



*Donor Consultation on  
Parliamentary Development and Financial Accountability*

**Report**

*Hosted by the Government of Belgium  
Brussels, Belgium, May 21-22, 2007*

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## **Acronyms**

**A-G** – Auditor General  
**AfDB** – African Development Bank  
**AusAID** – Australian government's overseas aid programme  
**AWEPA** – European Parliamentarians for Africa  
**CBO** – Congressional Budget Office  
**CIDA** – Canadian International Development Agency  
**CPA** – Commonwealth Parliamentary Association  
**CSO** – Civil Society Organisation  
**DCAF** – The Geneva Centre for the Democratic Control of Armed Forces  
**DFID** – UK Department for International Development  
**EC** – European Commission  
**EP** – European Parliament  
**EU** – European Union  
**GPPS** – UNDP Global Programme for Parliamentary Strengthening  
**GTZ** – German Agency for Technical Cooperation  
**ICNRD** – International Conference of New or Restored Democracies  
**IPB** – International Budget Project  
**IPU** – Inter-Parliamentary Union  
**JPO** – Junior Professional Officer  
**LSE** – London School of Economics  
**MDGs** – Millennium Development Goals  
**NDI** – National Democratic Institute for International Affairs  
**NEPAD** – The New Partnership for Africa's Development  
**OAS** – Organization of American States  
**ODA** – Official Development Assistance  
**ODI** – Overseas Development Institute  
**OECD** – Organisation for Economic Co-operation and Development  
**PAC** – Public Accounts Committee  
**PC** – Parliamentary Centre  
**PGA** – Parliamentarians for Global Action  
**PPI** – Parliamentary Powers Index  
**PPP** – Public Private Partnership  
**PRS** – Poverty Reduction Strategy  
**SADC PF** – Southern African Development Community Parliamentary Forum  
**Sida** – Swedish International Development Cooperation Agency  
**UK** – United Kingdom  
**UN** – United Nations  
**UNDP** – United Nations Development Programme  
**USAID** – United States Agency for International Development  
**WBI** – The World Bank Institute  
**WFD** – Westminster Foundation for Democracy

## **Executive Summary**

On May 21-22, 2007, the United Kingdom (UK) Department for International Development (DFID), the United Nations Development Programme (UNDP) and the World Bank Institute (WBI) jointly organized a two-day consultation for the donor community to share recent experience and lessons learned on parliamentary development, with a focus on financial accountability. The consultation was kindly hosted by the Government of Belgium.

The first day of the consultation shared recent reviews and evaluations on parliamentary development programmes and discussed measures and standards around parliamentary performance. Donor evaluations of parliamentary strengthening work are few and far between. SIDA has shown itself to be a pioneer in this respect, undertaking a major evaluation from 2002-2005, covering close to eight years of programming (1998-2005). USAID undertakes regular evaluations of individual programs, although they have not yet done a full review of the overall impact of USAID legislative programs. Other donors are also beginning to evaluate or assess parliamentary strengthening work more systematically. UNDP's mid-term evaluation of GPPS II will inform its work program and methodology in GPPS III. DFID has attempted to gather lessons learned in its own projects and that of others, including around financial scrutiny, prior to increasing its support to parliaments. Evaluations are often costly and time consuming. They require a firm commitment on the part of donors and implementing partners. Donors are encouraged to undertake more evaluations, particularly joint evaluations which allow donors to conserve resources and promote better coordination.

Donors also struggle to develop meaningful measures or indicators for evaluations. Even once such measures are developed, donors are challenged to find good baseline data. This may serve as an incentive for donors to support improvements in legislative record-keeping systems and relevant infrastructure. Information may be attained from several sources including monitoring Hansards, committee reports, budget and other issue focused debates, private members bills and media reports. Interviews may be undertaken with the parliamentary secretariat or clerk, MPs, staff and CSOs, and donors may develop additional measurement tools such as scorecards, indexes and surveys.

New research, such as the Parliamentary Powers Index may soon prove valuable to donors in determining which aspects of parliamentary powers are most important to democratization or economic development, thus helping to determine where to focus support. At the same time several parliamentary organizations, such as the IPU and the CPA are moving towards developing a widely agreed set of norms and standards for effective democratic parliaments. International consensus has emerged over time on a standards-based approach in the areas of human rights and elections (despite the wide variation in electoral systems). However, until recently, the approach to parliamentary strengthening has been fairly relativistic. Donors should support this standards based approach, particularly as it moves from the global to the regional level for input and validation. Donors should also work towards principles for donor support to parliaments and standards governing donor actions in this area.

The second day of the consultation focused on lessons learned in strengthening the role of parliaments to ensure financial accountability and budget oversight – a topic that is receiving increased attention given the desire of donors to improve aid effectiveness through greater reliance on general budget support. While legislatures come to the fore during the approval phase, they may play a role all four stages of the budget process: drafting, approval, execution and audit. In undertaking parliamentary strengthening projects related to parliaments’ role in the budget process donors need to be aware of the many challenges (both in terms of capacity and political constraints) faced by developing legislatures in exercising their oversight role. Donors should take a comprehensive approach, looking at the entire budget cycle. Parliaments may also benefit from partnerships with budget CSOs that monitor expenditures or provide independent analysis. Donors should ensure that they encourage such partnerships rather than contributing to the tensions that sometimes exist between parliament and civil society. Independent parliamentary budget offices are another tool well worth supporting if there is demand from parliament. Finally, supporting new research in this area, such as that undertaken by WBI, is critical to the design of parliamentary strengthening programmes and to building knowledge resources.

The consultation closed with participants endorsing mechanisms for moving forward including:

1. Establishing an informal donor contact group on parliamentary strengthening.
2. Holding regular (annual or biannual) structured consultative meetings to discuss donor approaches to parliamentary strengthening.
3. Piloting an on-line ‘knowledge hub’ on parliamentary strengthening.
4. Developing good practice principles for donor support to parliamentary strengthening, especially in the context of direct budget support (building on the Paris principles on aid effectiveness and the DAC capacity building principles)
5. In the longer term, sharing results and good practice principles with the OECD DAC Network on Governance (GOVNET) and encouraging GOVNET to consider parliamentary strengthening as part of its next work programme.

## **Key Messages**

- Ü Donors should ensure greater dialogue, sharing of information and coordination around parliamentary strengthening work.
- Ü Donors should maintain strong links and coordination between headquarters and country offices.
- Ü Donors should undertake further evaluations of parliamentary strengthening work and, when possible, carry out joint evaluations so as to conserve resources and increase coordination.
- Ü Donors should encourage and support further research related to parliamentary strengthening.
- Ü Parliamentary assistance and party assistance should be better integrated.
- Ü National ownership is critical. If possible support to parliaments should be tied to national parliamentary plans for strategic, long term, institutional development.
- Ü Donors should undertake long term support whenever possible.
- Ü Donors should support parliamentary groups developing a widely agreed set of norms and standards for effective democratic parliaments.
- Ü Donors should work towards principles for donor support to parliaments and standards governing donor actions in this area.
- Ü Parliament has a critical role to play in the budget process. Parliamentary strengthening programs geared towards improving budget oversight and financial accountability should take a comprehensive approach and, where appropriate, encourage partnerships between parliament and civil society.

## Introduction

On May 21-22, 2007, the United Kingdom (UK) Department for International Development (DFID), the United Nations Development Programme (UNDP) and the World Bank Institute (WBI) jointly organized a two-day consultation for the donor community to share recent experience and lessons learned on parliamentary development, with a focus on financial accountability. The consultation was kindly hosted by the Government of Belgium, as the primary donor for the UNDP's Global Programme for Parliamentary Strengthening (GPPS).

The consultation examined donor approaches to parliamentary strengthening, particularly with respect to financial accountability – as well as donor lessons on what works, what does not and why. Special consideration was given to how donor support can be harmonized and aligned with country priorities, identifying the sources of demand for such work and the political interests and incentives at play.

The first day of the consultation shared recent reviews and evaluations on parliamentary development programmes and discussed measures and standards around parliamentary performance. The second day focused on lessons learned in strengthening the role of parliaments to ensure financial accountability and budget oversight – a topic that is receiving increased attention given the desire of donors to improve aid effectiveness through greater reliance on general budget support. A closing session explored mechanisms for continuing this exchange among donors. Discussions throughout the consultation were open and informal; and, outside of the formal presentations were not made for direct attribution.

## Summary of Proceedings

### Day I: Normative Frameworks and Evaluations - Lessons Learned

#### SESSION I: Opening, Welcome, Objectives and Introductions

##### Presenters:

**Kris Paneels**, Director Multilateral Organisations, Directorate General for Development Co-operation, Belgium

**Scott Hubli**, Parliamentary Development Policy Advisor, UNDP

**Carlos Santiso**, Governance and Public Finance Management Adviser, DFID

**Rick Stapenhurst**, Senior Public Sector Management Specialist, WBI

The representatives of the organizers made brief welcoming remarks and outlined the objectives of the consultation. This was followed by a *tour de table* to allow each participant to introduce themselves and the work of their organizations in parliamentary strengthening and financial accountability.

