all he could in his last months at the post to change the government's approach to the treatment of all women.

She said that the Minister's wife had interests in a substantial cattle farm and personally oversaw and planned the genetic improvement programme, in a society where women of her class would not normally play such a role. Their only daughter had recently returned home. Just a few months into an arranged marriage, she had been subject to habitual domestic violence in a country where laws offered her no legal protection. “They are interested”, the secretary’s wife explained, “because the inequities have come home. They cannot ignore them any more.”

In yet another developing country where I worked, the official in charge of agriculture in the Department of Planning cancelled four appointments with my mission team designing a project on women in agriculture. I had been advised that the official liked to be taken to lunch at expensive hotels by women diplomats, but I was not about to participate in that game. The official met with us only on the presentation of the project report, when the man from the headquarters of the donor U.N. agency arrived.

This man was as ignorant of the complexities of the issues as he was arrogant. (He had no daughters). When his attention was drawn to information stating that rural women in his country worked longer days, and at many more tasks than men did, he scoffed. His mother (from a family with significant estate holdings) was a farmer, he declared, and this was not true of her. The inference was, therefore, that it was not true of any rural women. Then he attacked the research in question, implying it was Western, biased, and not about ‘our women’, at the same time making a mistaken assumption about my nationality. He looked particularly foolish, and the well-qualified national consultants whose own fieldwork had provided the research findings were deeply embarrassed. Such episodes have no effect on international consultants such as I, but they are very costly to economic progress, and to the official’s reputation in his own country.
In yet another country while working on a national planning project I called on the representative of the FAO early in my investigations. He had been in the Agency for many years, and at his post in Nepal for 18 months. “I know why you’re here”, he said, “but I’m familiar with your point of view. I have three daughters, and I’ve been to a two day gender awareness training course.” And how was he coping, I asked, in a country where the majority of food producers could not own land. “Is that right?” he replied. “I didn’t know that.” No one had told him this, he had never asked, and obviously had never read any one of the substantial number of available documents, including FAO publications, that contained that information.

Now - why bother with such stories? What relevance are they to this argument? Because, whether we like it or not, these are typical stories of the basis for policy decisions in key economic sectors. These are illustrations of the political approach, by some people, to major economic questions concerning the roles and status of half a country’s population.
The National Budget: The Respective Roles of Government and Parliament

Introductory statement by The Hon. Colin W. Eglin, MP

As the Budget is a statement of the programmes that the Executive intends to implement together with costs and funding relating to such programmes the responsibility for drawing it up and carrying out its programmes lies fairly and squarely on the shoulders of the Executive.

While it is true that the Executive has to obtain Parliament's legislative authority before it can implement its Budget proposals, and while it is true that in extreme cases Parliament could withhold that authorisation, I regret to have to tell members of the legislatures gathered here in Nairobi that as far as the overall budget process is concerned, the role of Parliament, while not unimportant, is secondary to that of the Executive.

While Parliament can grant or withhold legislative authorisation and question and criticise and monitor and hold Ministers to account, and while it may influence the Executive's decisions, in the field of the Budget as in all fields of governance it cannot nor should not attempt to intrude on or usurp the Executive's right to govern in terms of the mandate received from the electorate.

Taking the South African Budget process as a case study, how does the Executive (Government) set about its task, and where does Parliament fit in?

The Role of Government

The Government in carrying out its functions as all individuals, organisations and organs of state, is bound by the provisions of the Constitution – the supreme law of the Republic. These provisions have policy, procedure and financial implications.

Thus the Constitution says:

- On the following values (Section 1)
  **Human dignity, the achievement of equality and the advancement of human rights and freedoms**
  Non-racialism and non-sexism.

- On people's health rights
  "Everyone has the right to an environment that is not harmful to their health or well being" (Section 24)
  "Everyone has the right to have access to health care services, including reproductive health care; sufficient food and water; and social security if they are unable to support themselves and their dependants." (Section 27)
  "Every child has the right to basic nutrition, shelter, basic health care services and social services." (Section 28)

- On Budget processes
  "National, provincial and municipal Budgets and budgetary processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector." (Section 215)
The respective roles of Government and Parliament

Parliamentary motions which have financial implications should involve proper consultations in order to ensure that they do not contradict the spirit of the national budget. If a situation such as this is allowed to continue, it can lead to frustrations and unnecessary suspicions between the Legislature and the Executive, for no self-respecting Executive would endorse unbudgeted–for expenditure without first of all knowing where the money will come from. *His Excellency The President Daniel Arap Moi of Kenya*

It is this convergence between the right of the Executive to govern on the one hand, and the right of the Legislature to authorise expenditure and to monitor that is often the subject of heated debate and controversy. … While recognising the constitutional role the Executive is required to play in relation to the budget, in the interest of good governance and democratic outcome parliament has an important complimentary role to play. This parliamentary role would best be ensured if it was dealt with in the Constitution. Where this is not the case the parliamentary role should be re-enforced while appropriate national legislation, parliamentary rules will acknowledge conventions. In addition to being a mechanistic and managerial process, the budget process is a highly political one. In this context parliament, through its Members and the political parties represented in it, should be entitled to continue and ongoing politically oriented input into the budgetary process. … I have a feeling that it will be convenient to maybe form some kind of mediation mechanism so that while budget is being rolled up, there could be some way for Parliament to interact with the Executive during that period of drawing up the budget. While the budget is before Parliament, if there is a conflict between Parliament and certain clauses in the provisions of the budget, and Parliament would like to make amendments, it would be appropriate to find some mediation machinery so that Parliament and the Executive could sit down to see whether they could arrive at a consensus over these particular matters. *C. Eglin (South Africa)*

If we do not take care, the budget becomes an imposition from the Executive on the rest of the country, and especially with regard to Parliament, this is totally incomprehensible, because the Constitution says that the power of the purse belongs to Parliament. … It is no use pointing a finger at the Executive. Parliaments, everywhere as far as I know, are masters of their own procedures. The Standing Orders of parliament are at the force of law, but they are exclusively within the mandate of parliament to initiate and to make. Therefore, if the procedures that we are working with are not convenient to allow us a thorough examination of the government spending proposals and if we continue with them, then we have only got ourselves to blame. Indeed, many constitutions also provide that the form and timing of budgetary procedures should be legislated by parliaments. … The President of Ghana is allowed to refuse to assent to Bills by referring them to what is called "The Council of State". I have found that the Constitution, actually, says: "However, if Parliament has passed a money Bill, then the President should consent within seven days, with no power to refer it back to The Council of State", which is the opposite of what you would have expected. So, Parliament's powers to tie the hands of the President seem to be even much stronger than one would have expected. So, I suggest to you that, in many instances, when you look through the Standing Orders and the Constitution, you can find powers that you have not realised existed. Making full use of those powers is the first step towards writing new legislations. Surely, it is unacceptable for Parliament to ask for more powers when it has not exhausted the powers that are already available. *J. H. Mensah (Ghana)*

The Constitution gives general guidelines, but it is Parliament which should make specific laws to support issues under those general guidelines … Short of amending the Constitution, we can concentrate on laws by which we think Parliament will be more empowered to oversee, or get involved in the budgeting process and the money managing systems. *B. Kiraso (Uganda)*

In the making of the budget, it would be very important for the Legislature and the Executive to work together. It would help in the final analysis if the legislators have opportunities to contribute to the budget before it is actually sent to Parliament or the National Assembly, because it makes work easier. *L. C. Ikpeazu (Nigeria)*

So long as our governments come to us for authority to spend, we are not toothless. *M. Karua (Kenya)*
• On form and content of Budget (Section 215)
  National legislation must prescribe –
  (a) the form of national, provincial and municipal Budgets;
  (b) when national and provincial Budgets must be tabled; and
  (c) that Budgets in each sphere of government must show the sources of revenue and the way
      in which proposed expenditure will comply with national legislation.
  Budgets in each sphere of government must contain –
  (a) estimates of revenue and expenditure, differentiating between capital and current
      expenditure;
  (b) proposals for financing any anticipated deficit for the period to which they apply; and
  (c) an indication of intentions regarding borrowing and other forms of public liability that will
      increase public debt during the ensuing year.

• On equitable shares and allocations of revenue (Section 214)
  An Act of Parliament must provide for –
  (a) the equitable division of revenue raised nationally among the national, provincial and local
      spheres of government;
  (b) the determination of each province’s equitable share of the provincial share of that revenue;
      and
  (c) any other allocations to provinces, local government or municipalities from the national
      government’s share of that revenue, and any conditions on which those allocations may be
      made.

This last provision “equitable sharing” requires an integrated and co-operative approach by the National
Government and the nine Provincial Governments in the formulation part of the Budget process.

In the current Budget (1 April 2000 to 31 March 2001) 32.3 percent of revenue is allocated to the National
Government and 43.5 percent to the Provincial Governments).

A year-round process

▷ Every 365 days is part of the budgetary process; and part of using every part of the
  procedure of Parliament that is available for engagement. That is, oral and written
  questions submitted to Ministers, Select Committee cross-examinations and every
  debate that is in the House. All these are part of reviewing the past Budget or putting
  pressure on or lobbying in anticipation of the next Budget. Participating in the Budget
  process of Parliament is not something limited to three months before the Minister for
  Finance walks in with his little brown box. I would like to say that it is an on-going
  process and in terms of engagement of the way in which the financial year operates. M.
  Waring (New Zealand)

▷ The budget is not a timetable process; it is a continuous process. Even when one is debating
  the budget in parliament for this year, the Executive is starting to work on the budget for next
  year. Even when one is really taking the budget further in parliament, the political issues
  which are going to affect the next budget are already starting to have an effect on the society.
  C. Eglin (South Africa)

▷ The budget–making process should, indeed, be considered a year–round activity of
  Parliament. This is because after you have passed one budget, and as you look at its
  implementation, you will also be looking at the preparation of the next budget. Therefore, it
  seems to me that every Parliament could usefully make its budgetary procedure a more
  flexible procedure, almost like a year–round procedure rather than do so in accordance with
  the tradition we have inherited, where we have to decide on everything for each budget in a
  period of a few weeks. J.H. Mensah (Ghana)
Bodies playing significant roles in the Budget Process

While responsibility for formulating the Budget rests with the Cabinet, the Department of Finance and the nine Provincial Executive Councils, the following bodies all have significant roles to play in the Budget process:

- **The Budget Council**
  The Budget Council consists of the Minister of Finance and the members of the Executive Committees (MECs) for finance for each province. Its function is to co-ordinate the different interests of national and provincial governments and to make sure that agreement is reached on how to share the revenue. The national government and the provincial governments consult the Budget Council on any matters relating to legislation or policy that have financial implications for the provinces, or on matters relating to provincial budgets.

