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**Budget Transparency Updates**

**Latin American Budget Transparency Index**
The second regional meeting to discuss the progress in the development of a budget transparency index took place in Mexico City from October 12-14. The index will evaluate the level of transparency in the budget process in five Latin American countries: Argentina, Brazil, Chile, Mexico, and Peru.

The fourteen attendees compared preliminary results and alternatives to increase the level of response in some areas of the interviewed populations. They agreed on releasing the final results of this regional effort through a coordinated satellite press conference presentation on December 5th, 2001, soon to be followed by an international presentation at the Center on Budget and Policy Priorities in Washington, DC. A full report on this release will be featured in the next newsletter.

For details on the first meeting in Río de Janeiro click [here](#).

**Budget Transparency Workshop at Prague Conference**
The IBP organized a workshop on "Open Budgets and Assessing the Transparency of Budget Systems: Tools for fighting corruption and improving governance?" at the 10th International Anti-Corruption Conference, held in Prague in October 2001. The IBP gave an overview presentation, followed by presentations by Juan Pablo Guerrero of CIDE in Mexico, Katarina Ott of the Institute of Public Finance in Croatia, and Alexander Sungurov of Strategy in
Russia. The session generated a rich discussion on the role of civil society in the budget process, including comments by several Auditor Generals in attendance that there is a natural alliance in interests between AGs and budget groups. The inclusion of this workshop in this prominent conference of more than 1300 participants from 100 countries is another sign of the growing interest in budget transparency issues.

The presentations can be found here.

**Transparency International Releases Global Corruption Report**

The Global Corruption Report published by Transparency International on October 15, 2001, provides an overview of the "state of corruption" around the globe. The report for Southern Africa includes a discussion of Idasa/IBP's report on transparency and participation in South Africa's budget process.

To download or order the TI report click here.

**The International Monetary Fund Reports on the Observance of Standards and Codes (ROSCs)**

The International Monetary Fund has now produced reports on fiscal transparency for 26 countries: Argentina, Australia, Azerbaijan Republic, Bulgaria, Cameroon, Czech Republic, Estonia, France, Greece, Hong Kong SAR, Hungary, India, Japan, Korea, Latvia, Mozambique, Pakistan, Papua New Guinea, Poland, Sweden, Tunisia, Turkey, Uganda, Ukraine, United Kingdom, and Uruguay. These reports are often part of more wide-ranging IMF reports on governance issues, called Reports on Observance of Standards and Codes (ROSCs). In some cases it may be useful to use the IMF's findings to buttress your own advocacy or research on the needs for reforms.

To read about the observance of these standards by country click here.

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**Case Study: ISODEC's Centre for Budget Advocacy**

Following the release of Ghana's annual budget in March this year the Centre for Budget Advocacy organized public fora in ten of the administrative regional capitals throughout the country. These fora followed CBA's efforts to encourage public participation in shaping the public budget by generating public awareness about the budget process, helping the public to dissect the budget, and encouraging public input into the budget with a view to making the process more participatory, accountable and open.

The issues raised during these fora were compiled into a letter to His Excellency, President John Agyekum Kuffour. The letter was also published in The Daily Graphic and ISODEC's own Public Agenda, which are two local newspapers widely read throughout the country.

The letter sought to draw the President's attention to pertinent issues raised at the fora including a call for a more inclusive budget process, concern for government expenditure cuts in areas that affect the poor, taxation and tax relief, enhancing the role of civil society and participation in public policy, corruption, and decentralization. Fora participants were also concerned with the absence of public debate to discuss the decision and conditions to access HIPC debt relief service and assess the social impact of this initiative and reduce the country’s reliance on foreign financing. To read the letter, click here.
Towards Budget and Fiscal Democracy in Nigeria

A workshop entitled "Towards Budget and Fiscal Democracy in Nigeria" was held at Abuja, Nigeria, from October 15-19 2001. Funded by DFID, the workshop was organized by the Center for Public-Private Cooperation (CPPC) in Nigeria, in collaboration with the Integrated Social Development Centre (Isodec - Accra, Ghana) and the Africa Budget Project. Particular issues discussed included the constitutional framework for public budgeting, executive-legislative relations over the budget, information disclosure requirements, the role of the audit process, and the challenge of mainstreaming civil society engagement with the budget in Nigeria.