## **SESSION II: Review of Recent Evaluations and Reviews of Parliamentary Development**

**Moderator: Kris Paneels**, Director Multilateral Organisations, Directorate General for Development Co-operation, Belgium

**Presenters:**

**Jonathan Murphy**, UNDP Consultant

**Alan Hudson**, Research Fellow, ODI

**Niklas Enander**, Programme Officer, Sida

This session allowed for an exchange of findings from three recent evaluations and reviews of parliamentary development programmes:

1. [Mid-Term Review of the Global Programme for Parliamentary Strengthening \(UNDP, February 2007\)](#)
2. [Parliamentary Strengthening in Developing Countries \(ODI for DFID, February 2007\)](#)
3. [Approaches to Parliamentary Strengthening: A Review of Sida's Support to Parliaments \(Sida, November 2005\)](#)

**Jonathon Murphy (UNDP Consultant)** outlined the GPPS II Programme Mid-term Evaluation which took place from October 2006 to February 2007. UNDP's GPPS II is a four-year, six million euro programme, generously supported by the Government of Belgium. It includes parliamentary development activities at the country<sup>1</sup>, regional and global levels and often works in partnership with others (e.g. Belgium, France, the Inter-Parliamentary Union (IPU), the African IPU, the Geneva Centre for the Democratic Control of Armed Forces (DCAF) etc).

The overall findings of the evaluation were positive, indicating that the programme had successfully leveraged modest financial resources into major impacts. Evaluators observed that the programme's global initiatives have fostered innovative approaches to tackle fundamental problems in parliamentary development, including institutionalization of parliaments in post-conflict societies and the establishment of a first set of benchmarks for effective democratic parliaments. Furthermore the programme's three levels (national, regional and global) have been effectively integrated in several project aspects. Finally, longer-term intervention is clearly correlated with project effectiveness.

GPPS has a 'thin', 'virtual' organizational structure. On the one hand, this allows for programme flexibility, rapid response to emergent issues, and appropriate levels of risk-taking (the latter is also made possible by the long term relationship with GPPS' main

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<sup>1</sup> Country activities in Benin, Niger, Algeria, Morocco and Lebanon; regional activities in the Arab region and West Africa.

donor the Government of Belgium). On the other hand, evaluators noted that it is sometimes difficult to compensate when there is limited capacity in-country. Similarly, there is variation in the strength of regional and national programmes, given the decentralized nature of UNDP.

Mr. Murphy highlighted five main recommendations for the future:

1. **Continue and expand GPPS:** Strong parliaments are key to effective democratization. The GPPS programme is a proven success, and means should be sought to expand its work in newly emerging democracies.
2. **Current national pilots:** Where possible, further GPPS support should be tied to national parliamentary plans for strategic, long term institutional development.
3. **Regional:** Continue Arab region working groups and extend concept to the West (and, possibly, Central) African region, expand synergies with national pilots.
4. **Global:** continue and deepen work on norms/guidelines for democratic parliaments; explore better strategies for parliamentary involvement in MDGs and poverty reduction.
5. **Multi-level:** sponsor national pilot tests of global parliamentary development strategies, particularly to build on the guidelines for parliamentary development in post-conflict situations.

Following the presentation participants were encouraged to read the full evaluation. Two aspects relevant to the donor community at large were underlined in the discussion:

1. It is important to undertake long term interventions, to have the right people on the ground and to build relationships, trust and confidence.
2. While many governments welcome parliamentary strengthening programmes, they may not be governments' first priority, especially if they imply greater parliamentary capacity to oversee government. Often, the push of donors and multilateral organizations for greater core funding for multilateral programmes has a bias against parliamentary development, since parliaments are less involved at the country level in developing the UNDP country programme. While UNDP will not operate a programme without country ownership, GPPS provides an incentive for governments to consider parliamentary strengthening by bringing new resources to a country in addition to core resources.

Participants noted that in choosing countries in which to intervene, GPPS balances demand from parliament with donor priorities, and seeks to be able to link programmes to donor projects whenever possible. At the same time, GPPS takes into consideration UNDP's country office capacity, due to the importance of having a good programme support at the local level. Similarly, Belgium's policy is to try to ensure synergy between bilateral financing and multilateral programmes in order to increase coherence and to allow access to the resource of a development attaché in the field.

An additional issue was raised regarding donor coordination. Donors often fund similar programmes with the same parliament. Parliaments may be resistant to having donors coordinate their programmes as parliaments may have more control in dealing with each donor individually. When parliamentary support programmes have been operating for a number of years, the different players tend to know one another and synergies often happen naturally. However, donors must make a conscious effort to ensure open communication and to work together to avoid duplication, particularly when devising new support programmes.

### **Some Program Highlights: GPPS II**

**Algeria** - Parliament's new legislative training centre is a key vehicle for delivering learning opportunities and a model for other countries.

**Benin** - The project's budget analysis unit has been incorporated into the core organizational structure of the National Assembly. In addition, the evaluation indicates that there have been substantial improvements in quantitative indicators such as new legislation, interpellations of ministers, and opportunities for citizen participation.

**Niger** - GPPS has supported the effective involvement in parliamentary life of the largest number of woman deputies ever elected.

**Arab Region** – The regional initiative has launched [www.arabparliaments.org](http://www.arabparliaments.org), a comprehensive parliamentary development knowledge portal in Arabic and English. Working groups at the regional level address sensitive issues such as strengthening democratic oversight of the security sector.

**Global** – Twenty-seven country studies were commissioned on the role of parliaments and Conflict Prevention and Recovery, followed up by five regional workshops, development of Guidelines on Parliaments and Conflict Prevention and Recovery, and a global 'donor's conference' (website: [www.parlcpr.undp.org](http://www.parlcpr.undp.org))

**Alan Hudson (ODI)** outlined another recent review<sup>2</sup> of parliamentary strengthening in developing countries commissioned by DFID. Mr. Hudson emphasized that, unlike the UNDP example, the review was more of a stocktaking, UK and desk-based exercise, rather than a full evaluation.

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<sup>2</sup> DFID also commissioned a second review on parliament's role in financial scrutiny. In addition, on May 21, DFID released a new policy paper entitled 'Governance, Development and Democratic Politics'. This new paper contains forty mentions of parliament.

The origins of the review go back to DFID's third White Paper in 2006 which focused on governance and contained commitments to explore whether and how DFID might work more closely and more effectively with parliaments in developing countries. The purpose of the review was to better understand who does what, and what works, in parliamentary strengthening in order to inform DFID's thinking in moving forward in this area. As such, the review examined bilateral and multilateral programmes, parliamentary organizations and others such as the Parliamentary Centre (PC) or the National Democratic Institute for International Affairs (NDI). The review also looked more specifically at the work of UK based and Westminster-based organizations (Westminster Foundation for Democracy (WFD), Commonwealth Parliamentary Association (CPA) etc.).

The review found a mismatch between parliament in theory and practice. Using DFID's current definition of effective governance - which includes three elements, state capability, accountability and responsiveness - the reviewers posited that by fulfilling their three key functions legislation, oversight and representation, parliaments can feed into effective governance. An alternative framework drawn from the World Bank's work is to look at parliaments as one of the checks and balances of national governance systems.

In practice, however, the review found that parliaments in many developing countries tend to be inefficient and ineffective. With this in mind the review sought to examine factors shaping parliamentary performance, namely:

- Parliamentarians themselves, their experience, abilities and the incentive structures they work under
- Parliament's lack of capacity, resources, rules and procedure
- Political systems, including electoral rules, constitutions and the nature of political parties in the country
- Social and cultural environment, including citizen's expectations
- Aid relationships, executive to executive relationships may serve to further marginalize parliaments

The review suggested that there are three main ways of undertaking parliamentary strengthening:

1. **Individual level** (working with parliamentarians on professional skills, procedural issues, or subject knowledge)
2. **Organizational level** (parliament as an organization or institution)
3. **Political systems** (more systemic approach that also looks at elections, relationships between civil society and parliament, etc.)

DFID, which has undertaken around twenty-five parliamentary strengthening projects of varying sizes, half of which are in Africa, and increased spending to an estimated £14 million, tends to engage parliaments as an institution or organization. Projects comprise support to committees, support to regional parliaments and civic education programmes for civil society.

### **DFID and Parliamentary Strengthening: Examples of Success and Failure**

**Uganda** – Success in creating national ownership, some donor alignment and persistence

**Pakistan** – Success in finding right local partners and implementers and some donor coordination

**Bangladesh** – Project failed due to delays

**Sierra Leone** – Project failed due to little appetite for reform and thus lack of ownership

Mr. Hudson closed by outlining lessons learned and recommendations for DFID for moving forward:

#### **Lessons Learned: What Works**

- Provide long term sustainable support
- Respond to demand, do not impose models
- Address causes, not just symptoms
- Coordinate and harmonise
- Take account of (political) context
- Involve recipients and opposition
- Cover issues, not just procedures

Additional feedback has indicated that it is important to take into account timing and electoral cycles when planning programmes.

#### **Recommendations for DFID**

- Do more work with parliaments, but do ‘better’ work in line with the ‘best practice’ above
- Learn lessons about what works in parliamentary strengthening more systematically (including how parliaments can impact on development)
- Support work on measuring effectiveness
- Establish a UK contact group for UK and Westminster-based organizations
- Explore partnerships with others

- “Governance, development and democratic politics” (support the institutions of democratic politics, because democracy is good for sustaining and sharing out the fruits of development)

Overall, donors and others that undertake parliamentary strengthening work need to carry out more comprehensive evaluations and reviews. In addition, it is particularly important to understand the impact of parliaments on poverty reduction in developing countries.