- **The Medium Term Expenditure Framework (MTEF) Committee**
  This is made up of the Minister and Deputy Minister of Finance, the Director General of Finance, the Director General of State Expenditure and other officials of these Departments.
  The main role of this committee is to hear what allocations national departments want and to decide on the final allocations between national departments. These allocations must be done within the framework of a rolling three year budget projection of revenue and expenditure.

- **The Financial and Fiscal Commission (FFC)**
  This is an independent body, established by the Constitution. Its function is to advise parliament and provincial legislatures on matters concerning finance. One of the most important of these is to recommend on how to divide the Budget between the national, provincial and local levels on an equitable basis. The FFC is an observer at Budget Council meetings.

- **The Minister’s Committee on the Budget (Mincombud)**
  This consists of the Minister of Finance; the Deputy Minister of Finance, the Ministers of Trade and Industry, the Minister of Arts and Culture, Science and Technology, the Minister of Health, the Minister of Education.
  Mincombud sets broad priorities on issues such as the allocation of resources within the social sectors and economic sector. These priorities are submitted to Cabinet via the Minister of Finance.

- **The Budget Forum**
  This consists of everyone who sits on the Budget Council as well as representatives from the South African Local Government Association and the Minister of Constitutional Development. It is the only role player in the Budget process that has representatives from local government.

**Timetable**

The timetable and the process for the Budget to be presented in February of the following year is as follows:

**January – March: Setting policies, estimating revenue and setting an upper limit on spending**

The Cabinet sets broad policy priorities so that when the detailed Budgets are evaluated, they can be measured against these policies. The Department of Finance:timates how much the economy will grow;

- Estimates how much revenue can be expected through the collection of taxes for the next three years;
- Uses the Government’s “Growth Employment and Reconstruction (GEAR) deficit reduction targets to work out how much overspending will be allowed;
- Sets the upper spending limit for the total government Budget for the next three years;
- Presents this to Cabinet for approval.
This forms the basic framework for the Budget. It is called setting the Medium Term Fiscal Framework because this part of the process is about estimating income from taxes (revenue) not expenditure.

March – May: Departments estimate their expenditure and submit draft expenditure applications.

National and provincial departments go through strategic planning sessions to identify their departmental goals and prepare an initial three-year Budget estimate. They need to try to keep in line with the three-year allocations determined in the previous MTEF cycle.

Although Government makes the important Budget decisions, public servants play a vital role in the actual drawing up of the Budget. For instance, each health department, provincial and national, has a financial directorate consisting of Government officials. These officials draft the initial Budget estimates. They consult with other officials in the various health departments to ascertain what their budgetary needs are. For instance, they would talk to the officials responsible for hospitals, for district level services, for infectious diseases, and so on, before preparing a Budget for the health department.

The financial directorates in the health departments then reconsider the draft Budget, and amend it where necessary. These revised drafts then go to the provincial treasuries or, in the case of national level, to the Department of State Expenditure.

May – June: Guideline estimations are determined for vertical and horizontal allocations.

The Budget Council meets to work out how to divide the revenue into three lump sums for national, provincial and local governments. Once the Budget Council has done this vertical division, it must then work out the provincial allocations amongst the nine provinces. This is the horizontal division.

June – August: Combining all the departmental estimates into one sum and matching it with the Budget Council’s allocation

Officials in the Department of State Expenditure combine the separate departmental estimates into one national-level estimate.

Officials in each of the nine provincial treasuries combine all their separate departmental estimates into one provincial estimate. Provincial treasuries have a further challenge. They have to ensure that at least 85% of their total provincial Budget is allocated to social services.

The provincial treasuries and the Department of State Expenditure now look at the vertical and horizontal allocations the Budget Council decided on. They must be sure their combined estimates match the allocations of the Budget Council. For instance, all the departmental estimates for KwaZulu-Natal added together must match the lump sum the Budget Council has allocated to that province.

Negotiations take place around this:

- Provincial treasuries have to negotiate with their provincial departments – which defend their estimates.
- The Department of State Expenditure negotiates with the national departments – which defend their estimates. The national MTEF Committee is like a referee here. It has to make the final decision about these national Budgets.
Medium Term Expenditure Framework (MTEF)

Now, my question to Mr. Eglin is on the issue of Medium Term Expenditure Framework (MTEF) Budget of three years. Supposing there is a change of Government, what would happen because the new Government that might come in may decide not to follow the policy of the previous Government? So, what happens in such a case? B. Mmembe (Zambia)

Projecting expenditure and income for three years helps the provinces and the departments to plan with greater certainty, because they have some indication what the other person is going to be for the next three years. It allows for better planning by provinces and departments. Secondly, it encourages departments and provinces to plan ahead instead of restricting themselves to the end of the financial year, like 31st March, and spend what we can and let us see what is going to happen afterwards. Finally it gives the public and Parliament a much better picture of how the Government intends to spend its money. The purpose of this Medium Term Budget Policy Statement which is issued by the Government five months before the budget is presented is entirely for the Minister for Finance to say: "These are our general budget intentions and this is the framework of the budget that we want to present to parliament in five months’ time". Now, it is the opportunity for parliament in particular, and for the public in general, to make a further input. Indeed, apart from dealing with fundamentals of that, there is [in South Africa] a document called "Medium Term Policy Statement, a Popular Guide". It outlines very clearly that the objectives of the Medium Term Budget Policy Statement is very specific to say to the public that these are your general intentions. What do you suggest to do to improve them? What best do you think we should do to alter them? It is also to tell parliament that they have this opportunity. It is also an opportunity for the Minister for Finance to tell MPs how they can use that policy statement. If you are an MP, those statements can be very useful tools. They give the following picture: a picture of the overall budget policy framework in such collected key areas of priority spending; a picture of proposed spending on each sector, even before the budget, and a means to check whether actual spending plans have been met; an opportunity to ask for the development of our budgets and, finally, an opportunity to question and assess the department of planning and spending in terms of overall development priorities and plans. C. Eglin (South Africa)

In the MTEF concept, we are moving from Line Budgeting and project to Programme–Project–Budget approach. We are mostly moving from input–output–approaches to input–output–outcomes, and may I underline that it is where qualitative outcomes of the activities takes more importance. We are moving from the concept of Recurrent Budget versus Capital Budget to a unified Budget where the unit cost is the parameter to reckon with. ... Why is it important for the MTEF to be adopted? This is because so far in all Parliaments, we have been approaching the Budget through the input. In other words, Parliament has been controlling how much money is coming into action and whether expenditures were carried out the way they were conceived or not. We have been doing that so far. Now, comes the time where in addition to that, contrary to the Line Budgeting, you will be looking into the activity; what that activity, programme or project is supposed to produce at the end of the period qualitatively, and this is where the gender concept of Budget comes in, and the MTEF will very much help and engender the Budget. ... Why? I would say that it is because you now have a strong emphasis put in the process on the sectoral review. Each of the sector of the economy, or the socio–economic setting will be scrutinised very carefully and analyzed, and it should say what changes, activities or actions will be brought into that sector. M. Diouf (United Nations Economic Commission for Africa)
This is a difficult time. Provincial and national departments often have to take tough decisions about what Budget cuts to make so that their estimates match the amount allocated to them.

September – October: Everyone has a last say

- The national MTEF Committee makes a decision on what Budget allocations to recommend for each national department as part of the national Budget. This recommendation goes to Cabinet.
- The Provincial Executive Councils meet to consider their draft, consolidated provincial MTEF.
- Sectorial teams for education, health, social welfare, justice and defence also look at the estimates. Their comments are incorporated into the overall draft Budget. These teams are made up of officials, usually from the national Department of Finance. They include some sectorial representatives from national and provincial departments.
- Proposals for conditional grants to each province are also developed.

November – December: A draft, overall MTEF is finalised and a Medium Term Budget Policy Statement (MTBPS) is published

Once the Cabinet, the Provincial Executive Councils and the sectorial MTEF teams have reviewed all the national and provincial MTEFs, a draft, overall MTEF is compiled and submitted to the Budget Council and the Cabinet. This document:

- Shows how the Budget matches the broad policy framework set out at the beginning of the cycle;
- Suggests allocations for the three year period;
- Analyses the implications of these allocations;
- Suggests alternative expenditure options.

Once the Budget Council and Cabinet have approved the draft overall MTEF, the vertical and horizontal divisions are finalised. Allocations to national government and to each province are adjusted to meet the requirements of this draft.

National departments and provincial treasuries are then told how much they will be allocated. They then have to finalise their MTEFs to fall into line with this allocation. This includes finalising how much they will allocate to different departments, programmes and sub-programmes. They must take into consideration any recommendations from the Provincial Executive Councils, Budget Council, Cabinet or sectorial MTEF teams.

A MTBPS is published which sets out the policies upon which the MTEF is based. It is likely that in future, the draft MTEF will be released to parliament along with this policy statement. This is important for legislators as it will give them time to consider the Budget before it is presented to parliament in February.

January: Final stamp of approval

The final MTEF is submitted to Budget Council and Cabinet for approval. Detailed national and provincial expenditure estimates for the year immediately ahead are finalised and documentation prepared.

February

The Minister of Finance finally presents his Budget to Parliament.

The Role of Parliament

During the formulation phase of the Budget process Parliament plays an indirect role in influencing the decisions of the Government. This happens in two ways. The first is through political debates, questions, suggestions, in Parliament. The second is through the more detailed discussions in the Portfolio Committees on each Department’s activities and on the expenditure proposals that each Department will present to the Department of State Expenditure.
Parliament's crucial role in the budgetary process: From theory to practice

Starting from the day the Minister for Finance makes his budget speech up to the day he tables the Appropriation Bill, it remains the property of Parliament. Therefore, I would urge that Parliament should see that in terms of its own rules, there are very clear procedures via which Parliament can examine the budget and the budget Bills. The procedures that Parliament adopts are not laid down by the executive; it is entirely in the hands of Parliament as to what procedure should be adopted. Everyone of you comes to Parliament having read the Constitution which says that Parliament has the power of the purse. The question really is: Is this power of the purse a reality or fiction? The Executive has the mandate to govern but Parliament has certain rights; that is, to have oversight of the government and how it is performing and have a final say on how much money is going to be available for expenditure. I believe there exists a delicate relationship, while at the moment, in most countries it is heavily laden in favour of the Executive, it would appear in three important fields. In the important field of oversight, it would be better if Parliament had some teeth. In the field of the early input, there should be a mechanism by which Parliament can make its input. In the important field of the budget itself, that is, legislation, Parliament has an overall right to reject the budget, but it is unlikely to use that overall right. But certainly, it should have the right to amend the budget. Parliament would only be as effective as its Members are. Parliament consists of Members. It therefore urges for Members of Parliament: (i) to be seized with the important role they have to play in the overall Budget process. (ii) to ensure that they are fully informed of matters relating to the Budget procedures and proposals. (iii) to accept their responsibility firstly to voters, to keep these voters informed on matters relating to the Budget process and to the Budget proposals and finally to encourage them to make direct input into this process. (iv) To see that we democratise the Budget process; it should not just be a formal issue for Parliament or the Executive, but the people themselves should have the facilities available to them to make an input.

