IMPROVING THE EFFECTIVENESS, TRANSPARENCY AND ACCOUNTABILITY OF THE NATIONAL BUDGET

WORKBOOK

JULY 2021
Nou tou pansé ki nou konn enn dimounn ki pou tir nou dan difé.

Bien souvan Koripsion li koumans koumsa
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According to the Mo Ibrahim Foundation:

Almost 60% of Africa’s population in 2019 is under the age of 25, making Africa the world’s youngest continent. According to the UN’s demographic projections, the median age in Africa is going to be 19.8 in 2020. On the continent, Mauritius is expected to have the highest median age, 37.4.

Youth unemployment in Mauritius does remain high and the 2019 Ibrahim Foundation Report argues that this is due of a lack of jobs. This same report also finds that "about 60% of Africans, and especially youth, think that their governments are doing a very bad or a fairly bad job at addressing the needs of young people." Disaffected youth who are unemployed can become politically apathetic who may even question democracy.

Young entrepreneurs in Mauritius are integral to economic growth. Social enterprises founded by youth in Mauritius are vital to meeting demands and developing entrepreneurship capacity in youth. Farmcity’s co-founder presented some of the key challenges facing the youth in the agriculture sector at the Collaborative Africa Budget Reform Initiative (CABRI)’s Mauritius country review on the role of governments in developing agriculture value chains. How can the youth in Mauritius utilize government intervention to promote entrepreneurship?

The involvement of citizens particularly youth is important for budget allocation, oversight and budget monitoring as well as for budget auditing and evaluation. In several African countries, the Ministry of Finance and Parliament work with CSOs throughout the budget cycle. The biggest assumption that exists is that non-state actors such CSOs and youth have the capacity to be involved in the budget process. What are the required capacities for youth to be partners in the budget process and create opportunities for youth employment?

The budget is the government’s most powerful tool to achieve developmental goals and priorities. A transparent budget system contributes to effective and equitable public financial management and value for money in social sectors (agriculture, health, education, etc.). However, transparency alone is not enough to improve accountability. How does transparency facilitate a more effective accountability? There is already strong evidence showing that participation fosters better accountability.

As a key stakeholder in the budget process, CSOs, citizens, and youth play a unique role. CSOs represent a variety of communities, however, youth are often left out of the policy making process. While the role of youth is important, youth involvement in the budget process in Mauritius is still at a nascent stage. Youth involvement on budget issues is very limited in Mauritius.

Mauritian youth often lack a deep understanding of public finance, effective advocacy strategies, and how to be a partner with the government in the budget process. With the support of the U.S. Embassy, Transparency Mauritius developed this training workshop to improve the comprehension of youth in Mauritius on:

- Public finance in Mauritius and the importance of transparency, accountability, and participation in public finance;
- Budget accountability ecosystem and different actors;
- Budget Cycle, National Planning and Content and use of budget and planning documents in Mauritius;
- How can youth be best involved in the budget process in Mauritius; and
- Principles of social accountability, how to construct a problem, and how to develop a problem-driven budget advocacy strategy.
Transparency is a pillar of democracy and an essential component of democratic societies worldwide. As trustees of the wealth and resources of a country, governments should be transparent and accountable in how they manage public resources and deliver on their promises. A society cannot thrive when excessive secrecy prevails, when citizens are denied access to accurate and timely information, and abuses of public power are not adequately checked. The lack of access to information can create a sense of mistrust, frustration, and disempowerment.

Fiscal transparency forms part of the wider concept of transparency, and is crucial for governments, markets, and citizens to understand public finances. Fiscal transparency allows citizens to understand how government and tax revenues are spent, and it encourages better economic governance by holding governments accountable. It helps improve public policy and efficiency, build market confidence and sustainability, and acts as an important weapon against corruption.

The United States and Mauritius share the goal of promoting fiscal transparency and encouraging the participation of young leaders in the budget formulation process. In line with this objective, the U.S. Embassy has awarded a grant of Rs. 494,000 to Transparency Mauritius for the organization of a three-day virtual training led by Michael Castro, a U.S. expert in budget transparency, participation, and accountability from July 26-28, 2021. During the training, participants learned about the budget formulation process in Mauritius, and how to develop advocacy plans to become effective partners in the management of public resources, assets, and liabilities. The training was complemented with a national budget simulation workshop.

The publication of this workbook provides a detailed immersion into the budget process in Mauritius, gives useful insights into improving social accountability through problem-driven budget advocacy, and completes an excellent training course on fiscal transparency.

We sincerely hope that this project is a building block toward shaping future Mauritian leaders to become active champion of good governance and transparency for their country. The contribution of young adults to good governance cannot be underestimated. This demographic must be empowered to participate in the budgetary decision-making process, and have access to the right channels that allow for effective participation in economic dialogue.

The training, simulation workshop, and workbook publication are supported by the U.S. Department of State’s Fiscal Transparency Innovation Fund (FTIF). These grants are part of the U.S. government’s longstanding efforts across the world to promote good governance, democracy, and transparency. Since FTIF’s establishment in 2012, the Department of State has awarded approximately $40 million for projects benefitting over 65 countries to enhance budget transparency, advance public financial management, and improve the transparency of licensing and contracting in natural resource extraction.