In the discussion following Mr. Hudson’s presentation, participants noted that DFID has taken up several of the review’s recommendations including producing central guidance for country offices on parliamentary strengthening, creating a contact group of UK based organizations, and improving coordination with other donors. Indeed the meeting in Brussels is part of this process. There are also plans to take up the recommendation on measuring progress and collecting case studies.

Several participants expressed the view that there is no ‘best’ time for undertaking parliamentary strengthening work; what is most important is long term commitment. One will always lose MPs following elections. Donors should also recognize the importance of working with, or at least understanding the role of, political parties as they influence how parliamentarians act in parliament.

Where turnover is high there is an incentive to work more closely with parliamentary staff. MPs need to be aware of the issues and able to ask appropriate questions. They therefore need to have adequate, well-trained staff members who are able to answer those questions.

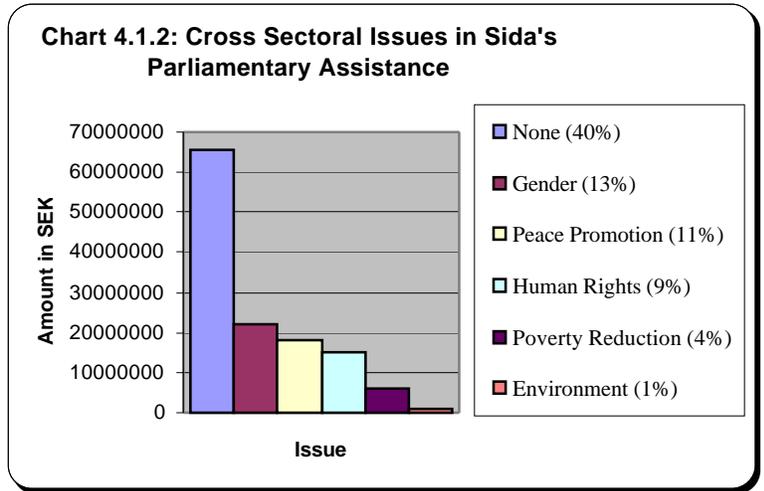
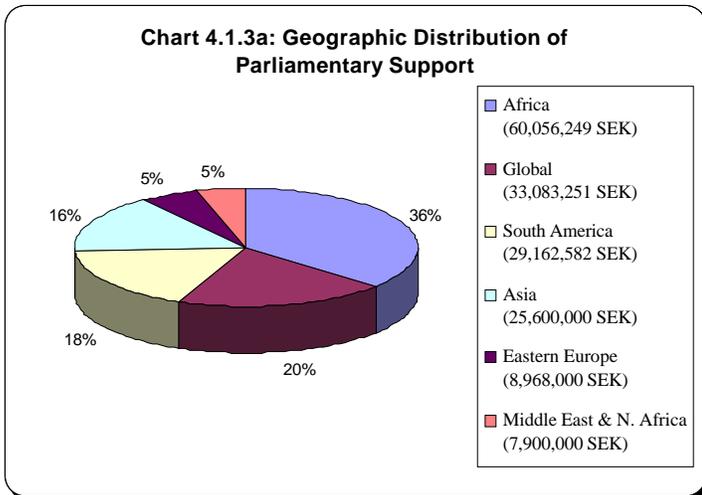
**Niklas Enander (Sida)** presented Sida’s parliamentary strengthening programme evaluation. Sida is a pioneer in evaluating their work on parliamentary strengthening. The evaluation, undertaken by NDI and SPM Consulting from 2002-2005, covers close to eight years of programming (1998-2005). It was based mainly on a document review and interviews carried out with key staff from Sida, the Swedish Parliament (Riksdag) and programme partners.

The objectives of the evaluation were the following:

- To review policies and strategic thinking that guides Sida’s parliamentary strengthening programmes
- To review evaluations and lessons learned regarding parliamentary strengthening from other major donors
- To perform a full analysis of Sida’s parliamentary assistance portfolio
- To review selected case studies illustrating different methods used by Sida to support parliaments and parliamentarians

Sida’s parliamentary strengthening portfolio totals around \$23,535,726 and includes ten main areas of intervention including work through the UN, UNDP, and multi-donor

parliamentary reform programmes; support to inter-parliamentary networks (e.g. European Parliamentarians for Africa (AWEPA), IPU, e-Parliament, and Parliamentarians for Global Action (PGA) etc.); twinning programs and exchange programs (led by the Swedish parliament with Swedish parliamentarians administering training); one time activities; support to local parliamentary organizations and research institutes; and providing consultants, staff secondments and technical support staff (e.g. JPO's to PGA's Sustainable Development and Population Program in West Africa).



Overall the evaluators found that:

- Sida has a strong emphasis on short-term interventions (parliamentary exchanges, conferences and seminars) which are not part of a long term programme. Sida is now trying to move away from these types of interventions.
- Only 2% of Sida's parliamentary support has gone directly to local or regional organizations involved in parliamentary strengthening. Sida is now trying to shift support in this direction.
- Members of parliament are generally conscious of their status as political leaders and are often more willing to accept technical assistance or advice when it comes from a peer. As such inter-parliamentary organizations may have an advantage.

In addition, in terms of cross sectoral issues, Sida is working to increasingly target parliamentary involvement in poverty reduction efforts and in the budget process. In terms of improving programme effectiveness the evaluators found that:

- The parliamentary strengthening programme is not fully coordinated with programming with political parties. This remains a challenge for Sida; however there are moves to increase dialogue with political party foundations and to help them share information on where they are working with Swedish embassies.

- Reliance on the Swedish Parliament has taxed the parliament's capacity. Sida is now experimenting with new models, including using partners for administrative support.
- International 'best practice' stresses the need for bottom-up approaches to parliamentary strengthening, e.g. support for pro-poor advocacy or watchdog groups to lobby or monitor parliament. Sida is working to increase their portfolio in this area, particularly through the department working with civil society.
- A recommendation was made to explore opportunities for combining substantive policy goals in cooperation with a wider range of parliamentary networks. In response, Sida is constantly updating their portfolio. However the proliferation of parliamentary networks often means lack of coordination and duplication.

In terms of improving Sida's internal capacity to manage parliamentary support the evaluators found that:

- The level of political contextualization and analysis, as well as the quality of evaluation, has varied widely among Sida's parliamentary support programs. As a result, the majority of new projects are reviewed by the division for democratic governance.
- Given the rise of issue-based approaches to parliamentary strengthening, communication between sectoral and parliamentary support personnel within Sida is increasingly important. As a result, a consulting firm now updates Sida's parliamentary strengthening and political party portfolios every other year, allowing Sida to keep track of initiatives, particularly in country. In addition Sida is looking to update their administrative and economic computer system, known as "PLUS", so it better can track different support.
- Given the relatively small size of Sida's parliamentary programming and the absence of significant legislative expertise within the institution, it is important to have mechanisms for drawing on outside expertise. Sida currently uses a range of outside experts such as retired parliamentarians, consultants and academics.

Following the evaluation, Sida drafted a [position paper](#) for Sida staff on the day-to-day management of parliamentary strengthening programmes and held a two-day workshop on "Supporting Legislative Development, Experiences and Challenges". In addition to the responses outlined above, Sida is now attempting to strengthen linkages to other Swedish development goals, including commitments made through the Paris Declaration.

During the discussion period participants shared experiences relevant to the evaluations. Returning to the question of support to political parties it was noted that political parties have received significant support; however this support has typically been undertaken by a different set of organizations such as political party foundations. WFD and NDI are examples of organizations that do both. Some donors have been historically resistant to providing support to political parties but there are signs that this is changing. UNDP, for example, produced a handbook on political party assistance several years ago.

Using donor country MPs as trainers may increase the risk of exporting inappropriate models. Donors may wish to look more closely at South-South cooperation. The representative from CPA noted that CPA members tend to be most influenced by the experience of neighbouring countries which they find more concrete.

Participants noted that there is a perceived tension between long term programming and flexibility to respond to new opportunities. Yet long term programmes on the ground mean that donors can identify new opportunities more quickly. In order to be able to respond to opportunities donors may need flexible funding mechanisms, for example DFID's strategic fund in their Uganda office, which allowed all advisers to bid for funding to respond strategically to emerging opportunities. Donor coordination also makes it easier to respond to opportunities. If a donor is unable to fund a new opportunity they can approach donor partners who have additional funding or are looking for a similar project. Unfortunately donor bureaucracies, often require detailed plans in advance, which may limit the ability to respond to emerging issues and opportunities.

Participants noted AusAID's experiences working in the Solomon Islands. AusAID has found that by educating MPs one builds demand for a good parliamentary service. At the same time by providing an enabling environment in the parliamentary service, one builds demand for education at the MP level. AusAID has found also that accountability institutions, such as the A-G's office, are key to parliament playing their role effectively and thus provides support through this third avenue.

Of particular interest to the group were country evaluations where a group of donors comes together to collectively assess the impact of their parliamentary programmes. This is currently happening in Ghana. It was suggested that one outcome of the consultation should be the development of a set of guidelines for such group evaluations in the future.

A final issue raised in the discussion was the working relationship between parliament and civil society. Donors have sometimes played an unhelpful role counterpoising civil society development and parliamentary development. Instead, donors should help the two to work together in a synergistic relationship.

