

Establishing a Parliamentary Budget Office as an Element of Good Governance

Jeffrey D. Straussman, *Dean, Rockefeller College of Public Affairs and Policy*
Ari Renoni, *Research Fellow, SUNY Center for International Development*

Strengthening the budgetary role of parliaments is a recent addition to the institutional capacity building repertoire of bilateral and international donors. This paper addresses approaches taken to support the creation of a specialized unit, which we refer to as a “budget office,” within the legislative branch. The budget office is supposed to produce objective budgetary, fiscal and programmatic information for legislators. The case for a non-partisan budget office rests on the assumption that legislatures need a source of information and analysis independent from the executive to effectively execute its legislative and oversight functions. This role can include participation in the drafting, approval, implementation and auditing of the national budget. From the perspective of the United States Agency for International Development (USAID), enhancing the legislature’s power of the purse is embedded in the broader goal of improving good governance. By highlighting USAID-funded legislative strengthening projects implemented by SUNY/CID in Jordan, Kenya, Morocco, and Afghanistan where supporting the development of a budget office is a key component, we present examples of how these budget offices function. There is a significant potential for these units to assist members of parliament (MPs) in understanding the budget process, the broad fiscal challenges facing government, and expenditure control and budgetary tradeoffs that affect present and future spending. These SUNY/CID project cases highlight the challenges involved in creating and sustaining a parliamentary budget office. Finally, in an effort to make budget offices effective and sustainable, we outline several key steps that we believe are important both for donors and the legislative bodies.



CENTER FOR INTERNATIONAL DEVELOPMENT (SUNY/CID)
ROCKEFELLER COLLEGE UNIVERSITY AT ALBANY State University of New York

September 2009

Introduction: What is a Parliamentary Budget Office?

In April 2008, the Budget Analysis Bureau (BAB) of the Moroccan Parliament participated in the most significant budget supervision and bill drafting exercise in the country's history. The independent research of BAB stimulated a 167% increase in regulatory provisions initiated by parliamentary committees of relevant budget and fiscal issues in fiscal year 2008. The parliament also expanded its participation in the formation of the national budget by proposing 24% more amendments to the annual budget bill during the same time frame.¹ This development is a significant departure from the Moroccan Government's past budget process in which the Ministry of Finance allocated and published the national budget with little outside input. The Moroccan Parliament created its budget office in April 2007 to provide analysis of the national budget that is independent from the analysis of budgets from the Ministry of Finance. The State University of New York Center for International Development (SUNY/CID) provided technical assistance to this initiative in a project with funding from by the United States Agency for International Development (USAID). SUNY/CID is part of the Rockefeller College of Public Affairs and Policy, University at Albany, State University of New York.

What the Donor Community Hopes to Achieve

Efforts to strengthen the budgetary role of parliaments are a recent addition to the institutional capacity building repertoire of bilateral and international donors. This approach is consistent with recent literature that equates strong legislatures with democratization (Wehner, 2007). To this end, numerous projects undertaken by USAID, the United Kingdom's Department for International Development (DFID) and other development agencies have been more recently focusing on the power of the purse (Renzio, 2006). Initial reports from these development agencies indicate that even nascent budget offices have already improved legislators' ability to interpret, review and make sound judgments related to the budget (Hubli and Schmidt, 2005; Wehner 2007). The latest World Bank work in this area demonstrates that effective parliamentary budget offices support good governance by helping to enhance greater transparency and accountability (Wehner, 2007).

Donors – USAID in particular – have a strategic interest in strengthening the power of the purse of legislatures because “the budget is an excellent vehicle for implementing recommendations resulting from oversight efforts and lawmaking, as well as an important overall policy tool for setting national priorities and limiting administrative action. A legislature that cannot influence budgetary allocations will find it more difficult to influence the policies of the executive.”² Improving parliamentary involvement with the budget process thus augments the legislature's oversight and policymaking roles by creating an incentive to exercise power vis-à-vis the executive while enhancing its technical capacity. From the USAID perspective, strengthening the legislature's power of the purse is embedded in the broader goal of improving good governance. Developing budgetary expertise is therefore part of USAID's ongoing endeavor to “improve the way legislatures and legislative processes and procedures work to uphold democratic practices”³ (Renzio, 2006; Wehner, 2004; Çağatay, Keklik, Lal, and Lang, 2000).

¹ Details of the PSP relevant to the BAB come from two major SUNY/CID field reports from that project: “[Parliamentary Support Project – April 2009](#)”. English, report to date. AND “[Annual Report – Morocco: Parliamentary Support Project](#)”. USAID. Oct 1, 2007 – Sept 30, 2008.

² USAID [Legislative Strengthening Handbook](#), USAID. 2000. pg. 23.