A dispute between the President and the National Assembly caused a four-month delay in the passing of the 2000 federal budget. The conflict revealed several issues requiring urgent attention, such as the timing of the budget process. The National Assembly has requested the President to ensure the tabling of the budget some months before the beginning of the financial year to avoid delays. Budget implementation has also been marked by conflict. For instance, the legislature claimed that a mere 30 per cent of the 2000 budget was actually implemented, a figure the federal government puts at 64 per cent. The discussions at the workshop highlighted that clarity on constitutional provisions, enhanced flow of information, and the establishment of legislature budget research capacity should help to foster more cooperative executive-legislative relations.

With regard to civil society, budget work remains hampered by several factors. For instance, some have estimated that only one per cent of NGOs in Nigeria has substantive knowledge of budget principles and processes. Few organizations have solid academic and practical experience (CPPC is an exception). In addition, the quality and availability of budget
documentation remain issues of concern. None of the civil society workshop participants had seen the Appropriation Acts passed since democratization in 1999. In 2001 1000 printed copies of the Appropriation Act were barely enough to cover the demand from officials. The quality, depth and regularity of available information, too, are matters of concern. CPPC plans to broaden civil society engagement with budget matters through the creation of networks or coalitions. Such initiatives should go a long way towards ensuring a continuous presence of civil society. CPPC is headed by Prof. Ademola Ariyo, who can be contacted at cppc@skannet.com.ng.

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**Gender Budgets Meeting in Brussels**

A high-level conference on "Gender Responsive Budgeting" was held in Brussels on 16 and 17 October, 2001. It was organized by UNIFEM, the Organization for Economic Cooperation and Development (OECD), the Nordic Council of Ministers and the Government of Belgium, in collaboration with the Commonwealth Secretariat and the International Development Research Center in Canada. It was attended by representatives of OECD member countries, the United Nations, and civil society groups and academics active in gender budgeting initiatives around the world.

Day one was divided into three major sessions the context and future challenges, tools and approaches, and lessons learned in practice. The context was set by presentations from Diana Rivington of the OECD, Winnie Byanyima of the Ugandan Forum for Women in Democracy, and two academics involved in pioneering gender budget approaches, Diane Elson and Rhonda Sharp. The session on tools and approaches was covered by Guy Hewitt of the Commonwealth Secretariat who presented a paper on six expenditure tools; Lionel Demery of the World Bank, who covered the incidence-benefit approach; and Sue Himmelwit of the Open University in the United Kingdom, who covered taxation and benefits.

There were several presentations on lessons learned in practice including Pregs Govender, a South African Member of Parliament, on the South African experience; Devaki Jain on the Karnataka Women's Project in India; Mayor Fernando Cordero on a local government participatory budget project in Cuenca, Ecuador; Miguel Rossetto, Vice-Governor of the Rio Grande Do Sol province in Brazil, on the Porto Alegre participatory budgeting experience; Gina Vargas of UNIFEM, on UNIFEM's efforts in the Andean region; and Celia Reyes on gender budgeting work in the government of Philippines. Mary Rusimbi of the Tanzanian Gender Networking Program and Warren Krafchik of the International Budget Partnership also contributed with presentations on, respectively, the Tanzania project and an overview of the contribution of civil society budget work to good governance and poverty alleviation.

The second day of the meeting was primarily reserved for statements and discussions among the participating governments of the OECD.

For further information on the conference participants and copies of some of the papers, contact Natalie Holvoet at nathol@ruca.ua.ac.be.
**Budget Process in Niger**

Albert van Zyl from IDASA returned from a mission to Niger and the Ivory Coast and shared some interesting observations regarding the budget process in this Francophone African region. Despite the influence of the French political system, Niger’s budget process proved to be quite similar to the South African process, which was influenced by the British system. After the budget is tabled in the National Assembly, it is referred to the Finance Committee. The Finance Committee gets inputs from other committees, but makes the final decision on what to turn into proposed amendments before submitting its report and proposed amendments to the Assembly. The Assembly can propose any amendment, but is not allowed to increase the deficit. Like in South Africa, Niger has a budget by line, item, and function.

One important difference is that Niger has an 'investment' and 'operational budget'. Donors almost exclusively fund the latter. Another difference is that their financial year coincides with the calendar year. Apparently all the French countries in the region have copied the French in the design of administrative and parliamentary systems. The Budget is called the 'Projet de loi de financement', which can be translated as 'Bill of Financing'. The auditor general’s report comes from a part of the Supreme Court and is known as the 'Loi de reglement', which means 'Law of Payment. There is rumored to be a huge gap between budgeted and actual expenditure. Many people implied that this was the result of political interference in the implementation of the budget.

Albert also conducted a budget analysis exercise where people analyzed the budget of a fictitious government. They were given all the numbers they needed, but nothing more than they would be able to get from their own budget. Taking a fictitious government also helped to take some of the political needle out of the exercise. To contact Albert van Zyl send an email to albert@idasact.org.za.