The U.S. Embassy is proud to partner with Transparency Mauritius on this project and we congratulate them for their relentless work to promote transparency.
Society is a complex structure set up by man to organize its existence, its interactions and activities through codes. Democracy has emerged as the more widely accepted system of governance and is prevalent in most countries in the world. It promotes a series of fundamental rights and freedom. In Mauritius, those rights and freedoms are enshrined in the Constitution.

One of the most important roles of a democratic government is to ensure that all those rights are respected and that wealth is shared equitably among members of the community. Government is the custodian of the common wealth. Institutions are set up to assist in the implementation of its vision, to guarantee the safety of its citizens, to preserve law and order and to create more wealth. It ensures as well that everyone has a specific role, that there is sufficient resources in all sectors for the citizens to be ‘happy’, protected, efficient and productive among others.

As such, it has to do a fiscal exercise annually. That plan is called the national budget and is the government’s plan for income and costs for the coming year. It is often referred to as an equilibrist challenge. It is a fact, in Mauritius, that before the presentation of the budget, the minister of Finance and his team have consultation meetings with different stakeholders, including the private sector, trade unions and a number of civil society organizations.

In Mauritius, there is a suspense and glamour build-up both by Government and the media for the Presentation Day with the star of the day being the minister of Finance. The presentation is broadcasted live on the national TV, on the different radios and analyzed in real time by experts.

Very often, for many laypersons, the focus would be on the price of basic commodities, tax exemptions and so-called popular decisions which would enhance the quality of their lives with regards to their personal needs. So over time, the national budget has become foremost and first a political activity and tool.

This is why the citizens and civil society must stay vigilant. Voices must be heard. The why of the budget and its elaborations must be understood. Citizens should be equipped to know and empowered to ask questions. To fight corruption and nepotism, transparency should become the rule and not the exception.

It is for this reason that Transparency Mauritius has associated itself with different stakeholders to create awareness from citizens and particularly the youth. We are thankful to a number of people, namely Michael Castro, Public Finance Expert from Washington DC who has drafted this manual and who has expertly moderated the virtual workshop we had on 26 to 28 July 2021.

Transparency Mauritius is also thankful to the Embassy of the United States of America for Mauritius and Seychelles who has funded this project.
Why do youth need to understand PFM?

Public financial management or PFM refers to the process of how governments raise public resources and manage these public resources. In addition to addressing immediate needs, PFM also looks at the immediate and medium-to-long-term effect of these resources on the economy and citizens. Andrews, Cangiano, Cole, De Renzio, Krause, and Seligmann (2014) in “This PFM”[I] state:

PFM systems are embedded in - and influenced by - broader sets of processes, systems and institutions. Think for instance, of the political rules that determine how budgets work or the way human resource management systems overlap with the management of public finances. PFM systems are also part of broader national policy processes, which produce directives or plans that inform public resource allocation.

Such influences vary across countries, making PFM contextual. Despite contextual differences, however, some processes are similar in PFM systems across most countries. Figure 1 illustrates these.

Since countries have limited resources, strong PFM systems ensure that these limited resources are spent economically and with efficiency and efficacy. The Collaborative Africa Budget Reform Initiative’s (CABRI) outlines the five main components [2] for getting the basics of PFM right:

- Strategic budgeting: translating broad plans and policy goals into concrete programmes to benefit citizens by improving transparency and participation in the budget process;
- Sustainability of the budget (including debt): Ministry of Finance ensures allocative efficiency (distribution of resources in the most efficient way possible) among spending Ministries, Departments, Agencies (MDAs) and keeps debt levels to a minimum;
- Robust conceptualisation of capital expenditures: Capital expenditures (notably infrastructure) ought to be conceptualised through the annual and medium-term budgeting processes;
- Programme-based budgeting (PBB): Aligning planning and budgeting systems to ensure that outputs and outcomes are associated with public policy objectives; and
- Prudent budget execution: Legislative and citizen oversight is integral to reviewing budget execution reports to ensure public resources are used in the manner they were approved.

Budget Cycle in Mauritius

In Mauritius, the Ministry of Finance, Economic Planning and Development (MOFEPD) guides the entire budget and planning process; develops the macroeconomic and fiscal framework of the country; and works with all line ministries (e.g. Ministry of Health and Wellness, Ministry of Education, Ministry of Agro Industry and Food Security, etc.) in the conceptualisation and provision of service delivery to citizens. Citizens, youth in particular, have a critical role to play throughout the PFM cycle in Mauritius.

Budget Formulation

The Mauritian government has a limited fiscal space meaning that there aren’t sufficient resources to accommodate the country’s ambitious Mauritius Vision 2030 plan. The government has the onerous task of implementing the Mauritius Vision 2030 plan through the Public Sector Investment Programme (PSIP). Fiscal sustainability is paramount to ensure that policy decisions are made within the PSIP and do not significantly add to the total debt stock of the state government. The average age of Mauritians is 37.5 and almost half of the population is under 30 years-old. Youth can help this process by helping the government with determining budget allocations based on trade-offs to determine what can be achieved on an annual and medium-term basis with the existing resources. Strategic budgeting is paramount to promoting economy, efficiency, and efficacy in the budget process to ensure a balanced budget and sustainable levels of debt.