³ [Governance: Our Strategic Goals and Programs](#). USAID website. Accessed July 30, 2009.

http://www.usaid.gov/our_work/democracy_and_governance/technical_areas/governance/gov_strategy.html

There are some common approaches to donor initiatives. Donors have generally promoted a standard set of budget reforms with several desired outcomes. Transparency, reducing the number of off-budget funds and creating a budget cycle with predictable roles and routines have been advanced for many years. Donors have also advocated spending control to bring spending more in line with available resources. Analytical approaches to budget review have been introduced and, in some countries, a performance orientation has also been promoted as a way to rationalize allocation decisions. *Ex ante* and *ex post* controls have also been introduced to manage spending. All of these improvements make sense and are best practices in budget reform cross nationally (Stapenhurst, 2008). Nevertheless, these reforms focus on the executive budget function for the most part and tend to ignore or downplay the legislature. While the legislature is not likely to be a full partner in the budget process in most countries, providing the legislature to exercise its role of budget oversight by establishing an independent, non-partisan budget office is of more recent vintage—and it is to this theme that we now turn.

Distinguishing Budget Offices from other Legislative Analytic Units

Morocco's recent experience, which we referred to above, is not unique. Independent budget offices can assist members of parliament (MPs) to understand how the budget is put together, the broad fiscal challenges facing government and expenditure control and budgetary tradeoffs that affect present and future spending. Since the national budget has typically been dictated by the executive, parliamentary budget offices provide MPs and committees with the capacity to contribute to the budget process, exercise budgetary oversight and hold the executive accountable for spending and policy initiatives (Anderson, 2008; Wehner, 2008; Pelizzo and Stapenhurst, 2004; Santiso, 2006).

The case for a non-partisan budget office rests on the assumption that legislatures need a source of information and analysis independent from the executive in order to effectively execute its accountability and oversight functions. Barry Anderson (2008: 4-6), who was a senior staff person in the CBO for several years, identifies five core functions of an ideal budget office:

- offer economic forecasts that are independent from the executive branch
- make baseline estimates of revenues and expenditures based on current laws
- analyze the budget of the chief executive
- develop budget projections beyond a single year
- examine proposals for new programs and do policy briefs for existing programs.

One could think of this list as a set of aspirations that a young budget office may work toward over time.

While it is the case that a functioning budget office is not a surefire path to improved fiscal prudence, a well-functioning budget office strengthens the hand of the parliament in its negotiations with the executive. In addition to an independent budget office, legislatures have at least two additional ways to enhance budget oversight – (1) Public Accounts Committees (PACs) and (2) parliamentary research institutes – but they differ fundamentally from budget offices.

PACs are parliamentary committees that have oversight responsibilities for the government's budget. The particular way in which these committees are institutionalized within legislatures varies across the board but these parliamentary bodies tend to perform parallel functions. PACs are only found in Commonwealth countries or those with an historical tie to the United Kingdom.

As a standing parliamentary committee, the role of PACs is to respond to issues referred to it by parliament and pursue its own agenda of fiscal oversight and accountability by investigating governmental financial information (Pelizzo and Stapenhurst, 2008). To execute these functions, PACs often have specific powers to scrutinize government accounts and report on spending. According to a survey of PACs conducted by the Commonwealth Parliamentary Association (CPA) and the World Bank, 87 percent of PACs publish their research, making it available to the public. In contrast to budget offices, PACs are inherently partisan bodies because they are comprised of MPs with political affiliations instead of objective, independent budget office analysts. Nevertheless, PACs do provide an avenue to involve parliament in the budget process (Pelizzo, Stapenhurst, Sahgal and Woodley, 2006).

A research institute, such as the Congressional Research Service,⁴ provides the legislature with independent, objective research that assists committees, commissions and individual MPs with useful information in the legislative process. Parliamentary research institutes produce information on a wide scope of issues, whereas budget offices typically specialize in fiscal and financial analysis that contribute to the adoption of the budget and to developing budgetary implications of a broad range of legislation (Tanfield, 2000; Zuarth, 2002; Gardner, 2005).

The Purpose and Tasks of a Legislative Budget Office

Legislative engagement in budgetary oversight involves participation in the drafting, approval, implementation and auditing of the national budget (Wehner, 2007). Budget offices evaluate complex budget information and produce briefs so that MPs can more easily understand fiscal issues. Ideally, a budget unit also makes these briefs available to the public, primarily the media, civil society organizations (CSOs), interest groups and citizens. An effective, independent parliamentary budget office lends credibility to an executive's budget forecasts simply by screening the budget (Anderson, 2008). Overall legislative capacity is also likely to improve because the majority and minority factions within parliament enjoy equal access to this information, allowing for a strengthening of the technical ability of the parliament as a whole (Wehner and Byanyima, 2004).