### **SESSION III: Developing Normative Frameworks for Parliamentary Development**

**Moderator:** **Dick Toornstra**, Director, Special Advisor for the Promotion of Democracy, European Parliament (EP)

**Presenters:**

**Norah Babic**, Division for the Promotion of Democracy, IPU

**Scott Hubli**, Parliamentary Development Policy Advisor, UNDP

**Nicolas Bouchet**, CPA Secretariat

Session III reviewed and discussed the emerging international consensus on normative frameworks for parliamentary development. **Dick Toornstra (EP)** introduced the session by noting that such a framework could be particularly helpful to donors examining ways to measure whether money has been well spent. It is equally useful for aid recipients in self evaluation.

The session drew on three recent documents:

1. [Parliament and Democracy in the Twenty-First Century: A Guide to Good Practice \(IPU, 2006\)](#)
2. [Towards the Development of International Minimum Standards for Democratic Legislatures \(NDI, 2006\)](#)
3. [Benchmarks for Democratic Legislatures: A Study Group Report \(CPA, December 2006\)](#)

**Norah Babic (IPU)** began by briefly introducing the IPU, an international organization of parliaments of sovereign States founded in 1889. Today the IPU comprises 147 affiliated national parliaments and seven associated regional assemblies. Promoting democracy is at the core of the IPU's mandate. As such the IPU has worked to develop standards and guidelines including the *Declaration on Criteria for Free and Fair Elections*; the *Universal Declaration on Democracy; Rights and duties of the opposition in parliament*; and a framework for good democratic practice by parliaments. *Parliament and Democracy in the Twenty-First Century: A Guide to Good Practice* was produced as a follow-up to the first and second World Conferences of Speakers of Parliament in 2000 and 2005, as well as in response to a request during the 5<sup>th</sup> International Conference of New and Restored Democracies (ICNRD) that the IPU help to formulate democracy indicators.

The IPU guide does not seek to rank national parliaments nor to measure the quality of their democracy. Rather the approach used by the IPU was to engage national parliaments to compile good practice. Seventy-five national parliaments contributed to the Guide, however the IPU cannot confirm whether these parliaments are implementing the best practice examples they contributed.

The Guide addresses such questions as:

- What contributions do parliaments make to democracy?
- What are the characteristics of a democratic parliament?
- Where can examples of democratic practice in parliament be found?
- What challenges are democratic parliaments facing in the 21<sup>st</sup> century and how are they responding?

All parliaments share similar functions (legislating, representation and oversight) and the Guide looks at how parliaments are performing these functions. The Guide sets out a framework for a democratic parliament that is representative, transparent, accessible, accountable and effective. The examples of good practice in the Guide are there to be adapted or adopted by parliaments around the world.

The Guide was presented at the ICNRD in Qatar in 2006 and recommendations were extracted from it and included in the conference plan of action adopted by seventy participating parliaments. Additional follow-up is planned including translation and continued broad dissemination of the Guide (currently, it has been reprinted several times); developing self-assessment tools for parliaments; undertaking research projects highlighting each of the major themes in the Guide for one year and culminating in the publication of guidelines for parliaments; and developing related communications materials on the themes and research projects. The research theme for 2007 is representation, including a specific project on ethnic minorities and indigenous peoples in partnership with UNDP. The IPU is also working to create a network of experts and a mechanism for sharing information on legislative strengthening programmes. Finally, the IPU is exploring the creation of regional guides.

**Scott Hubli (UNDP)** began by noting that, in the past, international consensus has emerged over time on a standards-based approach in the areas of human rights and elections (despite the wide variation in electoral systems). The approach to parliamentary strengthening, on the other hand, has been fairly relativistic – providing information on various systems, without an effort to achieve international consensus on elements of democratic parliaments. However, this may be changing, particularly as more donors are focusing on parliament as a critical component to democratic systems. The amount spent on transitional elections (\$500 million or so in the case of the Democratic Republic of Congo) is large relative to the amounts spent on supporting the institutions that emerge from the elections. There is a growing recognition that it is insufficient to focus only on the democratic quality of elections, rather than on the democratic quality of the institutions that emerge from elections.

One potential value of standards is to provide international solidarity and support to reformist parliamentarians who are trying to challenge incentive structures and assert some independence. Their task may be easier if they can point to the CPA or another international body that recognizes the existence of standards or norms that support their position.

Another reason this effort is useful is that donors are increasingly looking to implement results-based management in their programming. In some cases, evaluation has become somewhat politicized and it may be helpful to have consensus on international criteria (with buy-in from parliaments themselves). Peer review mechanisms may also find these types of standards or benchmarks helpful. At the very least, the act of trying to build consensus can be useful in internationalizing the debate on democracy and what a democratic parliament should look like. Finally, if the assistance to parliaments (or political parties) is tied to internationally agreed norms or standards, some of the political sensitivity around this type of assistance can be mitigated.

So far there have been several efforts in this area and in terms of content there are more similarities than there are differences.

1. The IPU Guide takes a best practice approach, looking at what the principles are and what they mean in particular cases.
2. The NDI discussion paper raises the issue of minimum standards.
3. The CPA benchmarks document focuses on benchmarks, and draws on the NDI and IPU documents, but also draws heavily on previous study groups and resolutions of the CPA.

In terms of next steps, the IPU and CPA are continuing to take this work forward and there are also several new efforts being discussed. UNDP is in discussions with the Southern African Development Community (SADC) Parliamentary Forum on developing a more regionally-based set of benchmarks that take into account the conditions of parliaments in the region. It might be useful in the future to hold a discussion among major donors and implementers to come up with a set of shared goals for democratic assistance, which could include norms that should apply in the provision of assistance to parliaments. UNDP is also working with partners to begin the development of a periodic 'state of parliaments' report that would review trends and issues relating to parliaments around the world.

In the discussion that followed participants noted that IFES has conducted 'state of parliament' reports in a several countries. In terms of next steps, the OECD DAC may be another forum for discussing the issue of benchmarks for democratic parliaments.

**Nick Bouchet (CPA)** began his presentation by observing that CPA and IPU hope to coordinate more closely on this type of effort in the future. He provided a brief overview of the CPA which represents 169 national, state and provincial parliaments worldwide, or around 17,000 parliamentarians. One unique feature of the CPA is that it gives equal status to national and sub-national parliaments, thus giving CPA more insight into what is happening at the grassroots level. CPA also gives voice to parliaments in small countries which are often drowned out at the international level.

On the issue of normative frameworks, a first substantive discussion was held at CPA's annual conference in September 2004. This was followed by a first meeting on the

subject supported by WBI in December 2004 and a CPA Study Group on *Benchmarks for Democratic Legislatures* hosted by the Parliament of Bermuda on October 30 to November 3, 2006 and supported by UNDP, WBI and NDI. The end product of this Study Group is a set of eighty-seven benchmarks that attempt to cover the features of a fully functioning and empowered democratic parliament.

CPA believes it is important to codify what CPA has learned over the years in supporting parliaments in order to guide future work and help harmonize and coordinate with partners. The benchmarks bring together some of the previous recommendations from CPA members participating in other CPA meetings and Study Groups on topics such as on the administration and financing of parliament, media and freedom of information, gender sensitization and equality, and the relationship between government and the opposition. They also draw on the *Commonwealth Principles on the Accountability of and the Relationship between the Three Branches of Government*, endorsed by Commonwealth Heads of Government in 2003; the IPU Guide; and the NDI paper on minimum standards.

CPA does not pass or adopt resolutions; rather it operates on the basis of consensus. It remains decentralized and is not a top-down organization. As such, the recommended benchmarks have not been formally adopted and should be seen as a platform and an opportunity to initiate a wider discussion in CPA's member parliaments. CPA has distributed the benchmarks report to all of its member parliaments and will disseminate them again and devote a plenary session to them during the next CPA annual conference. CPA will also try to mainstream discussions on the benchmarks in all of its upcoming work, stressing the role of parliamentarians themselves in this process. CPA hopes to contribute to future events led by partners, such as the SADC PF regional event where there is significant overlapping membership between CPA and SADC PF. In the longer term, CPA would like to engage in a dialogue with other organizations on how to take the benchmarks forward. Finally, CPA is interested in learning more about how the work on benchmarks could tie in with measuring parliamentary democracy, particularly in terms of undertaking evaluations and as a tool for parliaments themselves.

In the discussion that followed, it was asked whether any of this work includes recommendations on the role of parliaments in examining donor assistance, particularly as parliaments are not adequately involved in overseeing donors. The presenters responded that there is still quite a bit of work to be done in this area, for example committees should be briefed and receive relevant documents on donor assistance, particularly with respect to direct budget support and sector-wide approaches. One new project of interest, being developed by AWEPA and the Parliamentary Network on NEPAD, will feed information on official development assistance (ODA) to parliaments in five pilot countries.

Most parliaments in developing countries have many of the powers outlined in the benchmarks but do not necessarily use them. One of the goals of these types of initiatives is to give parliaments tools in advocating to operationalize their constitutional authority. The benchmarks go beyond general constitutional rights and focus on practice as well.

One of the biggest issues parliaments face for example is control over their own budget; something which may or not be constitutionally-based, but which is crucial in being able to have the staff capacity necessary to fulfil their constitutional mandates effectively.

A final question was asked about the application of such benchmarks to small states. It was clarified that the CPA benchmarks study group was hosted by the Parliament of Bermuda, a very small parliament, and thus the concerns of small states were continuously raised and accommodated during the study group discussions. Mr. Toornstra closed the session by noting that inside the European Union is considering examining the CPA benchmarks and similar initiatives to inform their own parliamentary strengthening work.