C. Eglin (South Africa).

There is a feeling of inefficiency and ineffectiveness of Parliaments in the budget process. There is a lack of pro-activity of parliamentarians in the budget process. There is also inefficiency because the desires and goals of all the stakeholders are not taken into account in the budget process.

C. E. Ndebele (Zimbabwe)

The challenge to us today is how, as Members of Parliament, we can ensure that our governments distribute the resources equitably.

M. Karua (Kenya)

In my mind, the responsibility of Parliament in the budgeting process is twofold. One is the legislative function, and to the extent that the budget as an Appropriation Bill, is legislation, the role of Parliament is clear. I agree with what was said yesterday on Parliament’s role in approving the budget and I agree with what was said; that, if you have the right to approve implicitly, then you also have the right to disapprove. So, the first function of Parliament is clear that, Appropriation Bill is legislation and we have that legislative responsibility. The second clear function for Parliament is oversight functioning, in addition to the legislative function.

T. Gurirab (Namibia)
After the Budget is presented and before the Appropriation and Bills are passed, Parliament subjects the Budget proposals to intensive scrutiny and debate. After the first reading of the Budget, the Appropriation Bill and the proposed tax amendments go to the National Assembly Portfolio Committee on Finance. It has seven days to hear responses to the Bill. The Committee invites submissions from whomever it chooses. They usually ask for submissions from government departments and the South African Reserve Bank. In 1999, they asked a range of civil society groups to make submissions around social services. These groups were asked to comment on the Budget and say whether they felt it addressed social sector needs and priorities. The main purpose for this is to hear about different aspects of the Budget from technical experts. The submissions are also to provide an opportunity for civil society groups to air their views. The Portfolio Committee then considers whether they want to propose anything to Parliament arising from these submissions. The Appropriation Bill is then put to the National Assembly for voting. The Budget for each department is voted on separately. Although the Constitution (Section 77(2)) requires that “An Act of Parliament must provide for a procedure to amend money Bills before Parliament” no such Act has as yet been passed. As a consequence no amendments to the overall Budget are allowed.

Can Parliament amend the budget?

▷ For any Parliament that does not have a [constitutional] provision which enables it to amend the budget, it should look into ways of amending the constitution…If we do not have the powers in our respective countries, we cannot really do much. L.C. Ikpeazu (Nigeria)

▷ In South Africa, Parliament is capable of amending the budget but it has got to make that amendment in terms of national legislation which Parliament itself has passed. Right at the moment, four years after the Constitution was adopted, the South African Parliament has not yet passed legislation to regulate the extent or the manner in which it can amend the budget. But in theory and in terms of the Constitution, Parliament has the right to amend the budget. … Should Parliament just be free to amend the budget or should there be limitations on its amendments? … I think there is a strong feeling in this meeting that, somehow, Parliament should have a right to amend the budget. How you can actually fine-tune that amendment is a matter which the executive and Parliament should decide. … If Parliament has got no right other than to be a rubber-stamp, it is unlikely that the executive will take its recommendations seriously. So, I believe that it is good for any society, for Parliament, within certain parameters, to be able to amend the budget. … Rejecting a budget has very serious political and constitutional consequences. Under the old Westminster system, it was accepted that if a budget were rejected, that was a vote of no confidence in the government and the government was then forced to resign. C. Eglin (South Africa)

▷ For the first time in the life of our Parliament, pre-Independence and post-Independence, there was an amendment of the Budget proposals on the Floor of the House. That was brought about without any crisis of calling for a confidence vote. It arose as a result of the agreement with the Minister in the consultations, then the amendment was brought by the Minister into the House. So, it can be done without a crisis of confidence. C.E. Ndebele (Zimbabwe)

▷ In Malawi, it is possible to have the Appropriation Bill amended, and this is done when the House resolves itself into Committee stage. The Rev. Kaleso (Malawi)

▷ In our Constitution, we have a Bill of Rights; socio-economic rights which are enshrined. Parliament is looking at an enabling Act for Parliament to be able to amend the Budget or take part in the Budget process. At this point in time, what we are doing, as legislators is, to ensure that we have an oversight; we hold our Ministers to account, we pass Motions and ask questions. Besides that, our role as legislators, as and when we pass an Act of Parliament, we make sure that as Parliament, the Act or the legislation is outcome based skewed towards
development. For instance, that helps Parliament to address the Apartheid legacies like education, economics and even the national defence policies. We try to influence legislation to be more towards development.  B. Sono (South Africa)

The vote system

I believe the Vote system where each Vote is dealt with separately may be more efficient, and may actually serve our own people much better in the long-run. These are the kind of things that we should probably start thinking of; desegregating budgets so that they can be dealt with more thoroughly.  S. Daggash (Nigeria)

In Botswana, Parliament can influence the Budget as far as it can make some provisions in the Votes. It can decide on whether it should reduce one Vote for one Ministry and increase a Vote for the other, but the total balance will still remain the same. It may not amend the Budget in the sense that it may not change the items in the Budget, or put in or reduce the items or increase them.  S. Tsogwane (Botswana)

Every Parliament passes separate Finance Bills to cover Income Tax, Customs and Excise, VAT levies and charges. But on the appropriations side, we tend to be bound by one Omnibus Bill and unscrambling that package becomes a difficult political process. Thinking of most of the Constitutions that one looks at, there is no technical reason why a Parliament cannot grant the Executive appropriation in a disaggregated way for the economic and social services, security and defence services. If we did that, we would be in a better position to bargain with the Executive. But we could always say: "Here is your social service Budget and here is your economic service Budget, but on security matters or defence, you are not satisfying us", so that it does not become a final confrontation between the Executive and the legislature, but a process of bargaining.  J.H. Mensah (Ghana)

I think that the portfolio system is very important as a way of ensuring a certain amount of democracy in the Budgeting process. In fact, in modern democracies, democratic societies are sensitive to cases in which some groups feel excluded from the development process. Our colleague from Malawi also expressed the view that minority political parties are the parties that do not have sufficient input and that one place we can participate in is the portfolio committee.  A. van Wyk (South Africa)

[In New Zealand], each departmental or Ministerial Vote must cycle to the Finance and expenditure Committee once every three years. But in the other two years, the examination of those estimates goes to an appropriate alternative Parliamentary Committee. This has three seats. The first one is that, at least once every three years, two completely different seats of Parliamentary "eyes" examine the Estimates. Secondly, every Member of Parliament sits on a Committee that is responsible, every year, for the examination of some Appropriations. So, every Member of Parliament has to learn and be familiar with what is required. Thirdly, it means that in those Parliaments where there are only three or four women, and they sit on the Education, Social Services, Library or other so-called soft committees and are generally never appointed to the Finance and Expenditure Committee; every woman in Parliament also has the opportunity, every year, to participate in the scrutiny of those Estimates.  M. Waring (New Zealand)

After the Appropriation Bill has been passed, in other words the Budget has been authorised, Parliament has an ongoing responsibility to monitor the performance of the Government in terms of the programmes approved in the Budget. By way of questions and debate both when Parliament meets in plenary and in Portfolio Committees Members of Parliament can call ministers and officials to account. In playing this watchdog role Parliament is strengthened by the role of the Auditor-General, a constitutionally important and impartial person who is appointed by Parliament and reports directly to Parliament on his/her findings in respect of the financial performance of each of the Government departments.

To recap; While the Government is responsible for the compilation and implementation of the Budget, Parliament has the vitally important roles in relation to the Budget of:
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- Influencing the Government
- Monitoring the Government’s performance
- Where and when necessary calling the Government and its officials to account

The interrelated roles of the Government and Parliament form part of the constitutional and procedural checks and balances designed to ensure good governance and the cost-effective use of public funds.

An overview

These are suggestions which have been made and I have been trying to consolidate them. First of all, in the process of formulating the budget, prior to its introduction to parliament:

▷ The establishment of the budget committee of parliament to interact with the Executive on the structure of the budget, the macro-budget policies and the priorities and formulation of the MTEF, the overview of the budget, the budget committee of parliament interacts with the Executive during that period.

▷ By framing of parliamentary rules to ensure that all portfolio committees interact in an effective way with the relevant departments in the framing of the departments budget submissions to the Treasury. Three; holding of major preliminary debate in parliament on the medium-term Budget policy statement once the Ministry of Finance has tabled it in Parliament. I would not consider waiting until the main parliamentary debate on the Budget. It could be an interim debate on the structure of the Budget and the bricklaying to it.

The second thing we have here is; when the Budget should come before Parliament. Firstly, I believe that the tabling of the Budget proposals in the form of Draft Bills, rather than formal Bills would leave far more room for Parliament to interact with the Executive on the contents of the Draft Bill, when parliament is confronted with what is in the same final Bill.

Secondly, the enactment of national legislation to facilitate Parliament making amendments to the Budget within the parameters set out by the MTEF. That may be controversial. I believe some provision for Parliament making amendments is essential.

Three, the creation of a mediation mechanism to enable Parliament and the Executive to interact in an attempt to reach agreement, should there be a difference of opinion on matters contained in the Draft Appropriation Bill. In other words, we have tried to have a consensus Budget in the national interest and, therefore, having some mediation mechanism while the draft Bill is before Parliament seems to be appropriate.

After the Appropriation and the Taxation Bills have been adopted by Parliament, the framing of parliamentary rules to ensure that all portfolio committees exercise their oversight function of the implementation of programmes contained in the Budget in an effective manner. I know most Parliaments require that they should have an oversight mechanism. I do not know whether most Parliaments have formal rules by which those portfolio committees should operate. These rules must require Government departments to submit full reports on the implementation of Budget proposals at regular intervals and I have suggested something like four or six monthly intervals.

Finally, provision must be made by means of parliamentary rules or national legislation for Parliament to impose some form of sanctions on departments that have failed or have been ineffective in the administration of the Budgetary programmes.

Finally, general public involvement. All activities of Parliamentary committees in connection with the Budget process should be conducted in an open and transparent manner to ensure the maximum public awareness of the issues. Portfolio committees must take steps to facilitate civil society and its organisations to make inputs into the Budget process.

C. Eglin (South Africa)
Towards Gender-Balanced Budgeting

Introductory statement by Dr. Mbaye Diouf

Definitions

Gender / gender and women

The women's movement was based on an individualistic approach to society with a strong antagonism between women and men, which was sometimes a violent one, and led to the birth of feminism as an ideology.