Budget offices should also respond in a timely manner to requests by a subset of the parliament to inquiries about the budget implications of any piece of legislation. The objective is to provide MPs with analysis that is independent from the executive so that legislators can exercise their oversight powers conferred by the constitution and/or relevant statutes (Anderson, 2008).

Budget offices have been institutionalized for many years in developed countries. The Congressional Budget Office (CBO) in the United States is the gold standard for budget offices but several other model institutions exist in Canada, Europe and elsewhere⁵ (Wehner, 2008; Johnson and Stapenhurst, 2008; Pelizzo, Stapenhurst and Olson, 2004). These units exist not only in the central government but also in the provincial and municipal levels.⁶ A survey

⁴ The homepage for the Congressional Research Service (CRS), www.crs.gov, has a firewall that prevents public access and only allows viewers to see very basic information about CRS. All reports, search capabilities and other databases are only available to members of congress, state and district offices and legislative support agencies.

⁵ Notable Units in Developed Countries: Congressional Budget Office (CBO), United States: <http://www.cbo.gov/>; Office of the Parliamentary Budget Officer (OPBO), Canada: <http://www2.parl.gc.ca/Sites/PBO-DPB/index.aspx?Language=E>; National Audit Office (NAO), Sweden: http://www.riksrevisionen.se/templib/pages/NormalWithIntrosPage_881.aspx

conducted of 97 governments by the Organization for Economic Co-Operation and Development (OECD) in 2007 reported that the number of full-time staff working at these units ranges from 608 in Belgium and 220 in the United States to five in New Zealand. However, only less than 28% of the countries studied have such an office. Parliamentary budget offices are not necessarily a benchmark for democracy; developed countries including Germany and France do not have such a legislative unit. These units reflect a particular approach to parliamentary development, but they are clearly not a universal norm. In the absence of significant political will within the country or donor support for their creation, budget offices seem to have limited sustainability. This OECD study not only demonstrates the variable types and characteristics of parliamentary budget offices worldwide but also the profound reality that they are not a mainstream feature of legislatures (OECD, 2007; Anderson, 2008).

Ideal Qualifications and Staff

The effectiveness of the budget office in policymaking depends on the expertise of the staff. Ideally, professional budget staff should possess a postgraduate degree in economics, finance, or public administration and policy and have a broad understanding of the economic and fiscal issues that affect the country's budget (Pelizzo, Stapenhurst and Olson, 2004). The budget offices created with the support of SUNY/CID employ between three and five full-time staff with degrees in economics, finance, or law and relevant professional experience, while some have also conducted significant post-graduate work. Analysts in Afghanistan's parliamentary budget office have had previous budget experience either in the Ministry of Finance or other government agencies, demonstrating a high level of professional background. Still, the composition and caliber of each set of staff reflects the national circumstances within which each budget office has to operate.

To buttress the efforts of the full-time analysts, some budget offices include a number of part-time employees. In Morocco's Budget Analysis Bureau (BAB), there is twenty-one part-time staff that attend BAB weekly meetings and report to the BAB Director but also work for various committees within the parliament. Kenya's Parliamentary Budget Office (PBO) utilizes the SUNY/CID-supported Parliamentary Internship Program to provide the PBO with interns to assist full-time analysts with their work. It is crucial for budget office development projects to seek out the most optimally qualified personnel in order to maximize its capacity.⁷

Legislative strengthening projects implemented by SUNY/CID in Jordan, Morocco, Kenya and Afghanistan supporting the development of budgetary involvement are constrained by constitutional and statutory provisions that affect the relative influence of the parliament on the power of the purse. Therefore the degree to which these activities are effective in strengthening the national budget system varies in each SUNY/CID project country. Notwithstanding, because assistance is not only patented to particular country systems but must also adhere to a basic template outlined by USAID, there are naturally some parallel features amongst these otherwise

⁶ California's Legislative Analyst's Office (LAO, <http://www.lao.ca.gov/laoapp/main.aspx>) is a good example of a sub-national budget office, as is the City of New York's Independent Budget Office (IBO, <http://www.ibo.nyc.ny.us/>).

⁷ Information about specific elements of budget offices in Morocco, Jordan, Kenya and Afghanistan come from responses to a questionnaire in February 2009 in which SUNY/CID project country field offices answered several questions about the characteristics and effectiveness of their respective budget office. All subsequent details about budget offices in these four project countries come from those same questionnaire responses.

diverse processes of budget adoption. Salient features of this variance and consistency are highlighted in the subsequent section.

SUNY/CID Projects: Supporting the Creation of a Budget Office

SUNY/CID has been implementing legislative strengthening projects over the past 20 years. Currently, SUNY/CID manages projects in Jordan, Morocco, Kenya and Afghanistan that provide assistance for establishing a parliamentary budget office.⁸ Positive reports from these SUNY/CID projects demonstrate that a significant potential exists for the development of this analytic unit to strengthen parliament. But the experience of past projects in which a parliamentary budget office was established indicate that no matter how strong and effective these units are, they may still not be sustainable. Changes in the political landscape or other abrupt transformations can quickly compromise these units.

