**Enhancing Fiscal Transparency and Public Participation in Fiscal Policies – Sept 2019**

**Prepared for:** U.S. Department of State**,** Bureau of Economic and Business Affairs (US-DOS)

**Submitted by:** International Budget Partnership (IBP), supported by the Global Initiative for Fiscal Transparency network project (GIFT).

**Scope of Work**

**The overall goals of this project are:**

1) the governments of Benin, Liberia, and Nigeria make improvements in meeting the minimum requirements of fiscal transparency in the U.S. State Department’s Fiscal Transparency Report
2) the governments of Benin, Liberia, Nigeria, Senegal, and South Africa establish meaningful and practical public participation mechanisms in fiscal policies.

Objectives:

**Objective 1:** The government of Benin enhances budget comprehensiveness and reliability by taking steps towards expanding information on both revenues and expenditures, including transfers to and from state-owned enterprises, publishing supplemental budgets, and ensuring key audit reports are publicly available within 12 months of dissemination of the government's end-of year report.

Activities:

***a) Memorandum of Understanding***
IBP/GIFT will develop a Memorandum of Understanding (MoU) with the government of Benin that formally states their overall commitment to improving fiscal transparency.

***b) Technical Assistance***After the MoU is finalized, the government of Benin will receive technical assistance to build capacity to address the specific transparency areas listed in the objective above. The technical assistance will provide insights and lessons-learned on best practices and experiences from other countries through peer exchange workshops in Liberia, Nigeria, and Senegal, and will help the government of Benin identify next steps. Technical assistance will come from a consultant with extensive experience and knowledge in fiscal transparency.

***c) Work Plan***Using the insights and information acquired from the technical assistance, the government of Benin will develop a work plan that outlines concrete next steps, roles and responsibilities of the main government authorities that will be involved in implementing activities to improve fiscal transparency, and a detailed timeline for disclosing new information. The work plan will reflect the recommendations from the technical advisors and IBP/GIFT staff.

**Objective 2:** The government of Liberia enhances budget comprehensiveness and reliability by taking steps towards publishing key budget and audit reports in a timely manner, ensuring key audit reports are publicly available within 12 months of dissemination of the government's end-of-year report, and ensuring the criteria and procedures used to award natural resource extraction contracts and licenses are consistent with the requirements set by law or regulation.

Activities:

***a) Memorandum of Understanding***
IBP/GIFT will develop a MoU with the government of Liberia that formally states their overall commitment to improving fiscal transparency.

***b) Technical Assistance***After the MoU is finalized, the government of Liberia will receive technical assistance to build capacity to address the specific transparency areas listed in the objective above. The technical assistance will provide insights and lessons-learned on best practices and experiences from other countries through peer exchange workshops in Liberia, Nigeria, and Senegal, and will help the government of Liberia identify broad next steps. Technical assistance will come from a consultant with extensive experience and knowledge in fiscal transparency.

***c) Work Plan***Using the insights and information acquired from the technical assistance, the government of Liberia will develop a work plan that outlines concrete next steps, roles and responsibilities of the main government authorities that will be involved in implementing activities to improve fiscal transparency, and a detailed timeline for disclosing new information. The work plan will reflect the recommendations from the technical advisors and IBP/GIFT staff.

**Objective 3:** The government of Nigeria enhances budget comprehensiveness and reliability by taking steps towards publishing more information on revenues, detailing allocations to and earnings from state-owned enterprises, and publishing key budget and audit reports in a timely manner.

Activities:

***a) Memorandum of Understanding***
IBP/GIFT will develop a MoU with the government of Nigeria that formally states their overall commitment to improving fiscal transparency.

***b) Technical Assistance***After the MoU is finalized, the government of Nigeria will receive technical assistance to build capacity to address the specific transparency areas listed in the objective above. The technical assistance will provide insights and lessons-learned on best practices and experiences from other countries through peer exchange workshops in Liberia, Nigeria, and Senegal, and will help the government of Nigeria identify broad next steps. Technical assistance will come from a consultant with extensive experience and knowledge in fiscal transparency.

***c) Work Plan***Using the insights and information acquired from the technical assistance, the government of Nigeria will develop a work plan that outlines concrete next steps, roles and responsibilities of the main government authorities that will be involved in implementing activities to improve fiscal transparency, and a detailed timeline for disclosing new information. The work plan will reflect the recommendations from the technical advisors and IBP/GIFT staff.

**Objective 4:** The governments of Benin, Liberia, Nigeria, Senegal, and South Africa develop effective mechanisms to allow public participation in fiscal processes.