The concept of “Gender” emerged from the realization and the rebirth of family values, and the need to promote balanced family and society units.

There was a clear understanding that in the current situation men are certainly more equal than women, even in the case of poor men and women. It was recognised that special attention should therefore be paid to the need to uplift women not only for the sake of equity and justice but because women are the mainstays of families and societies. Women have reproductive, productive, educative and caring functions that are invaluable contributions to society.

The Gender Approach is therefore a balanced approach to society that includes men, women and children on the basis of equitable treatment, with an emphasis on uplifting the weakest members of society.

Budget

Budgets are instruments through which national resources are mobilized for redistribution on the basis of selected socio-economic objectives and policies, through for example taxes, income duties, overseas grants, loans and other incomes.

Financial law is more holistic as it covers both the set of budgets and accounts at the disposal of the state, and the set of instruments (including fiscal regulations/policies, regulations governing the management of the state treasury).

All these rules and regulations and related laws are determined by government financial, monetary and fiscal policies, resulting from the government's socio-economic development strategy.

It is therefore crucial for MP’s in exercising their approving and control functions to have in mind the overall context in which budgets are drawn-up and to ascertain the relevance and validity of the strategies and policies underlying the contents of the budget document, as a first stage.

Approaches and budget options

We can identify three approaches to dealing with the budget:

- Liberal
- Interventionist
- Budget balancing

The liberal option is to balance the budget by all means, particularly with strictly limited expenditures in the areas of administration, diplomacy, defence and security. The budget, as an instrument to support demand and supply i.e. increase in public expenditure, would influence and hopefully increase supply and contribute to an increase in demand. With respect to public investment expenditures and transfer expenditures, budget balancing is not an end in itself.

Public finances must fulfil 3 major roles:
• Orientation (socio-economic objectives)
• Provision of incentives to influence quantitatively and qualitatively demand and supply
• Realisation of socio-economic infrastructures

Short term balancing is not an option for developing countries. The only viable option is to target budget balancing in a medium or long term perspective through:
• Cyclical budget
• Partially balancing the budget
• Alternative amortizations

The Budgetary Process includes
• Forecasting income
• Approving the budget
• Periodic controls

3 Sets of Laws:
• The financial law
• Periodic revisions of the budget by law
• Closing budget and reallocation of resources by law

There is a need to debate underlying strategic and policy options before reviewing the budget.

The transition to M.T.E.F. (the medium term expenditure framework)
• The budget as the sole framework for the mobilization and allocation of resources to socio-economic programmes of the country
• Moving from line budgeting and the project approach to the programme/budget approach
• From “input-output” approaches to “input-output-outcomes” approaches
• From the recurrent/capital budgets to the unit cost approach.

The programme project approach
It is crucial to recognise the importance of “outcomes” of sectoral programmes and projects and their ability to meet requirements for gender equality.

This can be done through a review of Programmes/Projects in the light of gender parameters, and by assessing in the approval process if programme/projects are discriminatory.

Conditions for the emergence of a gender balanced budget

Preparatory phase
• Sensitise budget officers and officers of the planning department of ministries
• Follow at the level of allocation of budget ceilings to ensure coherence of budgets with gender-aware objectives
• Ensure inter-ministerial consultations with emphasis on the role of the ministry in charge of gender issues
• Identification of programs in line with gender parameters

The budget approval process
• Debate strategic and programme orientations along with overall budget allocations (proportions)
Gender issues are cross-cutting issues

The gender issue is a cross-sectoral issue. It cuts across all the sectors. … If we want to make sure that gender issues are captured in the sectoral review, we must make a point to inject gender preoccupations, and that is perfectly possible if we start, first of all, by asking all sectoral and ministerial structures to take into account, right from their mission statements, the gender dimension. If the hon. Members would ask each of the ministerial structures of the governments to come up with a clear-cut statement of mission, and you would be amazed because in some of our countries, Ministries do not even have a statement of mission. M. Diouf (United Nations Economic Commission for Africa)

In the case of South Africa, a liberation movement came to power; that is the liberation movement in which many of us participated and suffered over many years. We now have a new Government, created from the liberation struggle. In that struggle, women played a major role. There is no way that this new Government can ignore the role of women on the basis of the struggle that we went through. So, women and gender issues are, naturally, high on the agenda; there is a major commitment to this in the Constitution. What we have to do is to find ways and modalities to implement that commitment in the Constitution and those objectives. B. Turok (South Africa)

What kinds of questions should they be asking their own constituency MPs. If you are one of the solitary women Members, you would like to take the pressure off yourself for always being responsible in every portfolio, for raising gender as a cross-cutting issue. You can approach one of your male colleagues and say to him: “Do you know that water reservoir that you got there a couple of years ago? Has anybody ever thought of giving it domestic reticulation?” Now, I have not mentioned the word ”gender”, but if I nag him for a long time, I hope I will stir him up so that he can take up responsibility for asking those kinds of questions. Again, we know from Dr. Diouf, yesterday, that, asking a question about water for households is asking a gender question. M. Waring (New Zealand)

- Review and adoption of the Financial Law
  - Budgets
  - Fiscal policies
  - Budget management regulations
  (Importance of the role of the parliament budget committee)
- Adoption of budget revisions
- Determine budget results and reallocate resources

Follow-up
- Disbursement
- Utilization
- Building alliances and putting pressure

Budgets are not neutral

Budgets must reflect the state’s resolve to meet the needs of society taking into account those of all components of society and the full participation of all.

Budgets must therefore be gender-balanced. They must address gender inequalities through a gender-aware approach i.e.:

1) Correct inequalities and inequities without exclusion
2) EMPHASIZE PROGRAMMES/ACTIONS likely to efficiently contribute to the advancement of women for them to catch up with men in a context of harmony of all components of society.
3) Reference frameworks for the attainment of gender-balanced budgets, and the Dakar and Beijing Platform.
4) Adopt development strategies and policies in line with the platform in order to adopt an appropriate macro-economic framework
Most African economies are under adjustment and budgets are subjected to structural adjustment conditionalities. MP’s must scrutinize such conditionalities as influencing factors and try to correct budget provisions that are not in line with the promotion of a gender-balanced budget.

A gender focus on the budget

- Gender analysis is a process. It is not a check-list after the event, or an audit conducted at one point in the process. It is not just focused on counting up outputs or looking at outcomes, but on the concept right at the beginning of the ideas; the presumptions about how people behave, the arguments and the language that is used to justify policy, and how and by whom needs are interpreted. Any budgetary analysis is incomplete if the impact of gender is not being considered. Sometimes there might be, in terms of a notice of a Motion, a Motion to congratulate the Government for finally understanding that there were special affirmative action programmes needed to ensure that women had better access to tertiary education. Sometimes, those notices of Motions might simply be to use something like the Beijing Declaration; a broken record. I was very happy to be a nuisance, and very happy to be seen as a sort of a partial idiot. But what you could do every week was take a different paragraph of the Beijing Declaration and move a notice of a Motion that the Government had not yet moved in the direction. For about the first month, I would be a laughing stock. By the fifth or the sixth week, my own colleagues would be approaching me to ask me whether they could get a copy and read it. By the seventh or eighth week, even the Minister would be reading it. M. Waring (New Zealand)

- During the "budget orientation debate" in Parliament, MPs have to ensure that gender pre-occupations are injected. This would mean that social expenditures would not be too much penalised, and thus rural areas would not be neglected because they would not be receiving a very lean portion of the resources. Thus, the types of sectors and projects that would be highlighted and emphasised would be those projects, or activities, or programmes, which can promote gender. Let me give just one example. If the Minister for energy brings to Parliament a budget orientation and its programmes, but MPs realise that in those programmes there is nothing on new and renewable energy projects, they should start asking themselves whether that budget is actually gender balanced. It is, precisely, new and renewable energy projects that would put emphasis on gender balance in society. ... What must be the yardstick to make sure that the economic framework in which we inscribe our budgets is the right one? First of all, we must make sure that these budgets and economic programmes are based on appropriate land reforms for better access and entitlement to land for productive use and the enhancement of the role of women as agents of change and the modernisation of the food production... In some countries, women do not have even rights of access to land and yet, they are the ones who are supposed to produce, and who are producing most of the goods. So, if the economic programme which is underpinning the budget is not an economic programme which is advocating a reform in this sector so that we have more access by women to land, there is something wrong in whatever is presented to you. ... We should make it compulsory for Ministries or Governments presenting a Budget to us to prioritise programmes. There are core-programmes and other programmes, and the core-programmes should reflect the gender pre-occupation. Why core-programmes? This is because if we have a scarcity of resources, we must put the resources on those programmes that count most and that are likely to bring something in satisfying the gender prescriptions. M. Diouf (United Nations Economic Commission for Africa)

- Anyone who has been looking at the NASDAQ in the New York Stock Exchange, recently, must know that our currencies are so vulnerable to those things. So, as we talk about gender and enhancing the condition of the lives of the poor, we should ponder on how we would do that in an environment of instability, when we do not know what the value of our currency will be tomorrow. B. Turok (South Africa)

The “Do's” and "Don'ts"

It is important to define parameters for a gender-balanced socio-economic strategy, policies and budgets.
### THE “DON'TS”

<table>
<thead>
<tr>
<th>Description of policy instrument and measures</th>
<th>Effects for adjustment with transformation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Drastic budgetary reductions, especially with respect to expenditures and subsidies on social services and essential goods.</td>
<td>• Undermines human conditions, the enabling environment and the future potential for development; necessitates massive retrenchment in the public sector.</td>
</tr>
<tr>
<td>• Indiscriminate promotion of traditional exports through price incentives offered only to the “tradeables”.</td>
<td>• Undermines food production and self-sufficiency, and can lead to undesirable environmental degradation, could result in over-supply and fall in prices (fallacy of composition)</td>
</tr>
<tr>
<td>• Across-the-board credit squeeze</td>
<td>• Leads to overall contractions of the economy; declines in capacity utilisation and closure of enterprises; and an accentuated shortage of critical goods and services.</td>
</tr>
<tr>
<td>• Generalised devaluation through open foreign exchange markets, currency auctions and large and frequent currency depreciations</td>
<td>• Leads to socially unsupportable increases in prices of critical goods and services; raises the domestic cost of imported inputs and undermines capacity utilisation; triggers general inflation; diverts scarce foreign exchange to speculative activities and exacerbates capital flight, worsens income distribution patterns; undermines growth and capacity; results in structural entrenchment of traditional exports through price incentives for such commodities or “tradeables”.</td>
</tr>
<tr>
<td>• Unsustainably high real interest rates (inflation-adjusted nominal rates of interest).</td>
<td>• Shifts the economy towards speculative and trading activities by becoming an disincentive to productive investment; fuels inflation.</td>
</tr>
<tr>
<td>• Total import liberalization.</td>
<td>• Leads to greater and more entrenched external dependence; intensifies foreign exchange constraints; jeopardizes national priorities such as food self-sufficiency; erodes capacity of infant industries and thereby slows industrialization</td>
</tr>
<tr>
<td>• Excessive dependence on market forces for getting the “prices right” in structurally distorted and imperfect market situations.</td>
<td>• Worsens inflation through sharp rises in production costs and mark-ups; causes deviations from desirable production and consumption patterns and priorities, and may derail entire process of transformation.</td>
</tr>
<tr>
<td>• Doctrinaire privatization.</td>
<td>• Undermines growth and transformation; jeopardizes social welfare and human conditions.</td>
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### THE “DO’S”