1) Descriptive Characteristics of Four Budget Offices⁹ (refer to Table 1)

Table 1 summarizes the major features of the budget offices in the four countries where SUNY/CID is currently implementing legislative strengthening projects. The budget offices supported by SUNY/CID's projects in Jordan, Morocco, and Afghanistan were all established within the past three years, which permits a snapshot at a formative stage of development. The establishment of a parliamentary budget office requires a concerted effort to ensure, first, that elected legislators see it in their interest to take an active role in budgeting as part of their representative and oversight responsibilities. In addition, such an office requires requisite support agencies willing to make legislators effective. Because these offices are internal to the legislature, legislators and committees can commission research, analysis and other information on an exclusive basis. A minor caveat exists in Afghanistan, where the budget office is internal in the sense that MPs and committees consider it an important tool of the National Assembly, though it will soon join the Control and Audit Office (CAO) of the Auditor General. Since the CAO is an appendage of the executive, the position of the budget office relative to the Afghan legislature is in flux.

Following the pattern found in other countries, the budget offices created with the assistance of SUNY/CID are nonpartisan by design, an approach that Anderson (2008: 7) sees as essential to creating a healthy and effective institution. In Jordan, the Parliamentary Budget Office has averted several politically-motivated initiatives in which certain factions attempted to alter budget reports. Resisting such partiality amongst legislators, though not necessarily party-based since formal political parties play a modest role in Jordan's parliament, is evidence of the strength already achieved in this new budget office.¹⁰ It is important, however, not to extrapolate from this anecdote and claim that this experience in Jordan is sustainable. An earlier SUNY/CID project in Bolivia, funded by USAID, helped to establish an independent budget office that seemed to function well for seven years. Unfortunately, because of political issues that were separate from the performance of the budget office, it was disbanded indicating a lack of political will for its continuation. In the Bolivian example, the office was not, in the end regardless of its technical performance, sustainable.

⁸ Former legislative strengthening projects implemented by SUNY/CID also supported to the creation of budget offices, including those in Bolivia, Guatemala and Uganda.

⁹ This section is based on responses to a questionnaire that was sent to the Chief of Party (COP) in Afghanistan, Jordan Morocco and Kenya. The information from the tables and the country specific references in this section come from the responses to the questionnaire.

¹⁰ Information from COP in Jordan.

The legal status of budget offices varies. In Morocco, for example, parliament simply drafted legislation to create the budget office but the path to creation has been much less straightforward in Kenya.¹¹ There, the budget office is embedded in the Parliamentary Service Commission as a department under the Directorate of Research and Information Services. The Fiscal Management Bill 2008, which would make it a permanent entity, is awaiting Presidential approval. Until that happens, the budget office will remain a part of the Directorate. The Kenyan case illustrates that, although the budget office is nonpartisan and primarily technical, it is not free of legal and political wrangling when it is created and when it proceeds to do its work.¹²

Table 1: Descriptive Matrix of Budget Offices in SUNY/CID Project Countries

2) Day-to-Day Activities (refer to Table 2)

Table 2 outlines the day-to-day activities and formal tasks performed by the new budget offices in the four countries. The budget offices conduct regular macroeconomic forecasts, review budgetary allocations in pending legislation and provide analyses of the national budget, all of which parallel the ideal tasks of budget offices outlined by Anderson (2008: 4-6). However, the degree to which these activities are formally required by each parliament varies, particularly since some of these units have yet to become permanent within the parliament's bylaws or through adopted legislation. Some duties are required, based on constitutional or statutory requirements, while others are part of formal or informal mandates when the office was created.

In Jordan, no formal legislation stipulates duties of the parliamentary budget office but its mandate outlines general functions such as analyzing the national budget, providing audit reports and producing research commissioned by MPs or committees. This is not the case in Morocco, where legislation establishing the BAB delineates official duties, such as evaluating the national budget and taxation system and analyzing the financial impact of legislation. Consistent among these four project countries is an effort to perform essential institutional functions, emulating the activities of the CBO and other legislative budget offices in the developed world.

Impact on the Parliament and the Budget Process

Gauging the effectiveness of a parliamentary budget office is difficult given the wide-ranging differences across legislatures worldwide, but there are at least a few indicators of effectiveness: the budget office must be legitimate in the eyes of legislators and committees. If the budget office has credibility, the information it produces must be indeed utilized in vetting legislation or allocating the budget. In addition, functions performed by the budget office should ultimately produce noticeable improvements in parliamentary oversight (Anderson, 2008: 132).