Budget Approval

While the MOFEPD presents the Appropriation Bill, the National Assembly has the ultimate authority in approving the budget as a law. Different committees scrutinise the budget estimates, votes, strategies (Medium-Term Expenditure Framework, Fiscal Strategy, and Debt Management Strategy) and the PSIP. Youth can work with MPs in different committees to assess the adequateness of the proposals in achieving their programmatic objectives. Policy Forum, a network of 74 CSOs in Tanzania, works together augmenting the voice of ordinary citizens to influence policy processes that help in poverty reduction, equity, and democratization with a specific focus on the accountability of public funds at both central and local levels. This network works with Honourable Members during the budget approval process where sector-specific CSOs work with legislative committees to determine the adequacy of the budget programmes in their respective sector.

Budget Execution

Arguably, youth’s biggest role in the PFM process is during budget execution. The committees of the National Assembly ought to analyse quarterly reports to detect budget variances before the end of the fiscal year and inquire about deviations with the aim of ensuring service delivery (i.e.,
formal accountability). As users of social services, youth have first-hand knowledge on how the government is executing the budget and can provide feedback to the National Assembly to hold the government to account (i.e., social accountability).

Budget Evaluation and Audit

The National Audit Office (NAO) plays an integral role in the budget process by using complaints made by the public including youth to help identify which MDAs and programmes should be audited.[3] As the government’s independent external auditor, the NAO’s report(s) to the National Assembly on its audit findings promotes accountability, effectiveness and transparency of public administration. Youth can also use these reports to hold the government to account.

Planning and Budgeting in Mauritius

Unlike many African countries, the functions of planning and budgeting are housed in one ministry: Ministry of Finance, Economic Planning and Development. The fiscal year in Mauritius is from 1 July to 30 June. To start the process, the MOFEPD sends a Call Circular to all MDAs in March and asks each MDA to submit their expenditure, revenue, and performance indicators proposals for the medium-term (e.g. 2020/21, 2027/22, and 2022/23). This Call Circular includes specific instructions on what the MDAs need to focus on to align the individual MDAs’ budget to the country’s current priorities. This serves as the basis for implementing Programme-Based Budgeting in Mauritius. While both functions are in one ministry, the Appropriation Bill in Mauritius presents inputs[4] outputs[5] or outcomes [6] which are associated with public policy objectives. Only a few ministries have actual outputs and outcomes including the Ministry of Agro Industry and Food Security; Ministry of Labour, Human Resource Development and Training; and Ministry of Public Service, Administrative, and Institutional Reforms.

After the MDAs submit their proposals via the budget system, the MOFEPD is tasked with reviewing all of the proposals to ensure they are in line with the strategic objectives, expenditure is within the allotted fiscal envelope, and are submitted on time. In addition to compiling all of the budget proposals from all MDAs, the different units of the MOFEPD work on developing all of


[4] These are the resources assigned to achieve results. For example, with regard to education during COVID, nonfinancial data on inputs could include the number of face masks to be provided to the public and health care workers.

[5] These are products and services delivered as a result of inputs. For example, the number of additional people treated in intensive care units as a result of an increase in ventilators supplies; or the number of beneficiaries of a social security program.

[6] These are the intended impact or policy goals achieved. For example, a decrease in COVID-19 mortality rate.
the different documents that comprise the Appropriation Bill presented to the National Assembly.

Budgets are composed of three key items: expenditure, revenue, and debt. Unlike in many African countries, the current legislation in Mauritius only requires the Appropriation Bill to be presented before or 30 days of the start of the fiscal year (1 July - 30 June). The Appropriation Bill for 2020/21 was presented on 4 June 2020. The National Assembly reviews all the contents of the Appropriation Bill 2020/21:

- Budget Speech,
- Annex to the Budget Speech,
- Estimates of the Budget
  - Medium-Term Expenditure Framework, Fiscal Strategy, and Debt Management Strategy
  - Summary of Government Operations, Expenditure by Votes, and Revenue Projections
  - Appendices
  - Individual Votes
- Public Sector Investment Programme
- Le Guide du Budget 2020/2021 - Notre Nouvelle Normalite: L’Economie de la Vie

Expenditures: Where are public resources going?

Expenditure has three classification types:

- Administrative: Identifies which government entity is responsible for the expenditure (e.g. Ministry of Health and Wellness, Ministry of Education, Ministry of Agro Industry and Food Security, etc.). In Mauritius, an individual MDA’s budget is also called a Vote.