**Strengthening and Diversifying Production Capacity**
## Description of policy instrument and measures

- Land reforms for better access and entitlement to land for productive use; enhancement of the role of women as agents of change and the modernization of the food production sector.
- Devoting at least 20-25 per cent of the total of public investment to agriculture
- Allocation of an increasing share of foreign exchange for imports of vital inputs for agriculture and manufacturing sectors; expansion of agricultural and industrial employment; increased domestic output of essential commodities and avoidance of import strangulation; and increased interlinkages between agriculture and industry;
- Sectoral allocation of credit using credit guidelines that would favour the food subsector and the manufacture of essential goods
- Adoption of investment codes and procedures tailored to promotion and development of small-scale industries.
- Use of selective nominal interest rates in such a way that interest rates on loans for speculative activities would be greater than the rates on loans for productive activities, and resulting weighted real interest rates for savings would be positive.
- Creation and strengthening of rural financial institutions.
- Rehabilitation and rationalization of installed productive and infrastructural capacities; and setting up of an effective national maintenance system.
- Utilizing the existence of de facto multiple exchange rates systems in a rationalized manner and/or creating and streamlining such a system for purposes of resource transfers, resource mobilisation and reversal of capital flight and ensuring availability of essential imports.
- Creation of a special fund for loans at subsidized interest rates to certain groups of economic operators.

## Effects for adjustment with transformation

- Increased production and opportunities for gainful employment, poverty alleviation and more equitable income distribution.
- Improved rural infrastructure and agricultural institutions; increased agricultural productivity; expansion of rural employment.
- Satisfaction of critical needs.
- Increased production of food and essential manufactured goods; increased gainful employment.
- Better enabling environment with greater involvement of local entrepreneurs.
- Increased utilization of domestic savings; reduction of speculative activities; shifting resources to productive activities.
- Increased mobilization of rural savings and improved financial intermediation.
- Fuller capacity utilization; economic growth; savings in foreign exchange.
- Encouragement of capital inflows, especially by nationals working abroad, and discouragement of capital flight; improvement in balance of payments; satisfaction of critical needs.
- Encouragement of greater productive activity.

### Improving the Level of Income and the Pattern of its Distribution

- Increased production and opportunities for gainful employment, poverty alleviation and more equitable income distribution.
- Improved rural infrastructure and agricultural institutions; increased agricultural productivity; expansion of rural employment.
- Satisfaction of critical needs.
- Increased production of food and essential manufactured goods; increased gainful employment.
- Better enabling environment with greater involvement of local entrepreneurs.
- Increased utilization of domestic savings; reduction of speculative activities; shifting resources to productive activities.
- Increased mobilization of rural savings and improved financial intermediation.
- Fuller capacity utilization; economic growth; savings in foreign exchange.
- Encouragement of capital inflows, especially by nationals working abroad, and discouragement of capital flight; improvement in balance of payments; satisfaction of critical needs.
- Encouragement of greater productive activity.
Description of policy instrument and measures

- Enlarging the tax base, improving efficiency and probity of the tax collection machinery.
- Reduction of government expenditure of defence as much as possible, and on non-productive public sector activities.
- Removal of subventions to parastatal entities other than those in the social sector and nationally strategic basic industries.
- Use of limited, realistic and decreasing deficit financing for productive and infrastructural investments that have little import content. Guaranteed minimum price for food crops managed through strategic food reserves.

Effects for adjustment with transformation

- Increased government revenue.
- Release of resources for investment; improvement in resource allocation; improvement in balance of payments.
- Release of resources for productive investments; better fiscal balance.
- Sustaining growth through support to relevant production units.
- Food production on a sustained basis; assured income to farmers; increased access to food for majority of the population; control of inflation.
**Pattern of Expenditure for the Satisfaction of Needs**

<table>
<thead>
<tr>
<th>Description of policy instrument and measures</th>
<th>Effects for adjustment with transformation</th>
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<tbody>
<tr>
<td>Expenditures-switching (without necessarily increasing total government spending) to raise government outlays on the social sectors, particularly those aspects of education, health and the integration of women in the development process that are likely to increase productivity, such that an average of 30 per cent of total annual government outlays is devoted to the social sectors; and, thereafter to maintain a growth rate in public outlays on these sectors at above the population growth rate.</td>
<td>Satisfaction of critical social needs; investment in human capital; raising living standards of majority of the population.</td>
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<tr>
<td>Selective policies through subsidies, pricing policies etc., to increase the supply of essential commodities required for maintaining a socially-stable atmosphere for development.</td>
<td>Increasing affordability of essential goods and services as well as critical intermediate inputs; increased production of industrial raw materials; control of inflation.</td>
</tr>
<tr>
<td>Limitation of debt service ration to levels consistent with sustaining and accelerating growth and development.</td>
<td>Freeing of resources for productive activities to sustain adjustment with transformation; improvement of balance of payments position.</td>
</tr>
<tr>
<td>Specific export incentives for processed export and carefully-selected primary commodities.</td>
<td>Increased diversification: reduced vulnerability to fluctuations in commodity prices; export growth and increased export earnings.</td>
</tr>
<tr>
<td>Differential export subsidies; removal of trade barriers; and encouraging barter trade to boost intra-African trade.</td>
<td>Reduced external dependence and better product mixes and integration in Africa.</td>
</tr>
<tr>
<td>Bilateral and multilateral agreements on primary commodities.</td>
<td>Improved and more stable balance of payments.</td>
</tr>
</tbody>
</table>
### Institutional support

#### Description of policy instrument and measures

- Creation of adequately funded “supervised food production credit systems” in rural areas with easy access by farmers in terms of limited collaterals etc.
- Strengthening agricultural research focused on production; creation of extension services and systems for the diffusion, application and operationalisation
- Creation of rural institutions to support cottage industries and small scale industries with emphasis on indigenous technology, domestic finance, rural infrastructure and women participation.
- Legislation of a clear framework of ownership and participation of the different socio-economic groups such as rural co-operatives, artisans, traders etc.
- Establishment of community development institutions especially indigenous NGOs and self-help programmes.
- Greater mass participation in decision-making and implementation of programmes.

#### Effects for adjustment with transformation

- Sustained increase in food production and adoption of technologies to reduce vulnerability to weather through increased investments in areas like small irrigation schemes.
- Will accelerate process of achieving a green revolution in Africa especially in the five food crops that are basic to food self-sufficiency in the region (maize, sorghum, millet, rice and tubers) as well as accelerate the building up of a viable industrial base.
- Promotion of integrated rural development; enhancement of the attractiveness of rural areas; promotion of rural technological development, employment generation.
- Will enable popular participation in production, marketing and development in general; and strengthening of the informal sector and its ultimate integration into the mainstream of development.
- Will enable use of direct community labour on a voluntary basis for the provision of rural infrastructure such as feeder and access roads, health centres and dispensaries, school buildings and small irrigation schemes.
- Greater confidence of the people in their own societies and government, greater commitment to and sacrifices for development; more efficient and motivated human resources.
Parliament and the Budgetary Process, Including from a Gender Perspective
The Process Towards a Gender Friendly Budget

Introductory statement by Dr. Marilyn Waring

Think about the process of an annual budget as engaging eight distinct activities at both the macro and micro levels:

1. **Identifying the overall strategy, or the sector issues**
2. Defining the desired outcomes (effectiveness and evaluation) and outputs desired (efficiency and monitoring)
3. Defining inputs
4. Research
5. Developing options
6. Recommending, seeking decisions
7. Communication
8. Assessing quality

To ensure a gender perspective in identifying, **defining and refining the issue**, consider:

- Defining issues and target groups so that the diverse and different experiences of women and men are taken into account. In what ways were these definitions influenced by your gender? When a cultural practice falls outside the dominant society, what steps have you taken to define what is, from a cultural and a gender perspective, acceptable and/or different?
- Your background may influence your vision and prevent you from asking questions and hearing answers. Policies, programmes and legislation must be careful not to reinforce stereotypes and systemic discrimination about women and men.
- Involving both women and men in identifying the issue. What do women’s organisations and gender-aware researchers have to say about this issue? How has the issue been shaped by public opinion? Have women’s perspectives informed the issue? What was the level of participation of the affected and disadvantaged groups of women and men in the issue identification process?
- That age and other factors modify the different experiences of males and females.
- Factors (cultural, economic, political, legal, socio-economic, etc.) that may affect gender equity within this issue. For example, consider how experiences of women and men will differ geographically, and are influenced by poverty, tribe, religion, disability/ability. Also, explore political considerations and/or events (disasters, changes, legal decisions) that may have precipitated the issue.

To ensure a gender perspective in **defining the desired/anticipated outcomes**, consider:

- That different measures may be required for outcomes to be equitable for both women and men (identical treatment does not necessarily assure equality);
- Consciously choosing outcomes that break down societal barriers or ameliorate current inequitable situations between women and men;
• That multiple outcomes may need to be identified to take into account the effects of gender and/or other aspects of diversity on policy implementation;
• That expectations for outcomes (from government, the public, other stakeholders) should be analysed to ensure they take into account both women and men, and that the expectations do not unintentionally incorporate existing stereotypes or biases;
• That if there are different outcomes for both women and men, these should be given equal consideration; outcomes for women should not be an add-on to a “mainstream” policy;
• You may need different outcome indicators in order to capture the different realities for women and men;
• Assigning specific monitoring and accountability for outcomes for both women and men in the policy outline. Be aware that the traditional approach is built on the male norm;
• Which gender-specific factors could modify the possibilities of achieving the outcomes.

To ensure a gender perspective in defining the information and consultation inputs, consider:
• That information regarding groups needs to be disaggregated by gender;
• Actively seeking the advice and participation of community and women's groups expert in this field when looking at sensitive issues. Take appropriate measures to ensure their full participation which could include changing the consultation processes;
• That gender-disaggregated data is often not available; therefore it may be necessary to seek information in the form of case experience, administrative data, or facilitate the direct participation of both young women and young men. In the absence of any of these, it may be necessary to engage in direct research to generate primary gender-specific data;
• That unique and comprehensive information, often not available through traditional data sources, can be obtained by consulting with non-government organisations. These groups often have access to information at the international, national, provincial and local levels.