Appendix 1 assesses the initial impact of budget offices in Morocco, Jordan, Kenya and Afghanistan. The data come from email responses to a questionnaire that was sent to the four SUNY/CID Chiefs of Party (COPs) in each country in February 2009. Given the subjectivity of the responders, these responses are the sole opinion and unique perspective of each respective COP. The issues they highlight are as follows:

¹¹ Information from COP in Morocco.

¹² Information from COP in Kenya.

1) Budget Office Legitimacy

The credibility of the budget office often depends on how budgetary analysis published shortly after the inception of the office has influenced the budgetary process. In Afghanistan, the prestige of the National Assembly has increased in the eyes of the Ministry of Finance, which now understands that MPs have a basis for their questions about the executive budget. By improving budgetary analysis the office has been able to strengthen the role of the National Assembly vis-à-vis the executive branch because the Ministry of Finance now realizes that it must confer with the National Assembly, which must, under the constitution, approve the budget, in getting the budget passed.

MPs in Morocco's Majlis have already praised the BAB as an important element in the building of parliamentary capacity. The newly elected President of the Upper House recently requested research from the BAB about ways in which to more efficiently conduct parliamentary activities that pertain to the budget. Following this request, several MPs commissioned similar research so they could be better prepared for the legislative debates about the budget. By serving as a valuable support mechanism, BAB has been able to enhance its credibility and, by extension, help to strengthen legislative capacity.

2) Utilization of Analysis and Reports

The parliamentary budget offices in Jordan and Kenya each prepare analyses on every part of the budget. These reports are used by the Fiscal Analysis and Appropriations Committee in Kenya and the Finance and Economics Committee in Jordan. However, broader use of these reports by MPs is still modest, which is not uncommon given that most MPs are not expected to be experts on or work directly with the budget process. For example, in Afghanistan, products from the budget office are rarely used beyond the Budget and Finance Committee and the National Economic Committee (this is also true in Jordan and Kenya). While engaging MPs beyond those who serve on finance committees is an ongoing objective in Kenya, where committees are required to review annual budgetary allocations relevant to their directive, this goal will invariably take quite a bit of time. Moreover, some MPs, by virtue of their interests, education and ability to absorb budgetary information, are not inclined to pay much attention to non-partisan technical reports produced by a budget office. This is certainly true in developed countries with well functioning legislatures.¹³ It would hardly be surprising to find the same pattern in relatively young legislatures so perhaps the new Standing Orders in Kenya and similar expectations of parliamentary involvement in the budget process are a bit quixotic.

3) Noticeable Improvements in Parliamentary Oversight

Kenya's parliamentary budget office has been a valuable tool of legislative oversight for the Fiscal Analysis and Appropriations Committee. Its role, however, will likely expand significantly to assist all parliamentary committees in the near future. New Standing Orders in Kenya's National Assembly require all committees to scrutinize the budget of the ministries under their respective jurisdiction. The budget office is expected to be a critical resource in

¹³ A current example drawn from the U.S. Senate is the recent debates on health care reform. According to The New York Times columnist David Brooks, the Senate Committees tasked with engaging in this particular debate have become tangled in political disputes to the detriment of arriving at an agreement, in particular one proposal that received an informal endorsement from the CBO. See: David Brooks. "Something for Nothing." The New York Times, June 23, 2009, p. A25.

facilitating this shift, as committees are now tasked with overseeing relevant parts of the national budget.

Morocco's BAB recently assisted a major expansion of the parliament's role in the budget cycle. The BAB backed the Program and Budget Committee in lobbying for a greater inclusion of parliament in the budget cycle. After the BAB began to advocate on the parliament's behalf, the executive increased the parliament's involvement in the budget cycle from seventy days to six months beginning in April 2009. The opportunity for parliament to oversee the national budget has thus been dramatically enhanced, augmenting the demand for and role of the BAB in the coming months.

Conclusions and Recommendations

This CAP note is a snapshot of budget offices at their early stages of development. Initial indications based largely on impressions of COPs are that these budget offices are beginning to carry out tasks that are routinely performed by budget offices in several developed countries. As we have said throughout this CAP note, the parliamentary budget offices in Jordan, Kenya, Morocco and Afghanistan are still in their infancy. Very preliminary assessments are encouraging in the sense that the offices are developing expertise, establishing their non-partisan presence and slowly being accepted as a resource by their respective legislative bodies. As with legislatures more broadly, their institutionalization and sustainability will take years. The budget office is not a substitute for parliamentary strengthening and there is a logical sequence that is embedded in the sustainability of the offices. That is, legislators must first develop both the political will and the analytical skills to perform their oversight function. Once there is progress to that end, a budget office can assist in that function. As they mature they will likely contribute to the building of parliamentary capacity by linking budgetary oversight to good governance. This, after all, is the goal of donor support.