- Economic: Presents the purpose of what the expenditure is used for. There are two types: Recurrent expenditure or what the government spends just to keep the government operating (e.g. salaries and wages, maintenance costs, overhead costs, etc.) and capital expenditures or what the government needs to invest to expand programmes and objectives (e.g. infrastructure projects, purchase of goods and equipment etc.). Many African budgets tend to have large recurrent budgets meaning they have less resources to allocation to capital expenditures which is critical to achieving the Sustainable Development Goals (SDGs) and other development objectives. In Mauritius, each Vote has their expenditure disaggregated by economic classification.

- Functional: Presents the sector/objective/end of what the expenditure is used for (e.g. education, health, agriculture, etc.). This type of expenditure refers to the Organisation for Economic Cooperation and Development (OECD) Classification of Functions of Government (COFOG) which was later adopted by UN Member States. The reason why this classification is important is because more than one MDA is involved in the provision of services. For example, both the Ministry of Education and Ministry of Labour, Industrial Relations, Employment, and Training could be implementing training programmes to spur youth entrepreneurship. In Mauritius, each Appropriation Bill has an appendix with expenditures which has a table on the expenditure by the function of government.
Youth need to understand the different types of expenditure to be able to conduct budget analysis and evidence-based advocacy to be key players in the budget process. Understanding the difference of each classification type is crucial in identifying potential recommendations regarding how resources are distributed between MDAs, the distribution of resources within an MDA, and the efficacy of these resources.

**Revenue: Where do public resources come from?**

Revenue is usually categorized into two types: tax and non-tax revenue. Most Anglophone African countries categorize revenue into recurrent revenue (tax and non-tax revenue) and capital revenue (grants). Tax revenue include income taxes, property taxes, taxes on goods and services (including value added tax (VAT) etc. Non-tax revenue includes fees, licenses, investor-related visas to gain citizenship, etc. In Mauritius, the Appropriation Bill includes an Appendix on Revenue. Each fiscal year, the Appendix to the Budget Speech lays out the different tax rates for income tax, corporate tax, property tax, etc. While most recurrent revenue is identified by its individual source, there is less information on investor-related visas and the sort. Unlike expenditure, legislation regulating revenue is quite extensive and revenue generating mechanisms such as the “Golden Visa” may not be as transparent. It’s imperative for youth to understand revenue since everyone contributes to the budget in some form or another. While some youth may not be employed, consumption taxes such as VAT do contribute to the budget. It is the responsibility of youth to ensure that these resources that come from all citizens are spent judiciously.

**Debt Management and Sustainability in Mauritius: Why does it matter for youth?**

Expenditure minus revenue equals the borrowing requirement (e.g. debt to be incurred in a fiscal year). PFMAs and fiscal responsibility acts are meant to keep debt levels to a minimum, thereby reducing the risks to the budget and the economy. These laws are also intended to determine what role the legislature plays in setting debt limits, what loans need legislative approval and what levels of debt are sustainable. The debates on debt are integral during the budget deliberation process in the National Assembly. In Mauritius the Public Debt Management Act (2008 and subsequent revisions) lays out how debt is managed in the country.

The majority of countries, including Mauritius, lack the resources to fully implement their national development plan such as the Mauritius Vision 2030 plan. Thus, debt is incurred to finance the annual budget deficit to achieve Mauritius’ key development objectives. If not managed carefully, rising debt levels will crowd out public expenditure and compromise long-term growth and financial stability. This translates into limited resources being allocated to high debt-servicing costs, instead of to capital projects aimed at improving the lives of citizens.

Why does this matter for youth? The decisions made on the debt now will affect how much debt-servicing costs are paid in the future. In other words, financed policy choices made now will be paid by youth in the future. Part of the risk associated with rising debt levels is whether the debt is domestic or foreign, the maturity profile and borrowing costs, and type of debt instrument.
Loans from the international market tend to be cheaper than borrowing from the domestic market. Most of this international borrowing has been in foreign currency, which creates risks related to a stronger US dollar, euro and other foreign currencies.

Unfavorable currency exchange rates linked to the Mauritian Rupee means that borrowing in these foreign currencies will incur higher debt servicing costs than the budgeted amount. Mauritius’ debt management strategy focuses on borrowing in Euros. On average, loans with shorter maturities carry high interest rates to attract investors without much regard to credit rating. These are comparable to high-interest credit cards for individuals with poor credit histories. Mauritius is currently trying to lengthen the maturities on loans to allow the government to pay lower interest rates.

Managing Budgetary Pressures: the effects of COVID-19, cyclones, and more on Mauritius’ Budget

Unforeseen external shocks such as the COVID-19 pandemic and cyclones are the most frequent budgetary pressure that African budget officials face, after macroeconomic and financial sector shocks.[7] Senior African budget officials often address both rare external events (e.g., global pandemics) and regular external events (e.g. cyclones) through contingency funds, reserves, supplemental budgets and budget reallocations [8]. Due to the nature of emergencies, these decision-making processes are often opaque and non-participatory. In the case of Mauritius, the impact of COVID-19 on the economy has been devastating. The lockdowns implemented to stop the spread of COVID-19 severely impacted the tourism sector accounting for significant revenue downfall and unplanned higher expenditure which led to downward economic growth (-7%) and budget deficit reaching 13.6 percent of GDP [9].