#### **SESSION IV: Measuring Progress in Parliamentary Development**

**Moderator: Jeremy Armon**, Governance Adviser, DFID

**Presenters:**

**Steven Fish**, Professor of Political Science, University of California at Berkeley

**Rasheed Draman**, Director, Africa Programs, Parliamentary Centre (PC)

**Keith Schulz**, Legislative Strengthening Advisor, USAID

This session reviewed efforts to develop indicators to measure progress on parliamentary development. **Rasheed Draman (PC)** described measuring results through the case of the PC's programme in Ghana which is exceptional due to its long duration. The PC has been supporting the Parliament of Ghana for ten years now, often in partnership with others such as WBI. The PC maintains a regional office in Ghana and solid relationships and trust have been built. While the PC uses the same methods of tracking results in all of its projects, the long term commitment in Ghana has allowed for a better measurement.

The PC uses a results-based management framework, largely at the behest of their donors (e.g. CIDA), with results defined at three levels: outputs, outcomes and impacts. The PC puts together strategies for monitoring and tracking results early in project development. This includes indicators, methods and frequency of collection of information, evaluations forms and random interviews of participants during activities.

At the outcome level, the PC attempts to monitor how knowledge and experience gained in trainings translates in individual MPs work. This is done for example by:

- Monitoring member contributions on the floor of the house through the review of Hansards
- Tracking committee reports presented to the house
- Tracking member inputs during budget debates
- Tracking members' statements on the floor of the house

- Monitoring media reports, especially print media reports, on MPs activities (in Ghana the PC has engaged and provided trainings to the media corps reporting on the parliament)

Work is also monitored at the committee level, for example, tracking issue focused deliberations and cross-partisan consensus; leadership in terms of private members bills or other such initiatives; and at the community level through, for example, looking at whether recommendations from parliamentary field visits have been implemented. Another useful mechanism is a project steering committee made up of majority and minority leaders, a clerk, chairs of supported committees, a donor representative and a PC representative.

This work remains difficult however and the PC is challenged by poor response rates to surveys and difficulty in tracking information from print materials such as the Hansard which may be inaccurate and unreliable. This raises questions on donor priorities as donors have been moving away from putting resources into infrastructure for parliament. Overall it is important to use both formal and informal methods of data collection in tracking results.

**Steven Fish (University of California at Berkeley)** described his work in trying to devise a measure that is comparatively useful to assess the powers of national legislatures around the world, the results of which is a forthcoming book entitled *The Power of National Legislatures: A Global Survey*.

Originally focusing on post-communist countries the project now covers 161 countries worldwide. The survey uses thirty-two statements on legislatures that can be answered yes or no, on a continuum. It is divided into four parts with nine statements on control of the executive, nine on autonomy from the executive, eight on specified prerogatives or enumerated powers and six on institutional capacity (e.g. staff, term limits). Answers were obtained through examining constitutions and interviewing a minimum of five experts per country. The resulting parliamentary powers index, or PPI, uses a very simple methodology, taking the number of affirmative answers divided by the number of questions to assign a PPI score. The PPI is scored on a 0-1 scale. The global mean is around .4 or .45 with great variation among regions. Using the interviews, the related manuscript also attempts to distinguish between legal powers and practice.

This data will no doubt be valuable in determining which aspects of parliamentary powers are most important to democratization or economic development. Initial statistical analysis is showing an unequivocal relationship between the powers of parliament and the extent of democratization.

Asked whether the PPI would become a permanent tool updated annually, Prof. Fish responded that while this is of interest although there is not necessarily radical change in most countries scores. However some changes in country scores argue for a second and third edition and for keeping results on-line that can be updated easily.

**Keith Schultz (USAID)** presented USAID’s legislative strengthening performance measurements. USAID is under a Congressional mandate enforced for the past ten years which requires all federal agencies to develop a performance monitoring plan. USAID mainly uses pre-determined goals and objectives, and measures progress towards them using indicators. Designing effective indicators is critical to a good performance monitoring plan and indicators must be tailored to the specific country context. As such each project has its own indicators.

Traditionally USAID strives to develop indicators to monitor outcomes and not just outputs (e.g. number of seminars). However there is concern that these indicators are too complicated, particularly for Congress, and USAID is therefore looking at creating additional indicators to measure outputs. Indicators may also serve a larger purpose by measuring the progress of a legislative institution in terms of its own internal reform and modernization process, as well as measuring its overall democratic development.

Mr. Schultz demonstrated illustrative indicators for four categories or goals: more effective, independent, and representative legislatures; more effective and democratic internal management systems; increased legislative capacity to influence national policy and budget priorities; and increased citizen access to legislative processes.<sup>3</sup>

**Example of Individual Parliament’s Development of Performance Indicators:  
Palestinian Legislative Council**

**1. Legislative Review**

- Percentage of Executive-initiated draft laws passed by the Council that was amended in a technically and legally sound fashion by the Council.

**2. Legislative Outreach**

- Number of legislative initiatives to elicit public comment on critical draft legislation through formal outreach mechanisms (primarily hearings and workshops)

**3. Budget Hearings**

- Number of Legislative Council-initiated formal hearings held to discuss the annual government budget or government revenues and expenditures.

**4. Oversight Initiative**

- Number of committee-based proceedings (investigations, reports, hearings) held on specific non-legislative Executive Branch performance or actions.

**5. Response to Constituents**

- Number of “town meetings” organized by the Council.

Data is collected through various sources including, but not limited to, the parliamentary secretariat or clerk, interviews with MPs and staff, examination of legislative records, interviews with CSOs, news accounts, scorecards, indexes and surveys. USAID faces several challenges when collecting data including finding accurate baseline data,

<sup>3</sup> Illustrative indicators and a sample chart showing how indicators are reported (Uganda) can be found at: <http://sdnhq.undp.org/governance/parls/docs/presentations/Session%20IV-%20Schultz.ppt>

balancing quantitative and qualitative information and high costs. The latter may provide an incentive for donors to support improvements in legislative record-keeping systems. Despite these efforts, indicators cannot tell the whole story in terms of attribution and causation as many variables besides assistance programs can contribute to changes in parliamentary performance over time. Mr. Schultz concluded that while USAID has used performance measuring data to evaluate individual programs, the data has unfortunately not been used systematically to review the overall impact of USAID legislative programs.

## **DAY II: Strengthening Parliament's Role in Financial Accountability**

### **SESSION V: Strengthening Parliament's Role in Financial Governance**

**Moderator: Carlos Santiso**, Governance and Public Finance Management Adviser, DFID

**Presenters:**

**Joachim Wehner**, Lecturer in Public Policy, London School of Economics

**Mzwanele Mfunwa**, Development Manager Officer, UNECA

**Barry Anderson**, Head of Budgeting and Public Expenditures Division, OECD

**Joachim Wehner's (LSE)** presentation was based on *Strengthening Legislative Financial Scrutiny in Developing Countries* a report prepared for DFID. Legislatures may participate in the budget process in any of its four stages: drafting, approval, execution and audit. While parliament typically comes into the limelight during the approval phase, there is a potential role for parliament in each phase:

- **Drafting** - pre-budget debate on priorities and fiscal policy
- **Approval** - review of budget, amendments, approval (great variation with for example the US Congress able to reject the national budget prepared by the executive and prepare their own, and the UK Parliament which has not amended a budget since 1919)
- **Execution** - in-year monitoring of actual spending and revenues
- **Audit** - scrutiny of audit findings and follow-up (strong engagement in this phase in Commonwealth countries, particularly through the Public Accounts Committee (PAC))

Developing country parliaments face many challenges and tend to have less transparent budgets. Major challenges include:

- **Lack of parliamentary involvement in setting strategic priorities** (e.g. many parliaments not involved in medium term-expenditure processes or poverty reduction strategies (PRS))

- **Rubber-stamp approval** – capacity and political constraints (e.g. weak committees, lack of research support, not enough time to review the budget, large government majorities may make the legislature more compliant and electoral systems such as a closed list proportional representation may lessen incentives for parliamentarians to play their oversight role)
- **Meaningless budgets** – actual spending differs from approved budget
- **Ineffective audit and accountability** – quality and timeliness of audits and legislative capacity
- **Lack of transparency** – hinders oversight throughout the budget process

Strong financial scrutiny by legislatures has many potential benefits including greater accountability of the executive, greater transparency, reduced corruption, democratic consolidation and increased public debate and participation (e.g. bringing in poverty groups and CSOs). At the same time there are risks associated with strong legislatures. Legislatures are often viewed as fiscally irresponsible (e.g. pork barrel politics in the US) and higher deficits are associated with greater legislative power. There are however, several mechanisms or institutional devices that can be used to safeguard against these risks such as limits on amendment powers, fiscal rules and procedural constraints such as top-down voting processes. In Sweden, the parliament approves a fiscal policy bill that sets broad directions for budget and fiscal policy prior to receiving the budget bill.

Organizations involved in strengthening parliaments around their role in the budget process should be aware of the different models for legislative involvement in the budget. Mr. Werner identified several types of actors involved in this work including parliamentary organizations and networks, bilateral and multilateral organizations, partisan, and non-profit or academic institutions. Of these fifteen are core actors working in around sixty countries pursuing the following activities:

- Technical assistance in legal reform
- Developing structure and process – committees
- Improving information access – budget analysis units
- Physical infrastructure development
- Budget training
- Study trips, conferences and network-building
- Analytic work – guidelines, toolkits

DFID's work in this area is not extensive although there are examples of best practice. One example is a five-year, \$3 million project, co-financed by DFID and led by UNDP, working with the Budget Committee of the National Assembly of Vietnam. The results of this project include the rewriting of the budget and state audit acts, redevelopment the audit institution into an auditor-general type institution which reports directly to

parliament, improved fiscal information, and training for parliamentarians leading to improved budget debates.