In an effort to make budget offices effective and ensure that they develop in a way that will increase the possibility that they will be sustainable beyond donor financial support, donors and implementers should focus on the following steps when they facilitate the creation of a budget unit in the legislature:

- Require that staff is explicitly nonpartisan and are committed to doing objective, independent analysis. The competitive hiring process should emphasize the professional qualifications of candidates and reject those who demonstrate strong politically partisan sympathies. To bolster this image of nonpartisanship, the office should ideally be located separate from the legislature building to further emphasize its neutral role.
- Emphasize that the information produced by the budget office serves all political parties in the legislature to further demonstrate nonpartisanship. In addition, Anderson (2008) argues that information produced by the budget office may be more useful for minority factions trying to gain a political foothold. According to Johnson and Stapenhurst, "parties in power should resist the temptation to underfund, undermine or politicize independent budget units, realizing that they may be in the opposition someday and will need access to professional budget services" (2008: 154).

Seek to codify the office in statute as a permanent institution and specify its core functions. But, as the example of Bolivia shows, statutory protection, by itself, is not sufficient to guarantee sustainability.

- Create the legal authority to require the executive to provide budgetary information to the legislature. In Kenya, for example, public officials face serious legal repercussions if they do not respond to information requested by the parliamentary budget office.
- Encourage budget office staff to meet with interest groups on both sides of proposed policy issues. This will show that the budget office is actively seeking to understand both sides of all issues, ensuring “the [importance and] appearance of a fair, balanced process” (Anderson, 2008: 136).
- Advocate for legislation that establishes broader budget reforms “designed to strengthen the role of the legislatures in the budget process” (Johnson and Staphenurst, 2008: 155). Comprehensive reform of the budget process will likely enhance the role and responsibilities of an independent, non-partisan legislative budget office.
- Pay levels of staff should reflect those paid to experts in comparable professional capacities. This will also strengthen the pool from which to select budget office staff.
- During the creation of the budget office it is important to stay focused on developing its core mission and areas of expertise to build legitimacy as a professional non-partisan unit. It should avoid being dragged into major political disputes.

Works Cited

- Afghanistan, Open Budget Index 2006. *The International Budget Project: Open Budget Initiative*. Est. part of *Center on Budget and Policy Priorities*. Wash, DC. 2006.
- Anderson, Barry. The Value of a Nonpartisan, Independent, Objective Analytic Unit to the Legislative Role in Budget Preparation. Chapter 9 in “Legislative Oversight and Government Accountability: A World Perspective” by Rick Stapenhurst, Riccardo Pelizzo, David Olson and Lisa Von Trapp. *World Bank Publications*. 2008.
- “Annual Report – Morocco: Parliamentary Support Project”. *USAID*. Oct 1, 2007 – Sept 30, 2008.
- Brooks, David. “Something for Nothing.” *The New York Times*. (June 23, 2009): A25.
- Çağatay, Nilüfer, Keklik, Mümtaz, Lal, Radhika, and Lang, James. Budgets as if People Mattered: Democratizing Macroeconomic Policies. *UNDP/SEPED Conference Paper Series #4*. May 2000.
- Gardner, Bob. Virtual Resources for Parliamentary Researchers: Perspectives and Experience from Around the World. *Parliamentary Centre*. Ottawa, Canada. March 24, 2005.
- Grindle, Merilee S. Good Enough Governance Revisited. *Development Policy Review*, 25 (5): 553-574. 2007.
- Hubli, K. Scott and Schmidt, Martin. Approaches to Parliamentary Strengthening: A Review of Sida’s Support to Parliaments. *Department for Democracy and Social Development: Sida Evaluation 05/27*. 2005.
- Johnson, John K. and Stapenhurst, Rick. Legislative Budget Offices: International Experience. Chap. 10. in “Legislative Oversight and Government Accountability: A World Perspective” by Rick Stapenhurst, Riccardo Pelizzo, David Olson and Lisa Von Trapp. *World Bank Publications*. 2008.
- Jordan, Open Budget Index 2006. *The International Budget Project: Open Budget Initiative*. Est. part of *Center on Budget and Policy Priorities*. Wash, DC. 2006.
- Kenya, Open Budget Index 2006. *The International Budget Project: Open Budget Initiative*. Est. part of *Center on Budget and Policy Priorities*. Wash, DC. 2006.
- Morocco, Open Budget Index 2006. *The International Budget Project: Open Budget Initiative*. Est. part of *Center on Budget and Policy Priorities*. Wash, DC. 2006.
- OECD (Organization for Economic Co-operation and Development): 2001. Best Practices for Budget Transparency. OECD, Paris. <http://www.oecd.org/dataoecd/33/13/1905258.pdf>.
- OECD (Organization for Economic Co-operation and Development). Budget Practices and Procedures Survey. 2007. Database includes this survey, the 2008 World Bank/OECD survey of budget practices and procedures in Asia and other regions, and the 2008