Public demand for government intervention to deal with COVID-19 placed Mauritius in a challenging situation, one already strained with getting resources to the sectors where they are most needed. The government via the Mauritius Investment Corporation Ltd (MIC), Development Bank of Mauritius (DBM), Mauritius Revenue Authority (MRA), and Ministry of Labour, Human Resources and Training instituted several measures to combat the economic effects of COVID-19. These include but are not limited to:[10]

- Support important and viable companies in Mauritius by MIC, which are financially distressed as a result of the COVID-19 pandemic;
- Rs 20 billion are being injected to support the small and medium sized enterprises, and vulnerable households;

- Rs 10 billion in the SME Sector to sustain small and medium firms at concessional rate of 0.5 percent per annum by the DBM; and
- Rs 15 billion have been earmarked to provide an exceptional minimum monthly support of Rs 5,100 to each beneficiary.

Budget Execution: Where the budget meets citizens

The COVID-19 crisis is a once-in-a-lifetime event, and citizens expect that their government assist in easing the many burdens caused by COVID-19, particularly when lockdown measures are in place to reduce transmission. Citizens also expect that public resources are spent judiciously; transparency and participation help build trust between citizens and the government. Procurement of goods to combat the health effects of COVID-19 has forced some governments to authorize emergency procurement procedures, which circumvent normal rules in order to buy fast. These emergency procedures, however, must remain transparent to ensure that there is no preferential treatment of bidders due to political connections.

Corruption, or the mismanagement of public funds, and poor governance are key reasons why citizens fail to pay their taxes. The Open Contracting Partnership (OCP) issued specific guidance on these procedures, which includes, but is not limited to:[11]

- Clear criteria for determining which procurement processes can be included in emergency procedures;
- Set clear goals & priorities and consolidate emergency committees for quick decision making and;
- Build innovative partnerships with business and civil society.

As users of social services, youth have first-hand knowledge on how the Mauritian government is executing the budget and can provide feedback to the National Assembly to hold the government to account (i.e., social accountability). Public participation in the budget process complements the roles of the National Assembly and other government institutions in the budget process.[12] MDAs are tasked to design programmes to achieve the developmental goals of their state, but as the primary users of government-provided services, youth can monitor community projects and give feedback to government on how to improve the quality of these services, particularly during times of crisis. Transparency throughout the budget process improves service delivery outcomes: transparent budgets are more efficient in redirecting public resources to marginalised communities.[13] Improved service delivery means better access to quality public

sanitation, education, and primary health care facilities as well as paved roads to access markets. The National Audit Office (NAO) plays an integral role in the budget process by using complaints made by the public to help identify which MDAs and programmes should be audited.[14]

Budget execution reports in Africa, however, vary in quality, utility and frequency. Of the 36 African countries evaluated in the Open Budget Survey,[15] 20 countries publish some form of monthly or quarterly budget execution reports. Mauritius currently doesn’t publish quarterly budget execution reports. Access to budget execution information is critical for youth to use budget information to ensure public funds are spent in the manner they were approved; ensure the provision of quality service delivery; and be a part of the policy making process when in-year changes to the budget need to be made.

Annual budget performance reports present what the government has achieved in a given fiscal year. Unlike other African countries, Mauritius doesn’t have a consolidated report on budget execution. Each MDA publishes their own Annual Report. The following are few examples: Ministry of Agro Industry and Food Security, Ministry of Labour, Industrial Relations, Employment, and Training, Ministry of Public Service, Administrative, and Institutional Reforms, and Ministry of Finance, Economic Planning and Development. Youth can use these reports to see what the government achieved in the fiscal year; why were there deviations; and how best to plan and budget for programmes for the following fiscal year.

Budget Evaluation and Audit: Improving budget and planning

After the end of fiscal year, the National Audit Office conducts an independent review of the budget in compliance with Section 110 of the Constitution and Sections 19 and 20 of the Finance and Audit Act.

Each year the NAO publishes its Audit Report once it’s submitted to the National Assembly. This extensive report is crucial for evidence-based advocacy by youth seeking to improve good financial governance in Mauritius.


[15] The Open Budget Survey is the world’s only independent, comparative, and fact-based research instrument to measure these essential aspects of governance and accountability: budget transparency, participation, and oversight.
MODULE 2

BUDGET DOCUMENTS IN MAURITIUS: BUDGET CYCLE, CONTENT, AND HOW TO ANALYSE BUDGET DOCUMENTS

Module Objective

By the end of this module, participants will be able to:
- understand the contents of budget documents throughout the budget cycle;
- understand how to use the content of budget documents; and
- understand the importance of their timely publication.

Why are these capabilities needed?

Budgets are very technical by nature. Budget debates are often relegated to economists and other experts, limiting the broader public’s input on the sources of public resources, how these resources are spent, and who benefits from public expenditure. Budget debates, however, shouldn’t be limited to experts. All citizens, youth in particular, have the right to participate in the budget process and to know where public resources come from, how they are spent, and how expenditure is linked to achieving development goals. The Mauritian Government has implemented PFM reforms for over 20 years to improve the budget and planning processes. These reforms include enhancing transparency, accountability, and participation in order to improve allocative efficiency and legitimacy of budgets, which should help government better respond to the needs of citizens and build trust between the government and its citizens.