Mr. Werner closed with lessons learned and recommendations from the report, many of which echoed those of previous presentations:

### **Key lessons**

- Long term process, need long term commitment
- Comprehensive approach, not only selected elements (looking at the entire budget cycle)
- Parliamentary independence and general capacity come first
- Local demand and broad-based support
- Perceived neutrality of assistance provider
- Not expensive, potentially high impact

### **Recommendations for DFID and others**

1. Significantly scale-up this work
2. Avoid simplistic replication of the foreign models
3. Consider the wider political context and build on local demand
4. Develop a comprehensive approach
5. Develop a long term approach
6. Invest in analytic work on legislative budgeting
7. Pool information on legislative strengthening
8. Enhance co-ordination of main actors

In response to the presentation a participant commented that there is a need to consider support to parliament in the broader context of overall public finance management reform. If the A-G is not producing reports then a strong PAC may serve little purpose.

**Mzwanele Mfunwa, UNECA** presented recent research and findings on strengthening African parliament's role in financial governance. Despite the potential risks, UNECA views parliaments' involvement in economic policy making in general, and in financial governance in particular, as both desirable and unavoidable in representative democracies. Indeed, increased budget oversight is a necessary condition of representative democracy. In practice, however, many African parliaments are not as involved in the budget process as their constitutional rights would indicate. A survey found several constraints:

- **Legal and constitutional** – “Parliament's ‘power of the purse’ is constrained by weak amendment powers” (MP, Kenya)

- **Lack of political will** – opaque budgetary processes, lack of information, not enough time to debate budgets etc.
- **Lack of capacity** - lack of freedom and independence to perform constitutional role, ineffective committees etc.
- **Lack of resources** – material resources, professional staff and information (indicating a lack of executive support for parliament). The parliament in Malawi was found to be so under-resourced that they meet only eight to ten weeks per year. Resource constraints also inhibit interaction with constituencies.

Among the survey responses a Kenyan MP noted that parliament’s rubber-stamping of the budget is exemplified by supplementary budgets presented to parliament for approval mid-year. While these are meant to be proposals they are often already incurred expenditures. A Rwandan MP noted that if a bill is rejected by parliament the president may nonetheless go ahead with the bill. To address these challenges UNECA promotes the following recommendations:

- Focus on parliaments as an institution
- Parliament must be more independent in policy-making and in its internal administration
- Set up an independent parliamentary service commission
- Use parliamentary committees as key channel with external stakeholders

Finally the role of donors in strengthening parliaments has improved through, for example stressing country-ownership and internal accountability processes and the commitments taken in Paris. Yet donors still face challenges including being seen as influencing the political process. In moving forward UNECA invites increased partnership and hopes to make a greater contribution to research, advocacy, technical assistance and facilitating the exchange of information and views.

**Barry Anderson (OECD)** presented his experience with budget offices, particularly the Congressional Budget Office (CBO) in the United States. Unlike the executive the legislature needs more emphasis on simplicity, transparency and accountability. Furthermore information is needed for both the majority and minority parties. However while a budgetary information source must be independent, it need not be adversarial.

The OECD will soon release an updated survey on thirty OECD countries and a handful of non-OECD countries. When asked about the formal powers of the legislature to amend proposed budgets, eighteen countries responded unrestricted; five responded that the legislature may make amendments, but only if it does not change the total surplus/deficit proposed by the executive; three responded that other changes are permitted; and four responded that changes prohibited or very limited (Greece, Ireland, Japan, South Korea). Yet the country where the legislature has the most power over the budget, the United States, and the country with the weakest powers, the United Kingdom, both answered the question with ‘unrestricted’. While this is technically accurate, it is misleading taken on

its own. Similarly, many countries have specialized budget research offices attached to the legislature but they may also have offices not attached to the legislature who perform a similar function.

A non-partisan independent objective analytic unit plays an important role in reaching a better balance between the executive and the legislature. Such a unit can:

- Eliminate the executive's information monopoly
- Simplify complexity
- Promote transparency
- Enhance credibility (of both the executive and the legislature)
- Promote accountability
- Improve the budget process
- Serve both majority and minority parties (and the press and the public)
- Provide rapid responses

In addition, the value of such a unit may shift over time from providing more information for the legislature relative to the executive to providing more information for minority parties relative to the majority.

Mr. Anderson laid out the four core functions of such a unit:

1. **Economic Forecasts** – that are objective, conservative and centrist.
2. **Baseline Estimates** – that are based on projections not predictions, are centrist, have basis in current law, have a medium term focus and replace previous year and executive baselines.
3. **Analysis of Executive's Budget Proposals** – that is objective (a technical review not a programmatic evaluation) and may serve to enhance the credibility of the executive and executive forecasts.
4. **Medium Term Analysis** - which forces executive to look beyond one year; estimates medium term economic and fiscal impacts of policy proposals; takes account of fiscal risks such as guarantees, pension liabilities, contingent liabilities and PPPs; and provides a basis for long term analysis.

Depending on the capacity of such a unit it may also provide analysis of proposals, options for spending cuts, analysis of mandates (regulatory analysis), economic analyses, tax analyses, long term analysis, and policy briefs.

### **Fundamental Characteristics of an Independent Legislative Budget Office**

- **Non-partisan** (*not* Bipartisan)(the director should be more technical than political, staff should be entirely technical and develop an esprit de corps)
- **Independent**
- **Objective**
- **Informed**
- **Serve Both** Majority & Minority
- **Transparent** (Everything on the Internet)
- **Understandable** (Subway test – not an ‘epic tome’ but 2 double sided pages that fit into one’s pocket)

Mr. Anderson noted that visitors to the CBO were often overwhelmed when told that the CBO has a staff of around 235. However when broken down by core functions, there are only 45 staff covering core functions. New York City’s independent budget office has 27 staff covering core functions and the State of California’s Legislative Analysis Office has 53. Similarly budget offices in Mexico and South Korea are much smaller.

Mr. Anderson concluded that:

- Legislatures need an **independent** source of **information** and **analysis** to improve their **participation** in budget preparation.
- A **non-partisan, independent, objective analytic** unit can provide **transparent, clear, and accurate** information without polarizing relations between executive and legislature.
- Successful creation of such a unit is not easy: in particular, it demands **balance** in a political environment.

In the discussion following the presentation participants concluded that while capacity differed, the issues were the same for both developing and developed countries. There are a number of examples of budget offices in Africa; including Uganda’s which was created through a private member’s bill. Kenya is adopting the Ugandan example.

Dr. Mfunwa added a suggestion that parliament become involved in medium-term or multi-year budget frameworks thus allowing them to influence subsequent budgets and their impacts on specific constituencies. However in the poorest countries the ability to do this may hinge on the predictability of aid.

## **SESSION VI: Parliamentary Mechanisms of Budget Oversight and Financial Control**

**Moderator: Albrecht Stockmayer**, Head, Governance and Gender Team, GTZ

**Presenters:**

**Rick Stapenhurst**, Senior Public Sector Management Specialist, WBI

**Albert Van Zyl**, International Budget Project (IPB)

This session sought to review several approaches and strategies to strengthen parliament's institutional role in budget oversight and financial control. **Rick Stapenhurst (WBI)** began by giving a brief overview of WBI. WBI is the training and capacity building arm of the World Bank. WBI's parliamentary strengthening programme has multi-year parliamentary development projects in twelve countries, soon to be increased to around eighteen. Support is largely focused around parliament and the budget process and parliament and anti-corruption. WBI has also undertaken work on issues such as parliament and the PRSP, financing and administration of parliament and professional development for staff. WBI typically works with partners, including universities.

He then focused his presentation on three types of research that WBI's parliamentary strengthening programme has undertaken related to parliamentary oversight of the budget: Oversight Tools (2004)<sup>4</sup>; Public Accounts Committees (2002 and 2005)<sup>5</sup>; and Oversight and Corruption (underway). Research is a relatively small part of what WBI does but it is critical to the design training and capacity building programs and to building knowledge resources.

The work on parliamentary oversight tools uses as a database a survey of all IPU member parliaments on executive-legislative relations. The response rate to this survey was over 50% and the database can be found on the IPU website. The study examined how commonly legislative oversight tools were used in different types of parliamentary systems, and in countries at different levels of development and democracy. Overall the survey found that countries with parliamentary systems have more legislative oversight tools than countries with semi-presidential and presidential systems (although this does not mean they use them or that they use them effectively). The use of interpellations is most common in high income countries, less common in low income countries and least common in middle income countries. At the same time the use of committees of inquiry and ombuds offices are most common in middle income countries, less common in high income countries and least common in low income countries. The study also found that the more democratic a country, the more oversight tools available. While this study was interesting, the research left many questions unanswered.

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<sup>4</sup> Results published in World Bank Policy Research Working Paper # 3388 "Tools for Legislative Oversight: an Empirical Investigation"

<sup>5</sup> More information can be found in: "The Overseers" (David McGee); CPA 2002; World Bank Policy Research Paper "Scrutinizing Public Expenditures" (2005); KPMG/La Trobe University Study on PACs in Australasia)

The second area of research was parliamentary oversight of the budget with greater focus on what works, what does not work and why. There are two main instruments used for this research: a CPA study group on parliament and the budget and a survey and interviews of Chairs of PACs worldwide. The latter sought to identify good practice and participants were asked what factors make PACs effective and what factors hinder PACs' effectiveness.