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**Budget Groups Online Newsletters**

The following groups have electronic newsletters to disseminate their work and activities on budget processes, participatory budgeting, and other areas related to budget work.

**Poder Ciudadano, Argentina**
To subscribe to the biweekly information report in Spanish, send an email to fundacion@poderciudadano.org.ar.

**The Democracy Center, Bolivia**
To subscribe to the Center’s electronic publication in English, send an email to info@democracyctr.org.

**Polis, Brazil**
To subscribe to the electronic information service in Portuguese edited by Polis, send an email to noticias-do-polis-subscribe@egroups.com.

**Institute of Public Finance, Croatia**
To subscribe to the Institute’s newsletter in English and/or Croatian, send an email to ured@ijf.hr, office@ijf.hr, or petra@ijf.hr.
**New Papers on IBP Website Library**

*Fiscal Horizontal Accountability? Toward a Theory of Budgetary "Checks and Balances" in Presidential Systems*
By David Samuels  
Department of Political Science, University of Minnesota  
Presented at the Conference on Horizontal Accountability in New Democracies (University of Notre Dame, May 2000), this paper studies the politics of budgeting in presidential systems outside the United States. It focuses on the formulation and approval stages of the budget process and the political factors that determine spending priorities.

*Political Determinants of Fiscal Discipline in Latin America, 1979-1998*
By Michael Coppedge and Andres Mejía Acosta  
Kellogg Institute, University of Notre Dame  
Presented at the Meeting of the Latin American Studies Association (Washington, DC September 5-8, 2001), this paper examines the impact of political and budget institutions on fiscal performance. The authors claim that higher levels of partisan support in the legislature combined with a strong presidential commitment to fiscal discipline can explain lower levels of government spending and improved fiscal performance. The paper uses time series data for Argentina, Brazil, Chile, Ecuador, Mexico, Uruguay, and Venezuela.

*Review of Gender Budget Initiatives*
By Debbie Budlender  
Community Agency for Social Enquiry  
The report reviews existing gender budget activities in 42 countries, discusses the general issues raised by these initiatives, and provides a typology of different strategies that can be employed to develop an effective program to support gender budget work at a national level.

*Engendering Macroeconomic Policy and Budgets for Sustainable Development*
By Diane Elson and Nilufer Cagatay  
Manchester University, UNIFEM and UNDP  
This paper reviews resources for developing the macroeconomic policies suitable for promoting pro-poor, gender and environment sensitive government budgets. It was presented at the first global forum on human development.

*Women and Tax in South Africa*
By Terence Smith  
IDASA  
Looks at some indicators that show how taxation policy can be an important instrument for reducing the income and wealth inequalities, which exist between men and women in South Africa.
**New Resources on IBP Website**

**A Guide to Budget Work for NGOs**
The guide should prove valuable to groups or individuals that are new to budget work, to those who have engaged in this work for some time, and to international actors interested in learning about applied budget work. The guide is a comprehensive description of the basic principles of applied budget work, examples of useful resources, and best practices.

The guide represents a substantial revision and expansion of the IBP’s first guide to budget work. The new guide examines the growth of applied budget work; contains a review of the stages of the budget cycle and how NGOs can contribute at each stage, as well as a review of key budget principles and key budget problems; offers some fundamental lessons for being effective at applied budget work; describes the three basic areas of applied budget work that have been undertaken by groups, providing extensive examples of such work and some suggestions on selecting activities; and points toward the resources to investigate to learn more about applied budget work and budget issues. The guide will soon be published as a book, as well as in CD-ROM form. Individual copies of the book and CD-ROM will be distributed free of cost. We will notify you as soon as these are ready.

**Related NGOs under Related Web Sites at the Resource Section**
Brief descriptions of those IBP network groups’ websites.

**Newsletter Archive**
Here you can find all the issues of the IBP Newsletter in English and Spanish.

**Announcement: Public Finance Conference in Poland**
The Gdansk Institute for Market Economics (GIME) [www.ibngr.edu.pl](http://www.ibngr.edu.pl) encourages participants from Belarus, Bulgaria, Moldova, Romania, Russia, Slovakia, and Ukraine to attend the conference "Public Sector in Poland 1989–2001 A Study of Transformation" to be held in Zakopane, Poland, between 13-15 December 2001.

The goal of the conference is to assist governments and representatives of NGOs with information on the reconstruction process of the public finance sector in a country adjusting to new democratic system conditions, using the Polish experience as a case study. It will be held in Polish with translation into Russian.

For more information and registration forms contact:

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