As a key stakeholder in the budget process, CSOs, citizens, and youth play a unique role. CSOs represent a variety of communities, however, youth are often left out of the policy making process. While the role of youth is important, youth involvement in the budget process in Mauritius is still at a nascent stage. Youth involvement on budget issues is very limited in Mauritius. Mauritian youth often lack a deep understanding of public finance, effective advocacy strategies, and how to be a partner with the government in the budget process. To be effective players in the budget process, youth need to understand content and the purpose of the different budget documents produced by the MOFEPD.
Module Objective

By the end of this module, participants will be able to:
- know where to find sectoral (e.g. health, agriculture, education, etc.) budget information;
- understand how to scrutinise budget documents; and
- understand the basics of value for money in social spending.

Exercise: What do you want to know about the budget?

For the first time, the MOFEPD published a Citizen’s Budget: Le Guide: Notre Nouvelle Normalite: L’Economie de la Vie. Citizen’s Budgets are non-technical versions of the Appropriation Bill and/or Law to present budget information in accessible formats. Many of you indicated your interest in knowing more about sectoral budgets (e.g. health, education, tourism, private sector development, etc.).

**Which budget sector/priority area are you most interested? Why?**

Budget analysis and advocacy by youth and CSOs is often described as detective work. You are now designated as a detective. You now have identified your priority sector. You now have 30 minutes to read Le Guide and answer the following questions.
Budget analysis and advocacy by youth and CSOs is often described as detective work. You are now designated as a detective. You now have identified your priority sector. You now have 30 minutes to read Le Guide and answer the following questions

**Does Le Guide have information on your identified priority sector? If so, what kind of information is included?**

Box 1: Value for Money in social spending

According to CABRI, value for money requires all participants in the budget process to think differently about each decision within this complex cycle. Essentially, governments achieve value for money when they have the right policies (given specific needs), choose the most cost-effective interventions, and implement these interventions efficiently, fairly and with moral considerations. Key within this flow of decisions is also the accountability of each practitioner for the decisions and choices made.

Value for money is different for each sector. CABRI has held various policy dialogues on value for money in different sectors: education, agriculture, infrastructure, health, and Water Access Sanitation and Hygiene (WASH). Key to achieving value for money in different sectors is the capabilities of the budget and planning units of the sectorial MDAs and their ability to convince the MOFEPD on the importance of budget allocations to their respective sectors. Youth can assess value for money, however, it requires building the capacity of youth to conduct quantitative budget analysis. This would require a different capacity building workshop.

Source: https://www.cabri-sbo.org/en/our-work/value-for-money
Is the information in Le Guide useful? Why or why not? What kind of information were you expecting? How could Le Guide be improved?
Module Objective

By the end of this module, participants will be able to:

- understand what is social accountability;
- understand the importance of identifying a problem;
- understand the importance of evidence-based advocacy; and
- know how to develop a budget advocacy plan.

Why are these capabilities needed?

CSOs and youth organisations emerge out of a need to build a culture of transparency, accountability, and participation in the policy-making and budget processes. Mauritian CSOs and youth organisations are now in a stage where they want and need to conduct evidence-based advocacy to establish a working relationship with government actors and hold the government to account in between electoral cycles. CSOs can need to collect data for evidence-based advocacy to push for reforms in various sectors and for improved government performance. What tools do CSOs have to conduct evidence-based advocacy?

CSOs and youth organisations have several tools to enable social accountability. The most common are: community/citizen score cards, social audits, and budget analysis. Community score cards (CSCs) are mechanisms that provide national/central and local government structures feedback from the perspective of users of public services. Social audits also solicit the perspective of users of public services, but they use government documents (tenders, contracts, budgets, etc.) to compare what the government has promised to deliver and what it actually delivers. This methodology was originally conceived in India and has been used widely throughout the African continent. The International Budget Partnership partners in South Africa have adapted the approach to focus on improved sanitation in townships near Johannesburg. While there are some similarities between CSCs and social audits, they have different objectives, require different training, and are implemented differently.

CSO-based budget analysis has solidified the importance of transparency, accountability and participation and are now regarded as key reforms in public financial management. Budget anal-
ysis is the most effective tool that CSOs have to ensure public resources are spent with efficiency and efficacy; to ensure that allocations are made to improve the lives of the most vulnerable citizens; and to reduce corruption. CSOs throughout the continent conduct budget analysis to guide their evidence-based advocacy strategies that lead to improved allocations to social sectors; improved service delivery; and established trust between government and civil society.