The study group found that the average size of PACs in Commonwealth countries is eleven and typically the distribution of seats in the PAC reflects the distribution of seats in the legislature. A PAC's primary focus is reports of the Auditor General (A-G) and there is a need to coordinate work with the A-G. Most PACs can call witnesses. PAC reports are normally tabled in parliament and a formal response from the government is often required. PACs may also be open to the public (55%) and PAC reports are generally available to the public (87%).

The study group provided a good synthesis of the situation across the Commonwealth five years ago. The subsequent survey of fifty-five Chairs of PACs looked at what makes PACs effective and identified seven major factors for success:

1. Having a broad scope (power to investigate or review all past, current or committed expenditures of government)
2. Power to select issues without government direction or interference (and also to initiate enquiries)
3. Power to report conclusions, suggest improvements
4. Having effective follow-up procedures
5. Clear focus on holding the government accountable for its spending of taxpayers' money and its stewardship over public assets
6. Strong support from the A-G, members of parliament, and research staff
7. Access to independent technical expertise and research support

A further set of desirable powers were also identified:

- Power to compel ministers to attend
- Power to use sub-committees
- Power to access independent technical expertise and research support
- Power to hold public hearings
- Power to investigate all past, current and committed expenditures

At the same time the survey identified common challenges that limit the effectiveness of PACs including:

- Highly partisan climate
- Government dislike of legislative oversight
- Lack of media or public involvement
- Lack of a strong ethical base for parliamentarians (or lack of trust in parliament and parliament's ability to hold government to account)

In synthesizing the survey responses WBI is able to suggest an 'ideal' PAC:

- Small (5-11 Members)
- Senior Opposition Chair (fair-minded)
- Committee appointed for term of parliament
- Adequately resourced
- Clarity in roles/responsibilities
- Meetings open to the media/public
- Strategic planning of work plan
- Auditor meets with Committee to highlight report; AG seen as a 'senior advisor' to the PAC
- Committee may investigate other matters other than those included in the A-Gs report
- Reports published and debated in parliament

The third area of research examines parliament and corruption. In 1998, the 'Laurentian Seminar', held in partnership with the PC, led to a *Parliamentarians Handbook on Curbing Corruption*. This work also led to the formation of a new parliamentary network in 2002, the Global Network of Parliamentarians against Corruption (GOPAC). From 2003-2005 WBI and Wilton Park held a series of conferences on Curbing Corruption and most recently in 2006 WBI and CPA published a book on *The Role of Parliament in Curbing Corruption*.

Related to the above WBI is now in the middle of new research which draws on the original work on legislative oversight tools. While this is in its very early stages, and cannot determine cause and effect, so far this research has *tentatively* found that:

- Countries with more oversight tools experience lower levels of corruption
- Countries with parliamentary systems have lower levels of corruption than those with semi-presidential systems
- Countries with semi-presidential systems have lower levels of corruption than those with presidential systems
- Interpellations seem to be the most important oversight tool in parliamentary systems

- Hearings in plenary seem to be the most effective in presidential systems

Mr. Stapenhurst concluded by calling for comments on this draft working paper once it is more developed. A participant commented that one of the things that disrupts the systematic linkages between the political regimes and corruption, is that there are very few developed presidential systems (the US and South Korea) whereas parliamentary systems tend to dominate the OECD club.

**Albert Van Zyl (IBP)** spoke on the role of civil society organizations in legislative strengthening, particularly around the budget. CSOs and legislatures can help each other to increase budget oversight, and thus organizations working on parliamentary strengthening should look at how to nurture this relationship.

Budget CSOs have several common features. They are normally independent and non-partisan but they still have a specific agenda for poverty reduction, transparency and participation. CSO work is mainly a combination of applied research and advocacy work. As with parliamentary budget offices, effective budget CSOs generate information that is timely, accessible and useful. At the same time budget CSOs are diverse ranging from grass root organizations monitoring implementation to think tanks. A further source of diversity is diversity in political strategy with some deriving strength from partnerships with government and others deriving strength from membership numbers.

There are several types of CSO budget work that have emerged including:

- Highlighting best practice (Philippines, South Africa)
- Simplification and debate (Croatia, Ghana)
- Training (Mexico, Tanzania)
- Tracking expenditures and measuring impact (Uganda, India)
- Independent critical analysis (Ghana, Argentina)
- Building accountability (India, Kenya)

What can CSOs do for legislatures? Some things that CSOs have done are to:

- **Bring new information** ? Priorities, implementation, sub-national trends
- **Read and Collate information** ? Capacity to digest and represent the ocean of information from the Executive
- **Train** ? analysis, legislation, process
- **Analysis** ? Research capacity
- **Advocacy** ? Value of independent/other voices (to help create pressure for change)

However the relationship between CSOs and legislatures is often limited by the external challenges faced by legislatures. Furthermore, in countries where the legislature is weak, CSOs may prioritize work with the executive branch thus bypassing parliament. CSOs are also limited by parliaments' ability and willingness to engage. Finally, CSOs, like other organizations, must take a long term approach to building the relationship with the legislature.

Mr. Van Zyl closed by describing the International Budget Process (IBP) a network of CSOs in around 80 countries which provides technical support, training, learning opportunities and some start-up funding to budget CSOs. It produces a major survey, the Open Budget Index<sup>6</sup> that looks at the quality and availability of budget information in 59 countries. The IBP will be holding a meeting on June 4-5, 2007 to consider this relationship between CSOs and Legislatures.

Participants seconded the importance of CSOs and parliament working together. The PC includes CSOs in parliamentary trainings, particularly when looking at how to monitor PRS implementation at the community level. This is done in part to mitigate the mutual distrust between CSOs and parliaments. Several participants also underlined the importance of the media as a third actor that can contribute to oversight and enhance or expose the work of parliament.

## **SESSION VII: Conclusions and Recommendations for Ways Forward**

### **Facilitators:**

**Scott Hubli**, Parliamentary Development Policy Advisor, UNDP

**Carlos Santiso**, Governance and Public Finance Management Adviser, DFID

**Rick Stapenhurst**, Senior Public Management Specialist, WBI

The purpose of this session was to discuss methods for sustaining a parliamentary community of practice in the donor community, including how to improve the effectiveness and coordination of donor support to parliamentary strengthening.

Participants agreed that this first consultation on parliamentary development and financial accountability was both timely and necessary. While parliamentary strengthening is not a new area for donors, it is rising on many donors' agendas, particularly within the broader context of renewed efforts to strengthen democratic governance and implement the Paris principles on aid effectiveness.

Participants provided concrete examples from their own work of the increasing importance of parliaments. Following the Paris Declaration, Sida is gearing up to cooperate with other donors and support large shares of bilateral and development

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<sup>6</sup> [www.openbudgetindex.org](http://www.openbudgetindex.org) Certain questions are related to the legislature, such as whether the legislature holds public hearings.

cooperation through budget and sector budget support. These changes are increasing the need to scale up work with parliaments. The European Commission is undertaking a study and stock-taking exercise of all projects that include an element of parliamentary strengthening and looking for examples of best practice that can be shared. The European Union is developing a database that monitors what the European Parliament and each national parliament is doing in partner countries. Both the study and database could be made available to the group.

Evaluations of donors' work on parliamentary strengthening are few and far between. Similarly research and data on parliamentary strengthening remain sparse. Underscoring the need for the group to focus on the operational implications of discussions the representative from USAID noted USAID's participation in an upcoming joint donor evaluation in Ghana as an example of how to conserve both donors' and parliaments' scarce resources through working collaboratively. The same principle can be applied to joint needs assessments and joint support to legislatures through basket funding, which has for example also been undertaken by donors in Vietnam. Participants also agreed that donors must work together to demonstrate results in parliamentary strengthening.

Part of the challenge faced by donors working in parliamentary strengthening is that despite growing interest, parliamentary support programs remain quite small as does the group of people working on parliamentary strengthening. Most are faced with resource and other capacity constraints. The need for greater coordination was therefore seen as critical, especially in light of another challenge faced by donors: parliaments asking for similar project support and assistance from several donors simultaneously, ultimately leading to unnecessary repeat exercises and duplication.

Participants further endorsed the need for greater donor dialogue and coordination on types of support to parliaments, including support to parliament as an institution, to individual parliamentarians, or to parliamentary organisations and the growing group of parliamentary networks. In addition, donors may benefit from a review with key practitioners looking for synergies, partnerships, and ways to complement each other's work. WBI noted a positive experience with such a review several years ago.

Participants recognized that parliaments vary greatly. It is not up to donors to try and design an 'ideal parliament' nor should they impose their national model, however there is a need to coordinate to better define the end stage of support to parliaments whatever the model. Participants supported greater dialogue with parliaments and parliamentary organisations with the goal of developing a widely agreed set of norms and standards for effective democratic parliaments; in the same way that international consensus has emerged on what is a free and fair election even if electoral systems are very different. It was suggested that the CPA Benchmarks could be reviewed and built upon by others. At the same time donors need to work towards the definition of good practice principles in their own support to parliamentary strengthening.

There was agreement that, whenever possible, support should be long term and undertaken within a comprehensive framework. Parliament does not operate in a vacuum.