To ensure a gender perspective in defining the research and the analysis to be done, consider:
• That policies, programme and legislation that do not address gender concerns may leave out relevant facts and data;
• That research questions must make specific reference to both women and men if the research is to address their particular circumstances.

To ensure a gender perspective in developing and analysing the options, consider:
• How the options may disadvantage or provide benefits for either women or men;
• How does each option reinforce or challenge stereotypes and systemic discrimination;
• How the options will support gender equity, and avoid discrimination, or point out where equity may be compromised. This should be explicit in the cost/benefit analysis of each option;
• What are the consequences of not adopting a gender-sensitive option? For women? For government?
• Including gender-specific measures in each option;
• Seeking the perspectives of both women and men in developing the options and assessing their costs, benefits, acceptability and practicality.

To ensure a gender perspective in developing a recommendation and obtaining a decision, consider;
• Gender equity as a significant element in weighing and recommending options;
• Ensuring that the recommended option contains no legal, economic, social or cultural constraints to gender-equitable participation in the proposed measures;
- How any differential consequences based on gender, and their social and economic costs, will be dealt with;
- Outlining methods to ensure that the policy is implemented in a gender-sensitive and equitable manner.

To ensure a gender perspective in *communicating policy*, consider:
- That the message should address both women and men;
- Designing communication strategies that reach both women and men;
- How to highlight gender implications of the policy;
- How to ensure that examples, language, and symbols used in the communication are gender-aware and diversity-appropriate.

To ensure a gender perspective in assessing the *quality of analysis*, consider:
- Integrating questions concerning gender throughout the analysis;
- Clarifying gender implications within the context of the policy, and within the policy priorities of government;
- Clearly presenting what the gender implications are and why the policy will support gender equity, and promote (not restrict) women’s autonomy, opportunities and participation;
- Balancing this information with appropriate considerations of the policy environment, such as historical information, the policy context, comparative information from other jurisdictions, community-based information and studies;
- Presenting recommendations concerning the policy that support gender equity in a credible and practical way, and demonstrating how gender equity considerations are balanced and congruent with other government priorities and considerations.
Reading the budget from a gender perspective

I recommend to all Members of Parliament who have not done so to lay their hands on the Beijing Declaration and Platform for Action...this is now the reference framework against which all the issues of Budget or engendering the national economy, reflecting on social issues are contained. I do not know how many Budget documents in Africa have come up with the citation of this platform; certainly, very few of them. Maybe, hon. Members must make a point that henceforth, whenever the budget document comes up in the introductory part of it, references should be made to this platform. You have twelve strategic areas which are spelt out very clearly in the Platform. So, if the budget has to be gender balanced, those preoccupations, which are in this Platform, should be translated into actions, and those actions translated into activities and programmes that would inform the budget.

In order for a budget to be gender-balanced, there are certain criteria that must be obtained. The first reference framework to measure the level of "engenderment" of a budget should be to look into the Beijing Platform for Action and see how many activities are proposed by the various sectors in Government which relate to the strategies advocated in that Platform. To do that, hon. Members must, first of all, read the Beijing Platform for Action very carefully and use the strategies and activities advocated therein as yardsticks for measuring the engenderment of a budget. Secondly, Parliaments should look into the macro-economic framework in which a budget is being drawn. We have given some parameters to enable hon. Members see whether a budget, actually, favours gender, not only by channelling resources to the social sectors of education and health, but also by channelling resources to the rural areas. Even within rural areas, funds should be channelled to sectors where the majority of the population has interest, and more specifically, to food production, where women are the movers and the shakers. M. Diouf (United Nations Commission for Africa)

Do we have the personnel in the Third World countries to do the job as outlined? Prof. S. Mbilinyi (Tanzania)

Many of us are not well versed with gender issues, and many equate gender issues to women issues. We need a lot of training to make our colleagues aware that when we talk of gender, we are talking about men and women, boys and girls, and trying to uplift the disadvantaged gender. Of course, for our African countries, it is the female gender which is mainly disadvantaged. K.R. Masiko (Uganda)

Meeting the challenges of survival is more dependent than ever before, on women's organisational management, ecological and productive skills. That, women have been, through direct discrimination, denied both opportunities to influence the adjustments process and their share of benefits brought by structural change, means that they are the least dependent resource in the community. They are, therefore, the group most likely to respond to inputs leading to self-reliance. M. Waring (New Zealand)
We, the African Parliamentarians meeting in Nairobi from 22 to 24 May 2000 on the occasion of the Inter-Parliamentary Union’s Regional Seminar on “Parliaments and the Budgetary Process, including from a Gender Perspective”, note with deep concern the suffering and death of innocent people resulting from war and armed conflicts in Africa and other parts of the world. We are aware of the destructive effect of these armed conflicts on our economies and are concerned about their dramatic negative impact on the most vulnerable groups of the population, in particular women and children.

We therefore appeal to the United Nations, the Organization of African Unity and other regional organisations to encourage dialogue and negotiations among those parties involved in armed conflicts in Africa with a view to promoting peaceful settlements to such disputes.
Fellow parliamentarians,
Distinguished delegates,
Esteemed resource persons,
Ladies and gentlemen,

We are now at the closing stage of our seminar and it is my responsibility to try to summarize the gist of three days of very intensive and fruitful discussions.

With the learned assistance and guidance of our distinguished resource persons - The Hon. Colin Eglin, The Hon. J.H. Mensah, Dr. Marilyn Waring and Dr. Mbaye Diouf - we have covered quite extensive ground on the crucial issue of "Parliament and the budgetary process including from a gender perspective."

However, prior to giving a few highlights about the Seminar, I should like to express on behalf of all of you our gratitude to His Excellency, the President of the Republic of Kenya, The Hon. Daniel Arap Moi, for his illuminating inaugural speech. His address truly set the tone for a very open and thorough discussion and provided stimulating food for thought on a wide range of issues.

I should also like to express our gratitude to the world organization of Parliaments, the Inter-Parliamentary Union, for organizing this unprecedented and invaluable event. I wish also to note the financial support of the United Nations Development Programme in bringing together the resource persons from as far as a field as New Zealand, South Africa, Ghana and Senegal. The IPU did so in the context of its programme to promote democracy and good governance and it deserves to be commended for such an initiative.

As you know, this seminar was the first of its kind. It was a unique event not just because it was the first opportunity for us to address in a regional context issues and challenges facing us in our individual countries with regard to the budget but also because it allowed us to recognize the importance of developing a gender perspective on the budget. Finally, it was also unique in that it was combining sessions for the parliamentarians and the staff assisting them in parliament and, at this point, I should like to remark that the members of our parliamentary staff appear to have been as stimulated as us by the discussions which they held under the chairmanship of the Clerk of the National Assembly of Kenya, Mr. Samuel W. Ndindiri. I trust that we shall be the first beneficiaries of their enlightenment and their renewed resolve to enhance the support services they are offering us in performing our mission with regard to the budget.

As many of you stated it, no initiative could have been more timely for us all than this session when our countries are making efforts to strengthening good governance. This is why our National Assembly feels particularly privileged to have had the opportunity to host this and to welcome all of you here in Nairobi.

The Seminar was a real eye opening exercise and it was rewarding in more than one form. For each of us, both parliamentarians and parliamentary staff, it was an opportunity to gain greater insight into the issues regarding the budget and to learn and reflect upon ways to improve our procedures and practices in this field. Amongst us, it was an opportunity to share experiences, compare our strengths and weaknesses, and also to consolidate inter-African relationship as well as personal friendship. I trust that we will all be enriched by this experience and that we have been empowered by it.

As far as the substantive issues are concerned, I could have limited myself to summarizing very briefly the contents and outcome of the debates in this final statement. However, after consulting with many of you, I have opted for presenting you in a separate and more detailed document the key issues and guidelines, which
emerged from the discussions. These have just been discussed at length by this forum. I trust that paper, which is now before you, could turn into a useful reference tool in our parliamentary environment.

In preparing it, we have tried with the assistance of the resource persons and the Assistant Secretary General of the IPU and the local IPU Secretariat, to reflect on the discussions as thoroughly as possible. Allow me however to beg your indulgence if we were unable to do justice to the variety of national experiences and to all the views and suggestions heard.

As you will all appreciate the paper has been drafted at the conclusion of our proceedings and will need further polishing so as to give a full reflection of the important elements in our discussions and a truly useful reference tool. I imagine that it may also generate here and now a few remarks which we would like to take on board when editing the document. I however suggest that, as it is, it provides a rather ample idea of all the points which were raised and, unless someone opposes, we could take it as the formal substantive outcome of the Seminar.

On behalf of all of us, allow me to express the wish that this document will be the seed for a handbook for parliamentarians which the IPU intends to develop on the very subject of the Seminar, and to hope that IPU may prepare such a practical tool in collaboration with the United Nations Economic Commission for Africa.

Papers however, remain papers and there is nothing more useful than direct experience. Knowing the extent to which the National Assembly of Kenya has benefited from a national seminar on the budget organised by the IPU on the eve of this one, I should like to echo the wishes expressed by many of you and request the IPU that it should develop such national seminars in as many of our countries as possible.

Before concluding, I would like to express special thanks to my colleagues from Zimbabwe, Namibia, South Africa, Malawi and Nigeria who so kindly and ably assisted me in chairing the Seminar. I further wish to thank you all for your patience and indulgence. Rarely have I seen such an attentive and disciplined parliamentary audience!

It now remains for me to wish that you will stay a few more days in Kenya to enjoy our hospitality and learn more about us and that at the end you will return safely to your countries, enriched and empowered to better perform your role as elected representatives of the people. Thank you.
I am honoured to have been elected to chair this parallel session for Parliamentary staff, during the IPU seminar on “Parliaments and the budgetary process, including from a gender perspective”. It is the first time, to my knowledge, that Officers of Parliaments from English Speaking African countries have got together to discuss the issues and difficulties in dealing with the budgetary process. It is an unprecedented initiative, which has enabled us to debate this complex subject and to discuss ways of assisting MPs in the best possible way in fulfilling their constitutional role in the budgetary procedure. Let me take this opportunity to thank participants from Namibia, Ghana, Zambia, Malawi and Nigeria for assisting in chairing several sessions.

The sessions have furthermore given us the opportunity to put our own specific questions to the resource persons, Dr Marilyn Waring, Hon. Colin Eglin and Hon. Mensah, and I wish sincerely to thank them for their thought-provoking contributions, which launched the debate, and for their dynamic inputs and guidance which have made our sessions truly lively.