The results of the social accountability tool chosen determine the advocacy strategy. Poor results of the assessment can be considered by some to put the implementing organisation against the government and responsible government entity. As such, this relationship can often be adversarial. The benefits of conducting evidence-based advocacy is using the results from the assessment. The argument is no longer that civil society or youth perceive corruption, mismanagement, etc. The argument now ought to be here are the results of conducting an objective assessment with evidence to corroborate the argument and here are possible ways on how to improve. More importantly, the recommendations identified in the report should be used by implementing organisations as a way to partner with government entities to institute reforms for improved service delivery. The results shouldn’t be used to assign blame. They should be used to identify challenges and opportunities to change the status quo. This approach is very different from going to the streets to ask for changes.

How to construct a problem

Prior to using any social accountability tool, it is imperative that Mauritian youth identify a real-world problem affecting the lives of Mauritian youth that the government has introduced and/or implemented interventions to resolve the problem. All successful CSOs and youth organisation advocacy strategies have focused on a specific problem, conducted analysis (using a social accountability tool), and engaged in advocacy based on the results. Only after identifying the problem to be addressed should an appropriate social accountability tool be chosen.
One important question that CSOs need to ask is how to identify the problem and subsequently the scope of the social accountability tool. The following are guiding questions to help CSOs determine how to answer these important questions:

- What are the responsibilities/functions of the national and local government?
- What functions of the national and local government should be evaluated?
- What sector should be evaluated (health, education, economic development, etc.)
- Which region should be evaluated?

CSOs and youth organisations often choose long-term objectives as a problem. A problem isn’t a theory of change. At times, problems are also identified as a lack of a solution as the problem itself. In other words, the symptom of the problem is identified as the problem. This limits the ability of a CSO or youth organisation to tackle the root of the problem and just treat the symptom rather than the root cause of the problem. In the long run, the symptom may be temporarily relieved, however, the problem itself still remains.

The Building State Capability (BSC) programme at the Center for International Development (CID) at Kennedy School of Government at Harvard University developed the Problem Driven Iterative Adaptation (PDIA a step-by-step approach which helps organisations break down their problems into its root causes, identify entry points, search for possible solutions, take action, reflect upon what you have learned, adapt and then act again. The PDIA principles has four principles:[17]

- Local solutions to local problems;
- Pushing Problem Driven Positive Deviance;
- Try, Learn, Iterate, and Adapt;
- Scale through Diffusion


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Per BSC, a good problem is one that:
- matters to key change agents and therefore cannot be ignored
- motivates and drives change
- can be broken down into smaller causal elements
- allows real, sequenced, strategic responses
- is locally driven, where local actors define, debate and refine the problem statement through shared consensus

Box 2 provides guiding questions on how to construct a problem. These questions are meant to help organisations/individuals paint a picture for authorities to drive attention to the problem and identify entry points to possible solutions to the problem.

This requires conducting research on the problem particularly to answer: why does it matter and to whom does it matter? We can also identify the government intervention and the government entity responsible for addressing the issue. The following exercise section is an example on how these questions can be answered in the Mauritian context.

### Box 2: Guiding questions to constructing a problem

- What is the problem?
- Why does it matter?
- To whom does it matter?
- Who needs to care more?
- How do we get them to give it more attention? (How do we measure it or tell stories about it)
- what will the problem look like when it solved?

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EXERCISE: CONSTRUCTING A PROBLEM

What is your problem?

The lack of employment opportunities for youth (18 to 30-year olds) in rural Gambia is one of the country’s biggest challenges. According to the International Labour Organisation (ILO), The Gambia’s youth unemployment rate is estimated to be 12.59% in 2020 (https://www.statista.com/statistics/812009/youth-unemployment-rate-in-gambia/). This rate is significantly higher in rural areas.

Why does it matter?

The Mo Ibrahim Foundation finds that the majority of younger Gambians (18 to 30-year olds) have thought of immigrating and tend to immigrate due to a lack of economic opportunity (Africa’s first challenge: jobs or migration. Forum Report: https://bit.ly/3WWUcLf). These young Gambians tend to go to Europe and tend to find work on farms. These youth could have stayed in The Gambia and been employed in the agriculture sector in their communities. In addition to illegal migration, higher levels of crime in urban areas can be attributed to a lack of employment opportunities for Gambian youth that come from rural areas. Agriculture-led economic growth is crucial for Africa and all African Union members have signed the Maputo Declaration on allocating at least 10% of their country’s budget to agriculture (AU 2003 Maputo Declaration on Agriculture and Food Security: https://bit.ly/3rwvSP5). Key to achieving agriculture-led economic growth is youth participation in agriculture which achieves food security and youth employment (Santiago Ripoll, Jens Andersson, Lone Badstue, Marion Büttner, Jordan Chamberlin, Olaf Erenstein, and James Sumberg. 2017. “Rural transformation, cereals and youth in Africa: What role for international agricultural research?” Outlook on Agriculture 46(3): 168-177: https://bit.ly/3BvoLLp.) While Gambian youth in rural areas have lands, there are 3 barriers to youth involvement in agriculture: 1) agriculture isn’t profitable due labour and other costs; 2) agriculture isn’t productive due to climate change; and 3) agriculture is labour intensive (Spreading No-Till Farming in the Gambia: https://bit.ly/36RTGmW). A lack of access to finance is also identified as a barrier (https://bit.ly/3y4w0YQ).
To whom does it matter?

