

African Parliamentarian's Forum 2021: Oversight of the Security Sector

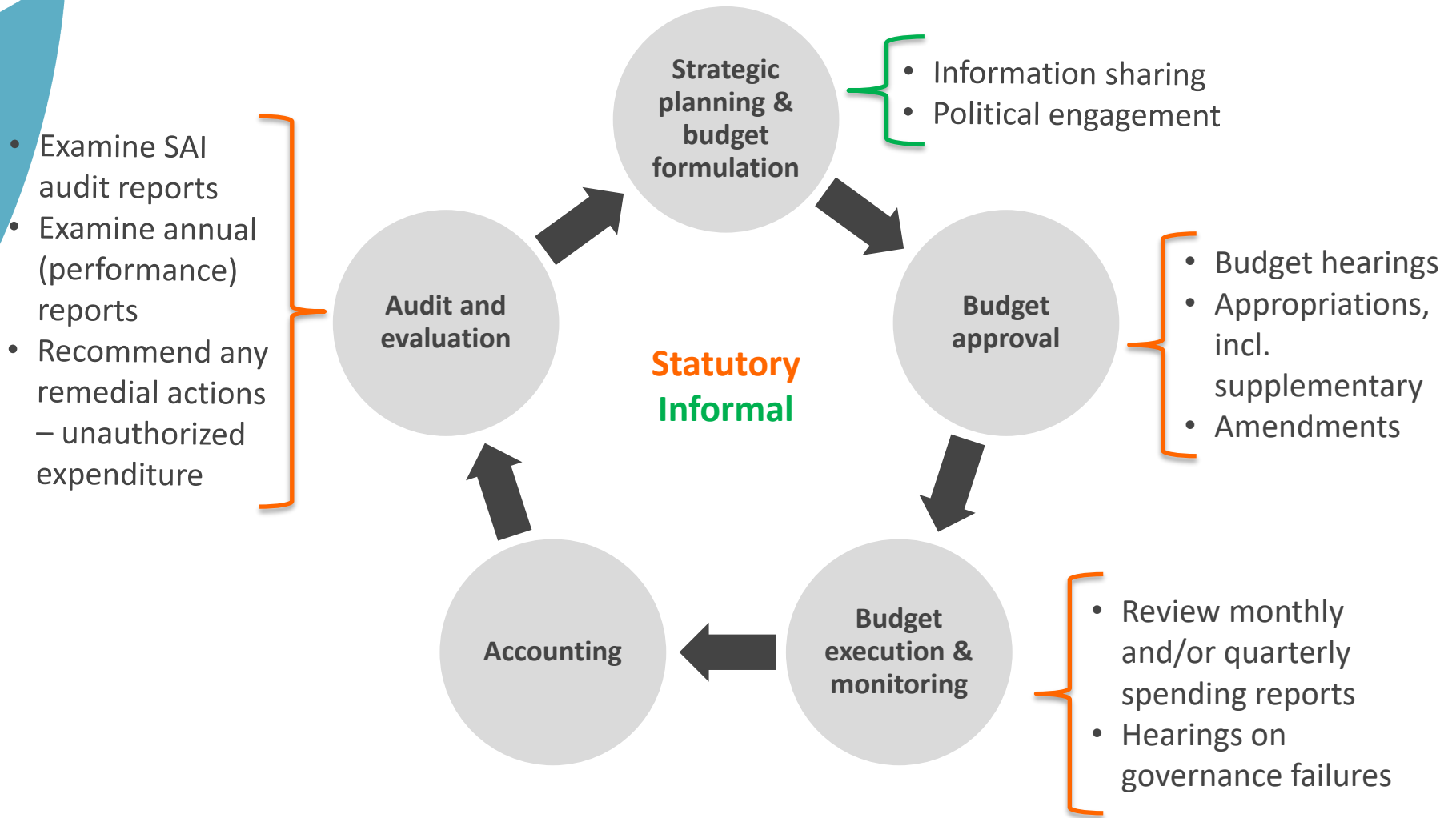
Defense Budget Analysis
March 17, 2021



Overview

- Constitutional and informal opportunities for parliamentary oversight of budget and expenditure
- Oversight should cover budget formulation, in-year execution, and expenditure outcomes
- Trade-off between time allocated for budget formation by Executive and approval by Parliament
- Parliaments need to decide between oversight of itemised budgets vs programmes, and inputs vs outputs and outcomes
- Parliamentary Budget Offices can perform an important function but needs to be adequately capacitated

Entry points for parliamentary oversight



Budget information that Parliament should receive

Main macroeconomic assumptions

Fiscal policy objectives for the medium-term

Medium-term budget framework, covering at least total revenues, total expenditures and financing for central government

Medium term budget framework, covering at least total revenues, total expenditures and financing for general government

Non-financial performance targets for programmes and/or agencies

Estimates of the cost of new policies proposed in the budget

Fiscal sensitivity analysis of the macroeconomic assumptions

Comprehensive table of tax expenditures

Budget reforms (tools) that support oversight

Medium Term Expenditure Frameworks

- Three-year rolling spending plans
- Matches aggregate fiscal framework with spending plans
- Budget cycle limits adequate examination of 1st year
- MTEF allows Parliament to influence over 2 years
- Allows for a matching of plans, budgets and reports

Program and Performance Budgets

- Allows for a closer look at outputs and outcomes
- Arranges spending according to policy priorities
- Sets out objectives, indicators and targets
- Locates accountability with the programme manager
- *Let's the manager manage, but hold her/him accountable.*

Thank you