- CABRI/OECD survey of budget practices and procedures in Africa.
<http://webnet4.oecd.org/budgeting/Budgeting.aspx>.
- Parliamentary Library, Research and Information Services of Western Europe. Edited by Jennifer Tanfield. *European Centre for Parliamentary Research and Documentation*. 2000.
- Parliamentary Oversight of Finance and the Budgetary Process. The Report of a Commonwealth Parliamentary Association Workshop, Nairobi, Kenya. Dec. 10-14 2001
- “Parliamentary Support Project – April 2009”. English, report to date. 2009.
- Pelizzo, Riccardo and Stapenhurst, Rick. Public Accounts Committees. Chapter 8 in “Legislative Oversight and Government Accountability: A World Perspective” by Rick Stapenhurst, Riccardo Pelizzo, David Olson and Lisa Von Trapp. *World Bank Publications*. 2008.
- Pelizzo, Richard, Stapenhurst, Rick, and Olson, David. Trends in Parliamentary Oversight. *World Bank Institute*. 2004.
- Pelizzo, Riccardo, Stapenhurst, Rick, Sahgal, Vinod and Woodley, Will. What Makes Public Accounts Committees Work? A Comparative Analysis. *Politics & Policy*. The Policy Studies Organization, Volume 34, No. 4 (2006): 774-793.
- Pelizzo, Riccardo and Stapenhurst, Frederick C. Tools for Legislative Oversight: An Empirical Investigation. *World Bank Policy Research Working Paper*. 3388, Sept. 2004.
- Renzo, Paolo de. Aid, Budgets and Accountability: A Survey Article. *Development Policy Review*, 2006, 24 (6): 627-645. journal compilation Overseas Development Institute, 2006.
- Santiso, Carlos. Banking on Accountability? Strengthening Budget Oversight and Public Sector Auditing in Emerging Economies. *Public Budgeting and Finance*. Summer 2006.
- Schick, Allen. Can National Legislatures Regain an Effective Voice in Budget Policy? *OECD Journal on Budgeting: Governance*. Vol. 1 No. 3. 2002.
- Stapenhurst, Frederick C. and Pelizzo, Riccardo. A Bigger Role for Legislatures. *Finance & Development: A Quarterly Magazine of the IMF*. Vol. 39, No. 4. December 2002.
- Stapenhurst, Rick. The Legislature and the Budget. Chap 3 in “Legislative Oversight and Government Accountability: A World Perspective” by Rick Stapenhurst, Riccardo Pelizzo, David Olson and Lisa Von Trapp. *World Bank Publications*. 2008.
- USAID Handbook on Legislative Strengthening. *The United States Agency for International Development*. 2000.
- Wehner, Joachim. Strengthening Legislative Financial Scrutiny in Developing Countries. Final Report prepared for the *UK Department for International Development*. 16 May 2007.
- Wehner, Joachim and Byanyima, Winnie. Parliament, the Budget and Gender. Handbook for *Inter-Parliamentary Union, United Nations Development Programme (UNDP)*, *World*

Bank Institute, United Nations Fund for Women (UNIFEM). Parliamentarians No. 6. 2004.

Wehner, Joachim. Assessing the Power of the Purse: An Index of Legislative Budget Institutions. Chap. 5. in “Legislative Oversight and Government Accountability: A World Perspective” by Rick Stapenhurst, Riccardo Pelizzo, David Olson and Lisa Von Trapp. *World Bank Publications.* 2008.

Wehner, Joachim. Back from the Sidelines? Redefining the Contribution of Legislatures to the Budget Cycle. *World Bank Institute. 26 pages. Stock No. 37230. 2004*

Zuarth, Roberto Gil. Parliamentary Information Systems. *USAID Peru / Peru Skills Development Project. IQC task order. Sept. 2002.*

Tables and Appendix

Table 1: Descriptive Matrix of Parliamentary Budget Offices in SUNY/CID Project Countries