According to some estimates, 70% of the population in The Gambia is employed in the agriculture sector. The Gambia needs to import many agricultural products to achieve food security. All Gambians need to be concerned with the lack of employment opportunities of Gambian youth in rural areas since everyone is somehow affected. The Gambia is a very young country where two-thirds of the population is under 30 (https://bit.ly/2UAWzpT). The Ministry of Youth and Sports (MOYS), Ministry of Trade, Industry, and Regional Integration (MOTRIE), Ministry of Agriculture (MOA), President’s Office, and Honourable Members of the National Assembly are all concerned with youth employment, agricultural productivity, and food security. Development partners working on these key issues should also be concerned about the effectiveness of the government’s interventions.

Who needs to care more?

The Gambian government via the Gambian National Agricultural Investment Plan (GNAIP) 2011-2015 laid out the importance of the inclusion of youth in the country’s agricultural production as a rural employment strategy (https://bit.ly/3eL4bwS). The International Fund for Agricultural Development (IFAD)’s Country Strategic Opportunities Programme 2019-2024 is anchored to the country’s National Development Plan (2017-2020) and National Youth Policy (2009-2018) (https://bit.ly/3eL1mMm). This strategy calls for “new technologies, modern farming systems, skills, knowledge and market opportunities are essential to attract youth in agriculture” due to The Gambia’s high youth unemployment in rural communities to stem the country’s rural to urban migration. With support of UNDP, the Gambian government designed the Gambia Songhai Initiative (GSI) to tackle growing youth unemployment among rural populations of The Gambia via the youth participation in the agricultural sector (https://bit.ly/3iB0BXf). This project is managed under the auspices of the Ministry of Youth and Sports. This project established an academy to train and graduate future farmers. It also is meant to provide some start-up/seed money. The Ministry of Youth and Sports, Ministry of Agriculture, President’s Office, IFAD, and UNDP need to evaluate the effectiveness of the programme for improved services.
How do we get them to give it more attention?
(How do we measure it or tell stories about it)

In addition to the previous references, there has yet to be any in-depth assessment from the perspective of the students and graduates on employment creation, provision of agricultural inputs, and agricultural extension training. Community score cards will be used to solicit the user’s perspective in the provision of these services by GSI. This is imperative as the project is to be ending soon and seeking new funds to continue its work.

What will the problem look like when it solved?

Rural Gambian youth claiming their family’s land for improved climate-resistant, productive agriculture is key for their economic productivity and prosperity. Previously, The Gambia produced peanuts and cotton. Climate change has severely impacted the number of months of rain. Young Gambians have the example of “Slayman Butch” who first started out with 6 livestock and now currently has over 200 livestock. He started to use the manure from the livestock for compost and fertilizer for his crops and waste from crops to feed his livestock thus creating a productive farming cycle (Spreading No-Till Farming in the Gambia: https://bit.ly/3BxFa1M). No-till farming is a perfect concept to be implemented in The Gambia given the poor status of majority of rural youths who have no access to finance and equipment. This approach is very profitable. New crops could include vegetables such as broccoli and cauliflower for export and the production of agricultural products that are imported to establish these agriculture value chains, ensure food security, and have gainful youth employment.
PROJECTS OF TRANSPARENCY MAURITIUS

- Publication of the Corruption Perception Index
- Transparency Mauritius Nicolas Lambert Investigative Journalism Award in collaboration with the Media Trust
- Training of journalists on Investigative Journalism in Mauritius, Madagascar and Seychelles
- Youth empowerment through talks on Ethics, Integrity and Corruption in schools, colleges, universities and clubs
- Youth Forum in Mauritius and Rodrigues
- Publication of Youth Forums’ resolutions and distribution to decision-makers
- Talks and sketches on ethics, integrity and corruption in Community centres
- Implementation of anti-corruption polices in both the public and private sectors
- Implementation and training on Whistleblowing in Companies
- Code of Conduct/Ethics in public and private organizations
- Training on Ethics at the Police and Prison Training schools in Mauritius and Rodrigues
- Publication of an Ethics Guide for Police and Prison Officers
- Publication of a Code of Conduct for Elections
- Workshop on the Role and responsibilities of Accountants in the fight against Money Laundering
- Sensitising campaigns on Ethics and Corruption through posters, press adverts, on radio and on social media
- Advocacy to promote a law on the funding of Political Parties
- Advocacy for a Whistleblowing Law
- Advocacy for a Freedom of Information Act

Transparency Mauritius is contributing actively to the following initiatives since 2014:

- Public Private Platform against Corruption (this Committee is made up of stakeholders from both the public and private sectors and has made recommendations to the Government with regards to public procurement and the delivery of permits and licences by local authorities among others);
- Private Sector Anti-corruption Task Force (this Committee is working on good governance issues and best practices for the private sector);
- Construction Sector Anti-Corruption Committee;
- MRA Integrity Advisory Council and;
- The United Nations Convention against Corruption Coalition
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