I am sure that you will all agree that we have had the opportunity to frankly and openly discuss this crucial issue of Parliaments’ role in the budgetary process, including from a gender perspective – a process which puts to test the democratic nature of our varying national legislative systems. Our sessions have certainly enlarged our perspective and awareness and increased our understanding of the budget procedure and more particularly on the linked gender issues which are central to our society as a whole. We have also had the possibility to share our different experiences, which has certainly nurtured the debate and enriched it.

Let me now try to highlight some of the issues that were raised during the discussion. Of course these are just some few points, and I would welcome your comments on them:

• During our session, we discussed the issue of equitable distribution and, more particularly, the importance of developing gender sensitive budgets and projects. We discussed the wide range of factors which influence gender relations and the national budget, whether social, economic, demographic, educational, or related to communication.

• The necessity of taking into account the impact on gender of policies and budgets was clear. I am sure we all have a much deeper understanding of the different steps that need to be taken to make sure that projects take account of gender issues at the conceptual stage.

• We reasserted the need for Parliaments to be closer to the daily lives of people so that projects can better respond to the needs of those that need more support, who are often women and children. In order to include a gender perspective in all projects and budgets, we agreed that Parliaments had to develop a cross-sectoral approach, and establish links between our various Committees.

• In our discussion on the budgetary process at large, we also deplored the problem of inadequate time given to staff and MPs for a proper involvement in the different stages of the budgetary process. We discussed the need to develop expertise to assist members who may not always be fully conversant with the terminology and financial computations that are used in the national budget. The need for capacity-building for both parliamentarians and parliamentary staff was thus stressed.

• We also raised the particular problem of assisting Members who are sometimes faced with the dilemma of balancing their loyalty to the political party with their commitment to the general public’s interests.
• We also discussed the importance of supporting a transparent system, and the need to use and develop mechanisms in our parliamentary Committees for as wide as possible a consultation process so that the public’s concerns are reflected more clearly and people are more involved in the process.

Let me now conclude by saying that this seminar has provided us with a unique opportunity to discuss these often controversial and complex issues. I also value the personal relationships that it has helped us to build over the past three days and I hope we can put into practice some of your suggestions for sharing and exchanging our experience through such means as study visits in the near future.

I hope that you enjoy the rest of your stay in Nairobi. Thank you.
Ms. Christine Pintat, Assistant Secretary General of the Inter-Parliamentary Union

Closing statement

Mr. President,

Thank you for giving me the floor. In taking it I only wish to add, on behalf of the IPU, words of deep gratitude to you personally and to the National Assembly of the Republic of Kenya for hosting this IPU Seminar. It has been a privilege to assist you personally in the session and to observe the very participatory and jovial manner in which you conducted the debates. It has also been a great pleasure to work elbow to elbow with the Clerk and the staff of the National Assembly of Kenya to ensure the smooth running of the meeting.

When we were envisioning this Seminar to encourage exchange of experience in the crucial field of the budget, we were of course trying to find the best format for a meaningful and interactive discussion. We were also trying to identify the key issues and the best resource persons thanks to whose presentations you would feel more empowered at the end of the session. Allow me to say how pleased we feel with your positive unanimous remarks. They tell us that we have achieved both purposes and I would dare inviting you to applause our resource persons for their outstanding contribution.

The question in your minds now, I am sure, is: What's next?

At the end of this Seminar, and having heard in particular the kind remarks of The Hon. Speaker of Zimbabwe – a long standing and active member of the IPU – we feel stimulated to continue in this direction. Indeed, as the world organisation of parliaments, the IPU could not have any priority other than promoting fully empowered parliaments and parliamentarians.

As I already mentioned, this Seminar was directed to parliaments belonging to the Commonwealth culture. Its success encourages us in our intention to hold with UNDP’s support similar events with other parliaments belonging to other political and budgetary cultures.

The national Seminar that preceded this event and your remarks throughout also encourage us to respond to requests for holding national seminars in your countries, it being understood that the constraints of calendar and resources will guide us in this.

I should also like to confirm that one of the initiatives which is already on our programme of work with the UNDP is the drafting of a practical handbook for parliamentarians and the parliamentary staff on the very subject of the seminar. Some of you are already familiar with the first such handbook issued by the IPU last year on the issue of International Humanitarian Law.

Mr. President, I will stop here, reiterating my and IPU's thanks to you personally, to the Deputy Speaker, Mr. Omino, who was one of the driving forces behind the Seminar, and to the National Assembly of Kenya for having had the vision and interest to hold this event. We are also grateful to H.E. the President of the Republic of Kenya, whose presence at the inaugural ceremony also gave it a high profile, and who expressed his personal commitment to the IPU. All of this are clear expressions of Kenya's commitment to promote the strengthening of good governance, both in Kenya and in Africa.
Participation
Parliament and the Budgetary Process, Including from a Gender Perspective

### Parliamentary Delegations

**BOTSWANA**

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Hon. P.K. Sebego</td>
<td>MP, Public Accounts Committee</td>
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<tr>
<td>Hon. (Mrs.) D.S. Pholo</td>
<td>MP, Public Accounts Committee</td>
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<tr>
<td>Hon. M.K. Mzwina</td>
<td>MP, Finance Committee</td>
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<tr>
<td>Hon. S. Tsogwane</td>
<td>MP, Public Accounts Committee</td>
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<tr>
<td>Hon. P.P. Moathodi</td>
<td>MP, Chairman of the House Committee</td>
</tr>
<tr>
<td>Hon. I. Davids</td>
<td>MP, Estimates Committee</td>
</tr>
<tr>
<td>Mrs. S. T. Lesaso</td>
<td>Parliamentary staff - Principal Editor, Secretary to the delegation</td>
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**CAMEROON**

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<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Hon. Johnson Vekima Effoe</td>
<td>MP, Petitions and Resolutions Committee, Leader of the delegation</td>
</tr>
<tr>
<td>Hon. Benedict Namomgo Ndeley</td>
<td>MP, Petitions and Resolutions Committee</td>
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<tr>
<td>Hon. John Tong</td>
<td>MP, Finance Committee</td>
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**EGYPT**

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<th>Name</th>
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<tr>
<td>Hon. Salah Abdo</td>
<td>MP, Vice-President of Budget Committee, Leader of the delegation</td>
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<tr>
<td>Hon. Hamed Al Shennawi</td>
<td>MP, Vice-President of the Budget Committee</td>
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**ETHIOPIA**

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<th>Name</th>
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<tr>
<td>Hon. (Mrs.) Almaz Melo</td>
<td>MP, Speaker of the House of Federation/Leader of delegation</td>
</tr>
<tr>
<td>Hon. Tesfaye Abebe</td>
<td>MP, Budget Committee, House of the Fed.</td>
</tr>
<tr>
<td>Hon. (Mrs.) Aregesh Mideksas</td>
<td>MP, Budget Committee, House of the Fed.</td>
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<tr>
<td>Hon. Debede Barud</td>
<td>MP, Budget Committee, House of People's Representatives</td>
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<tr>
<td>Mr. Yesuf Mahfuz</td>
<td>Parliamentary staff - Budget Analyst, Economic and Social Research Team</td>
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**GHANA**

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<th>Name</th>
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<tr>
<td>Hon. (Mrs.) Margaret Clarke-Kwesie</td>
<td>MP, Finance Committee, Leader of the delegation</td>
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<tr>
<td>Hon. (Mrs.) Grace Coleman</td>
<td>MP, Finance Committee</td>
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<tr>
<td>Hon. Joseph E. Ackah</td>
<td>MP, Finance Committee</td>
</tr>
<tr>
<td>Ms. Lilian Bruce-Lyle</td>
<td>Parliamentary staff - Deputy Director of Administration</td>
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<tr>
<td>Mr. Cephas Amevor</td>
<td>Parliamentary Clerk of the Finance Committee</td>
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**KENYA**

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<tr>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>Hon. J.H. Omino</td>
<td>MP, Deputy Speaker/Leader of delegation</td>
</tr>
<tr>
<td>Hon. S. M. Mkalla</td>
<td>MP, Chairman, Finance Committee</td>
</tr>
<tr>
<td>Hon. David Mwiriga</td>
<td>MP, Vice-Chairman, Public Accounts Committee</td>
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<tr>
<td>Hon. George Owino Acholla</td>
<td>MP, Chairman, Education Committee</td>
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<tr>
<td>Hon. Darius Mbela</td>
<td>MP, Chairman, Energy Committee</td>
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<tr>
<td>Hon. Maryam Matano</td>
<td>MP, Chairperson, Catering Committee</td>
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<tr>
<td>Hon. Musikari Kombo</td>
<td>MP, Chairman, Anti-Corruption Committee</td>
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<tr>
<td>Hon. Wycliffe Osundwa</td>
<td>MP, Agriculture Committee</td>
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<tr>
<td>Hon. Jimmy Angwenyi</td>
<td>MP, Defense and Foreign Affairs Committee</td>
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<tr>
<td>Hon. (Mrs.) Grace Mwewa</td>
<td>MP</td>
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<tr>
<td>Hon. Martha Karua</td>
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<tr>
<td>Hon. (Mrs.) Zipporah Kittony</td>
<td>MP</td>
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<tr>
<td>Hon. (Mrs.) Josephine Sinyo</td>
<td>MP</td>
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<tr>
<td>Mr. Michael Sialai</td>
<td>Senior Clerk Assistant</td>
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**KENYA (contd.)**