When providing support to parliaments, donors should take into account support programs to the executive, the judiciary, civil society, media, and other actors. In addition, participants underlined the need for greater synergies between the different organisations providing support for elections, political parties and parliaments. In many cases parliamentary support is embedded in larger governance programs, particularly in post-conflict countries (such as the DRC), and increasingly in larger Public Finance Management reform programs when related to parliament's role in overseeing the budget. Parliamentary strengthening work may also be included in sector programs such as health, particularly as they relate to legislation and oversight.

Finally, participants emphasized the importance of strong links and coordination between headquarters and country offices. UNDP for example is revising guidelines for country offices and DFID is exploring developing guidelines for their offices in the field. More needs to be done to bring in perspectives from the field. In moving forward, the group agreed to look at parliamentary strengthening in fragile states as a next topic, an area which lends itself to country case studies.

With the goal of continuing to improve donor dialogue and coordination on parliamentary development and the effectiveness of donor support to parliaments, participants endorsed the following **mechanisms for moving forward**:

1. **Establishing an informal donor contact group on parliamentary strengthening.** UNDP, WBI and DFID agreed to undertake provisional steering of the group and to invite interested partners to join the steering committee. Donors working in parliamentary strengthening who were unable to attend the consultation (AfDB, IDB, Austria, Canada, Finland, the Netherlands, Norway, Switzerland and others) should also be invited to participate in the contact group and follow-up activities.
2. **Holding regular (annual or biannual) structured consultative meetings to discuss donor approaches to parliamentary strengthening.** Participants agreed to hold a second consultation in late 2008 (dates and venue to be confirmed) following a similar format with a general session to share information (new evaluations, country case studies, lessons learned), and a session focusing on parliamentary strengthening in fragile states. DFID offered to explore facilitating a venue in the UK through Wilton Park. Following the meeting, the AfDB has also expressed interest in hosting a second meeting in Tunis; Wilton Park was also suggested as a possible venue
3. **Piloting an on-line 'knowledge hub' on parliamentary strengthening.** UNDP offered to begin taking this forward with support from the partners either through building on the existing UNDP webpage for the seminar or based on a scaled-down, adapted model of ACE ([www.aceproject.org](http://www.aceproject.org)), an electoral knowledge network, or iKNOW Politics ([www.iknowpolitics.org](http://www.iknowpolitics.org)), an international knowledge network of women in politics. Both are positive examples of donors

coordinating to pool funding and tools. This on-line resource would allow donors to begin to:

- a) Exchange information on donor support to parliaments (policies, strategies, projects)
  - b) Share new reviews, evaluations and tools (such as those planned by the EC and EP)
  - c) Collect and share country case studies and new research on parliamentary strengthening
  - d) Increase dialogue between meetings, particularly around good practice guidelines and agreed themes such as financial accountability and fragile states
4. **Developing good practice principles for donor support to parliamentary strengthening**, especially in the context of direct budget support (building on the Paris principles on aid effectiveness and the DAC capacity building principles)
5. **In the longer term, sharing results and good practice principles with the OECD DAC Network on Governance (GOVNET) and encouraging GOVNET to consider parliamentary strengthening as part of its next work programme.** Participants noted that GOVNET's work programme is planned several years in advance. In particular, it was suggested that the GOVNET might wish to explore the issue of emerging international norms for democratic parliaments and consider the development of principles for donor action on parliaments that would incorporate some of this normative framework, as well as standards governing donor actions in this area.

## **Annex One: Conference Website**

More information on the consultation including copies of background materials and papers (listed in Annex Two) as well as the PPT presentations for each session can be found on the conference website:

<http://sdnhq.undp.org/governance/parls/>

## **Annex Two: Background Materials and Papers**

*Please note, background materials and papers are listed by session.*

### **Session II: Review of recent Evaluations and Reviews of Parliamentary Development**

1. [Mid-Term Review of the Global Programme for Parliamentary Strengthening \(UNDP, February 2007\)](#)
2. [Parliamentary Strengthening in Developing Countries \(ODI for DFID, February 2007\)](#)
3. [Approaches to Parliamentary Strengthening: A Review of Sida's Support to Parliaments \(Sida, November 2005\)](#)

### **Session III: Developing Normative Frameworks for Parliamentary Development**

1. [Issue Paper – Session III](#)
2. [Parliament and Democracy in the Twenty-First Century: A Guide to Good Practice \(IPU, 2006\)](#)
3. [Towards the Development of International Minimum Standards for Democratic Legislatures \(NDI, 2006\)](#)
4. [Benchmarks for Democratic Legislatures: A Study Group Report \(CPA, December 2006\)](#)

### **Session IV: Measuring Progress in Parliamentary Development**

1. [Stronger Legislatures, Stronger Democracies \(Steven Fish, Journal of Democracy, Volume 17, Number 1, January 2006\)](#)

### **Session V: Strengthening Parliament's Role in Financial Governance**

1. [Issue Paper – Session V](#)
2. [The Role of African Parliaments in Budgetary Process \(Economic Commission for Africa, April 2007\)](#)
3. [Strengthening Internal Accountability in the Context of Programme-Based Approaches in Sub-Saharan Africa \(Germany Development Institute, April 2006\)](#)
4. [Understanding the Politics of the Budget, \(DFID, January 2007\)](#)
5. [Strengthening Legislative Financial Scrutiny in Developing Countries \(Report prepared for DFID, May 2007\)](#)

6. [Improving Fiscal Scrutiny through Legislative Strengthening \(Report prepared for DFID, March 2007\)](#)

#### **Session VI: Parliamentary Mechanisms of Budget Oversight and Financial Control**

1. [Issue Paper - Session VI](#)
2. [Scrutinizing Public Expenditures: Assessing the Performance of Public Accounts Committees \(World Bank Policy Research Working Paper 3613, May 2005\)](#)
3. [Parliament, the Budget and Gender \(IPU, UNDP, WBI, UNIFEM – 2004\)](#)
4. [Legislating Poverty in Africa, Draft Working Paper \(WBI – Parliamentary Centre, May 2007\)](#)

#### **Session VII: Conclusions and Recommendations for Ways Forward**

1. [Issue Paper - Session VII](#)

### Annex Three: List of Participants

Last Name	First Name	Title	Organizational Affiliation/ Country
Achili	Emma	Policy Desk-Officer - Unit B/1 Human Rights and Democratisation	European Commission
Anderson	Barry	Head of Budgeting and Public Expenditures Division	OECD
Armon	Jeremy	Governance Adviser	DFID
Babic	Norah	Division for the Promotion of Democracy	Inter-Parliamentary Union
Baguley	Justin	Country Program Manager - Machinery of Government Solomon Islands	Australian Agency for International Development
Bouchet	Nick	Communication Specialist	CPA Secretariat
Bustamante	Jose	Programme Manager	European Commission, Macro-Economic Support Unit
Cramer	Craig	Senior Program Officer	Bill and Melinda Gates Foundation
De Leeuw	Marc	UNDP/ UNESCO Relations Officer, UN Service	Belgium - Directorate- General for Development Cooperation
Dellicour	Dominique	Head of Unit at the EuropeAid Co-operation Office	European Commission
Draman	Rasheed	Director, Africa Programs	Parliamentary Centre
Enander	Niklas	Programme Officer	Sida
Fish	Steve	Professor of Political Science	University of California at Berkeley
Fogg	Karen	Head of UN Treaties Office	European Commission
French	David	Chief Executive	Westminster Foundation for Democracy
Hubli	Scott	Parliamentary Development Policy Advisor	UNDP
Hudson	Alan	Research Fellow	Overseas Development Institute
Huyghebaert	Thomas	GPPS Programme Manager	UNDP
Mfunwa	Mzwanele	Development Manager Officer	UN Economic Commission for Africa
Mitsuaki	Furakawa	Resident Representative	JICA (UK Office)
Morrison	Thomas	Consultant for Parliamentary Strengthening	International Monetary Fund (IMF)

Murphy	Jonathan	UNDP Consultant	Academic/Consultant
Ottosen	Halfdan	Programme Officer	UNDP - Mozambique
Paneels	Kris	Head of the Multilateral and European Programmes	Belgium - Directorate-General for Development Cooperation
Petit	Carine	Counsellor, Governance Issues	Belgium - Directorate-General for Development Cooperation
Ravanel	Beatrice	Governance Advisor	France, Ministry of Foreign Affairs
Rayee	Guy	United Nations and International Organisations Service	Belgium - Directorate-General for Development Cooperation
Roberts	Claire	Policy Specialist	UNDP Brussels
Rui Queiro	Mario	Governance, Democracy, Human Rights and Gender	European Commission (EuropeAid)
Ruiz	Jean-Marc	Programme Manager	European Commission, Macro-Economic Support Unit
Santiso	Carlos	Governance and Public Finance Management Adviser	DFID
Schulz	Keith	Legislative Strengthening Advisor	USAID
Sheinberg	Diane	Policy Analyst	UNDP
Stapenhurst	Frederick	Senior Public Sector Management Specialist	World Bank Institute
Stockmayer	Albrecht	Head, Governance and Gender Team	GTZ
Toornstra	Dick	Director, Special Advisor for the promotion of Democracy	European Parliament
Van Zyl	Albert	Senior Budget Analyst	International Budget Project
von Trapp	Lisa	Adviser	World Bank Institute
Wehner	Joachim	Lecturer in Public Policy	London School of Economics