Activities:

***a) Memorandum of Understanding***
IBP/GIFT will develop a MoU with the five participant governments that sets the collaborative bases to develop effective mechanisms to allow public participation in fiscal processes.

***b) Kick-off Meeting***IBP/GIFT will organize a kick-off meeting in South Africa with two government officials (comprised of representatives from the Ministry of Finance and other relevant ministries), one civil society representative from each country, consultants, and IBP/GIFT staff. The meeting will review the main parameters of the project (e.g., objectives, anticipated outcomes, activities, evaluation framework), and discuss the roles and responsibilities of key project stakeholders.
***c) Advisory Group***
Each of the participant countries (Benin, Liberia, Nigeria, Senegal, and South Africa) will establish an advisory group comprised of five to ten members from government and civil society. The advisory group will meet routinely to provide the Ministry of Finance (or equivalent ministry) with feedback and recommendations on the design and implementation of the participation mechanism. IBP/GIFT will support and facilitate the first few rounds of dialogue and will develop materials describing practical steps that governments can take to introduce participatory mechanisms.
***c) Design and Implementation***
Each of the participant countries (Benin, Liberia, Nigeria, Senegal, and South Africa) will take specific steps to establishing participation mechanisms. In the first year of the project, each country will receive technical support from consultants specializing in public participation to design a participation mechanism. IBP/GIFT will organize a peer exchange workshop in Nigeria in year 1, a peer-exchange workshop in Liberia in year 2, and a peer-exchange workshop in Senegal in year 3. The workshops will provide participants with the opportunity to receive technical assistance and discuss their experiences in rolling out and refining their participation mechanisms. During this phase, IBP/GIFT will set up periodic meetings with the participating countries to discuss the project’s progress and adapt the approach as needed.

**Performance Indicators**IBP/GIFT will include, in each quarterly report submitted to US-DOS, data on the following evaluation indicators:

* Number of governments receiving technical assistance on transparency and participation mechanism
* Level of progress made towards improving fiscal transparency in each participant country (a. Develop MoU with IBP/GIFT that states overall commitment to improving transparency measures; b. Collaborate with technical assistance; c. Commit to taking steps to make progress against country specific work plans (which will reflect IBP/GIFT’s recommendations)
* Progress made in implementing public participation mechanisms in each participant country
* Number of peer learning events
* Evaluation report produced

**Project Outputs and Outcomes**
After 36 months, the participant countries will have received support from technical experts and have been exposed to practical tools to support them in increasing their levels of fiscal transparency. In addition, the countries will have developed participation mechanisms that can help their governments engage in budget processes that better reflect the inputs and needs of citizens.

Outputs:

* 3 governments (Benin, Liberia, and Nigeria) receive technical assistance on transparency
* 5 governments receive technical assistance on public participation mechanisms in fiscal policies
* 1 kick-off meeting and 3 annual meetings (with learning and reflection sessions) executed
* 1 evaluation report produced

Outcomes:

* 3 governments (Benin, Liberia, and Nigeria) commit to taking steps to make progress on fiscal transparency against country specific workplans
* 5 countries design (in year 1) and implement (in years 2 and 3) participation mechanisms related to fiscal policies

# **Project Timeline**

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| **Year 1 (September 2019 – September 2020)** |
| **Activity** | **Q1** | **Q2** | **Q3** | **Q4** |
| Kick-off meeting (with participating governments, civil society representatives, technical advisors, and IBP/GIFT staff) | x |  |  |  |
| Establishment of advisory groups in each country  | x |  |  |  |
| Technical assistance provided to each country |  | x | x | x |
| Peer-exchange workshop for government and civil society representatives from all countries |  |  |  | x |
| Monitoring and evaluation (ongoing) | x | x | x | x |
| **Year 2 (September 2020 – September 2021)** |
| **Activity** | **Q1** | **Q2** | **Q3** | **Q4** |
| Implementation of participation mechanism\* | x | x | x | x |
| Technical assistance provided to each country | x | x | x | x |
| Peer-exchange workshop for government and civil society representatives from all countries |  |  |  | x |
| Monitoring and evaluation (ongoing) | x | x | x | x |
| **Year 3 (September 2021 – September 2022)** |
| **Activity** | **Q1** | **Q2** | **Q3** | **Q4** |
| Implementation of participation mechanism  | x | x | x | x |
| Technical assistance provided to each country | x | x | x | x |
| Peer-exchange workshop for government and civil society representatives from all countries |  |  |  | x |
| Monitoring and evaluation (ongoing) | x | x | x | x |
| Finalize evaluation report on project  |  |  |  | x |

**\***Note that the time period for implementing the participation mechanism in each country will depend on the specific mechanism selected.