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<tr>
<th>Name</th>
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<tr>
<td>Ms. Phyllis Mirungu</td>
<td>Clerk Assistant I</td>
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<tr>
<td>Mrs. Sarah Ndetto</td>
<td>Clerk Assistant III</td>
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<td>LESETHO</td>
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<tr>
<td><strong>Hon. K.T.J. Rakhetla</strong></td>
<td>Senator, Leader of the delegation</td>
</tr>
<tr>
<td><strong>Hon. Mahokoli B.P. Seutloali</strong></td>
<td>MP</td>
</tr>
<tr>
<td><strong>Hon. Thabiso Idoqhoqo</strong></td>
<td>MP, Business Committee</td>
</tr>
<tr>
<td><strong>Ms. Maseetsa Ratia</strong></td>
<td>Parliamentary staff - Sub-Editor</td>
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<tr>
<td><strong>Mrs. Beatrice H. Mapetla</strong></td>
<td>Parliamentary staff - Accountant</td>
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<th>LIBERIA</th>
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<tr>
<td><strong>Hon. George G. Koufo</strong></td>
<td>MP, Co-Chairman, Committee on Ways, Means and Finance, Senate/Leader of the delegation</td>
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<tr>
<td><strong>Hon. Isaac P. Kollar</strong></td>
<td>MP, Chairman, Committee on Ways, Means and Finance, House of Representatives</td>
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<tr>
<td><strong>Mr. Wesley Robinson</strong></td>
<td>Parliamentary staff - Acting Controller, Senate</td>
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<tr>
<td><strong>Mrs. Elizabeth Pelham</strong></td>
<td>Parliamentary staff - Controller, House of Representatives</td>
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<tr>
<td><strong>Hon. Rev. Peter Kaleso</strong></td>
<td>Deputy Speaker, Leader of the delegation</td>
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<tr>
<td><strong>Mr. Ollium M. Phiri</strong></td>
<td>Clerk Assistant</td>
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<th>NAMIBIA</th>
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<tr>
<td><strong>Hon. Kandy Nehova</strong></td>
<td>Chairman of National Council/Leader of the delegation/Chairperson on Standing Rules and Orders, Privileges</td>
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<tr>
<td><strong>Hon. Theofelus Eiseb</strong></td>
<td>MP, Vice-Chairperson on National Council's Committee on Regional Development and Reports</td>
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<tr>
<td><strong>Hon. (Ms) Generosa Andowa</strong></td>
<td>MP, Public Accounts and Economics Committee of National Council</td>
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<tr>
<td><strong>Hon. Tsudao Gurirab</strong></td>
<td>MP, Public Accounts Committee, Economics Committee, Human Resources</td>
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<tr>
<td><strong>Hon. (Ms) Theopolina Mushelenga</strong></td>
<td>MP, Standing Rules and Orders Committee, Equality and Gender Committee, Human Resources Committee</td>
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<tr>
<td><strong>Mr. Stanley Simaata</strong></td>
<td>Director on Finance, Personnel and Auxiliary Services, National Assembly</td>
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<tr>
<td><strong>Mr. Filemon Mbambus</strong></td>
<td>Deputy Director of Finance, Personnel and Auxiliary Services, National Council</td>
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<tr>
<td><strong>Ms. Elizabeth De Wee</strong></td>
<td>Parliamentary Clerk, Secretary to National Resources Committee, Secretary to IPU National Group, National Assembly</td>
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<th>NIGERIA</th>
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<tr>
<td><strong>Hon. Sanusi Daggash</strong></td>
<td>MP, Chairman, Committee on Finance/Leader of the delegation</td>
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<tr>
<td><strong>Hon. Francis Ella</strong></td>
<td>MP, Deputy Chairman on Committee on Appropriation</td>
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<tr>
<td><strong>Hon. Mohammed Zailani</strong></td>
<td>MP, Chair, Committee on National Planning</td>
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<td><strong>Hon. Edoga Chijioke</strong></td>
<td>MP, Committee on National Planning</td>
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<td><strong>Hon. Emeka Nwajuba</strong></td>
<td>MP, Chair, Committee on Public Works</td>
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<tr>
<td><strong>Hon. Tachia Joji</strong></td>
<td>MP, Committee on Power and Steel</td>
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<tr>
<td><strong>Hon. Lynda Ekeazu</strong></td>
<td>MP, Committee on Niger Delta</td>
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<tr>
<td><strong>Mr. Yomi Ogunyemi</strong></td>
<td>Clerk, House of Representatives</td>
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<td><strong>Mr. O. Odii</strong></td>
<td>Parliamentary staff - Special Advisor, Economic Affairs</td>
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<th>SOUTH AFRICA</th>
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<tr>
<td><strong>Hon. [Ms] B.P. Sonjica</strong></td>
<td>MP, Chairperson, Committee on Water Affairs/Leader of the delegation</td>
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<tr>
<td><strong>Hon. [Ms] Q.D. Mahlangu</strong></td>
<td>MP, Chairperson of the Select Committee on Finance of National Council of Provinces</td>
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<tr>
<td><strong>Hon. [Ms] E. Thabete</strong></td>
<td>MP, Whip</td>
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<td><strong>Hon Prof. Ben Turok</strong></td>
<td>MP, Finance Committee, National Assembly</td>
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<td><strong>Hon. [Mrs] Bernice Sono</strong></td>
<td>MP, Trade and Industry; Communications; Gender, National Assembly</td>
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<td><strong>Hon. V.B. Nalouvu</strong></td>
<td>MP, Committees on Safety &amp; Security, Defence, Intelligence &amp; Communication, National Assembly</td>
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<td><strong>Hon. [Mrs] Anna Van Wyk</strong></td>
<td>MP, Committee on Arts, Culture, Science &amp; Technology, National Assembly</td>
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<tr>
<td><strong>Hon. Cedric Frolick</strong></td>
<td>MP, Committees on Trade &amp; Industry; Public Enterprise, Sport and Recreation, National Assembly</td>
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<tr>
<td><strong>Mr. Andre Hermans</strong></td>
<td>Parliamentary staff – Portfolio Committee on Finance</td>
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<td><strong>Ms. Suné Pauw</strong></td>
<td>Parliamentary staff – Joint monitoring Committee on Improvement of Quality of Life and Status of Women</td>
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<td><strong>Hon. G.S. Kerriot Mvubu</strong></td>
<td>MP, Deputy Speaker, House Assembly/Leader of the delegation</td>
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<tr>
<th>Country</th>
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<tr>
<td>UGANDA</td>
<td>Hon. Isaac I. Musumba, Chair of National Economy Committee/Leader of the delegation</td>
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<td></td>
<td>Hon. Beatrice Kiraso, Chairperson of Finance and Economic Committee</td>
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<td>Hon. Francis Abura Kene, MP</td>
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<td>Hon. Kabakumba R. Masiko, MP</td>
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<td>Hon. Benedict Mutyaba, MP</td>
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<td></td>
<td>Miss Elizabeth Bakbinga, Parliamentary staff - Research Officer</td>
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<td></td>
<td>Mr. Moses Bekabye, Parliamentary staff - Budget Officer</td>
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<tr>
<td>UNITED REPUBLIC OF TANZANIA</td>
<td>Hon. Prof. S. Mbilinyi, Finance and Economic Affairs Committee/Leader of the delegation</td>
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<td></td>
<td>Hon. Venance Ngula, MP</td>
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<td>Hon. Simon P. Makame, MP</td>
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<td>Hon. Monica Mbegha, MP</td>
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<td>Hon. Tabitha I. Siwale, MP</td>
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<td>Hon Rhoda Kahatano, MP</td>
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<td>Hon. Xaveria Nchimbi, MP</td>
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<td>Hon. Aripa Marealle, MP</td>
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<td>Ms. Phoebe O. Mmbaga, Finance and Economic Affairs Committee, Clerk-at-the-table</td>
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<td>Mr. Demetrios S. Mgalami, Protocol and International Relations Department of Parliament</td>
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<tr>
<td>ZAMBIA</td>
<td>Hon. B. Mtembe, Deputy Minister of Education/Leader of the delegation</td>
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<td></td>
<td>Hon. S. Chirungu, Chair of Public Accounts Committee</td>
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<td>Hon. K.M. Mwitwa, Public Accounts Committee</td>
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<td>Hon (Mrs.) R. Yikona, Chairperson of Committee on Health and Social Welfare, Committee on Local Governance, Housing and Chief's Affairs</td>
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<td></td>
<td>Hon. (Mrs.) I. Chisala, Chairperson of Committee on Sports, Youth and Child Development, Committee on Agriculture and Lands, Committee on Legal, Human Rights and Gender Affairs, Committee on Privileges, Absences and Support Services</td>
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<td></td>
<td>Hon. (Ms) R. Malama, Chairperson of Committee on Sports, Youth and Child Development, Committee on Privileges, Absences and Support Services</td>
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<td></td>
<td>Mr. A.K. Mbewe, Financial Controller</td>
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<td></td>
<td>Mr. H.E. Phiri, Deputy Principal Clerk/Financial Committee. In charge of Committee on Estimates</td>
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<td>Mrs. Y.N. Mungandi, Parliamentary staff - Accountant</td>
</tr>
<tr>
<td>ZIMBABWE</td>
<td>Hon. Cyril Enoch Ndebele, Speaker of National Assembly/Leader of the delegation</td>
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<td>Ms. Elizabeth Rudo Doka, Parliamentary staff - Senior Committee Clerk</td>
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<td>Mr. Chrispain Tafadzwa Tsvarai, Parliamentary staff - Senior Research Officer</td>
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International organisations

UNITED NATIONS DEVELOPMENT PROGRAMME
Mr. Macleod Nyirongo  Deputy Resident Representative (Programmes),

UNITED NATIONS DEVELOPMENT FUND FOR WOMEN
Ms. Janet Kababeri-Macharia  Programme Officer, UNIFEM East, Central and Horn of Africa

UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA
Mr. Joseph Simelane  Public Administration Officer
Mr. Mamadi Kourouma  Public Administration Officer

AFRICAN PARLIAMENTARY UNION
Mr. Saleh Mortady  Director

INTERNATIONAL ORGANISATION FOR MIGRATION
Ms. Timnit Embaye  Gender Coordinator

AFRICAN DEVELOPMENT BANK
Mr. Gerard Kambou  Senior Economist

Secretariat of the Seminar

IPU KENYA NATIONAL GROUP
Mr. Samuel W. Ndindiri  Clerk of the Kenya National assembly,
Secretary General, IPU Kenyan National Group
Mr. Patrick G. Gichohi  Deputy Clerk of the Kenyan National Assembly,
Assistant Secretary of the Kenyan National Group
Mr. Murumba Werunga  Deputy Clerk of the Kenyan National Assembly,
Assistant Secretary of the Kenyan National Group
Mr. Peter Charles Owino Omolo  Deputy Clerk of the Kenyan National Assembly,
Assistant Secretary of the Kenyan National Group

INTER-PARLIAMENTARY UNION
Ms. Kareen Jabre  Assistant Programme Officer, Programme for the Promotion of Partnership between Men and Women
Ms. Atiya Lockwood  Assistant Programme Officer, Programme for the Study and Promotion of Representative Institutions
Parliament and the Budgetary Process, Including from a Gender Perspective
What is the IPU?

The Inter-Parliamentary Union (IPU) is the world organisation of Parliaments of sovereign States.

It is the focal point for world-wide parliamentary dialogue and works for peace and co-operation among peoples and for the firm establishment of representative democracy.

To that end it:

- Fosters contacts, co-ordination, and the exchange of experience among Parliaments and parliamentarians of all countries;
- Considers questions of international interest and concern and expresses its views on such issues in order to bring about action by Parliaments and parliamentarians;
- Contributes to the defence and promotion of human rights - an essential factor of parliamentary democracy and development;
- Contributes to better knowledge of the working of representative institutions and to the strengthening and development of their means of action.

The IPU supports the efforts of the United Nations, whose objectives it shares, and works in close co-operation with it. It also co-operates with regional inter-parliamentary organisations, as well as with international organisations (either intergovernmental or non-governmental) which are motivated by the same ideals.

As of January 2001, 148 national Parliaments were Members of the IPU. Five international parliamentary assemblies were Associate Members.
ibid.