X-Axis: Descriptive Criteria of BOs Country BOs	External or Internal to Legislature	Temporary or Permanent body	Political or apolitical	Date of creation	Legislation creating Budget Office	Number of and hours worked by Staff/Analysts	Full-time vs. Part-time	Staff's level of education/expertise
Morocco, Budget Analysis Bureau (BAB)	Internal; independent unit administered by Upper House but serves both Houses	pending permanence; to become Directorate during April 2009 session	apolitical and nonpartisan by design	April 24th 2007	Created through a decision of the Upper House Bureau, Signed by Pres. Of House	25 staff including Director	4 full-time and 21 part-time staff; part-time also work for parliamentary committees	Bachelor's and/or Master's degree in Economy, Finance Studies, and/or Law
Jordan: Parliamentary Budget Office (PBO)	Internal;	temporary; administered by SUNY/Jordan LSP - hope to adopt as perm. Institutional structure of Parliament	apolitical and nonpartisan; past politically-motivated initiatives have been successfully resisted	June 1st 2007	approved by Speaker per recommendation of USAID LSP assessment report	3 budget analysts (inc. Director) and 1 support staff; currently recruiting 4th analyst	all full-time; LSP proposed fund to hire occasional expert consultants	budget analysts are university graduates with relevant exp.
Kenya: National Assembly Parliamentary Budget Office (PBO)	Internal;	permanent; further entrenchment pending in Fiscal Management Bill 2008 passed in House 12/2008 and awaiting Presidential assent	apolitical and nonpartisan; expressly serves MPs and committees regardless of political affiliation	July 6th 2006 Fiscal Analysis and Appropriation Committee created, subsequent PBO created in 2007	inbuilt in Parliamentary Service Commission as dept. under Directorate of Research and Information Services; Bill for BO to become law still being debated	3 budget analysts (inc. Principal Budget Officer) and 1 intern	all full-time, interns serve as part of SUNY Internship Programme	All w/ university degrees; 2 analysts have post-graduate degrees, other analyst currently pursuing degree
Afghanistan: Parliamentary Budget Office (PBO)	external because it is funded by CIDA/PAP and will soon migrate to the Control and Audit Office (CAO) of the Auditor General to be financed with World Bank Funds; but Internal because it is accepted by MP's at the Budget Office of the National Assembly (see questionnaire details)	permanent; designed to be a permanent future, but in reality, this depends on the availability of funding for salaries and resources	apolitical and nonpartisan; partly because political parties are inchoate, weak or non-existent in Afghanistan, and partly because its work is patently technical and non- political	est. October 2007	a draft Standing Order (SO) that is still being debated and is yet to be formally approved. The draft is available from the Field Office	4 staff/analysts and 1 director	all full-time	professionals who have had previous budget experience either in the Min. of Finance or other government agencies. The Director is a budget expert who was previously a very high ranking consultant in the Ministry of Finance

Table 2: Tasks and Activities of Parliamentary Budget Offices in SUNY/CID Project Countries

<i>X-Axis: Descriptive Criteria of BOs</i> <i>Axis: Country BOs</i>	<i>Y-Axis: To whom does the Budget Office report?</i>	<i>Formal/required tasks</i>	<i>Day-to-day activities, including informal tasks</i>
Morocco: Budget Analysis Bureau (BAB)	To the Bureau (House's decision making body where all political groups are represented) AND Budget Committee	1) Analysis of the national budget; 2) evaluation of national budget execution; 3) assessment of the executive branch's policy of public debt management; 4) taxation system; 5) analysis of the financial impact of legislation; 6) research about parliament's inclusion in national budget cycle	1) collection of data related to national budget execution; 2) economic analysis of different aspects of Moroccan and international economy; 3) response to MPs' requests; 4) research related to pieces of legislation on parliament's agenda; 5) report about committees' meetings; 6) preparing the BAB quarterly magazine
Jordan: Parliamentary Budget Office	primarily to Finance and Economic Committee, but also Speaker and individual MPs depending on who is requesting assistance	<i>no legal stipulations, but mandate includes:</i> 1) state budget; 2) final accounts; 3) audit reports; 4) any study requested by MPs, committees or other area of the parliament	1) analyzing economic news; 2) develop macroeconomic indicators; 3) training staff of the parliament; 4) answering MPs inquiries; 5) reviewing all related bulletins esp. those issued by Central Bank and Ministry of Finance; 6) attending all economic and financial committee sessions and others as requested; 7) preparing sub-reports to every session; 8) preparing reports about gov't fiscal and monetary performance
Kenya: National Assembly Parliamentary Budget Office (PBO)	reports to Parliamentary Service Commission through the Director and the Clerk of the National Assembly as stipulated in Directorate of Information and Research; Fiscal Analysis and Appropriations Comm., Speaker, and MPs also, depending on who requests assistance	<i>legislation for establishing PBO is not passed, but tasks include:</i> 1) support to MPs in overseeing the National Budget; 2) providing budget-related information to committees; 3) conducting analytical studies requested by the Parliament on budget; 4) liaising with Treasury and other orgs. with interest in budget matters	1) analyze economic news; 2) develop macroeconomic indicators; 3) train staff of the Parliament on budget matters; 4) answer MPs inquiries; 5) analyze Finance Bill and present analysis to Fiscal Analysis and Appropriations Committee and the Finance and Trade Committee; 6) attend sessions of Fiscal Analysis and Appropriations Committee and other upon request; 7) prepare different reports/reviews on gov't fiscal and monetary performance
Afghanistan: Parliamentary Budget Office (PBO)	The BO reports to APAP, but it informs the Chair of the Assembly Budget and Finance Committee of all its work and also responds to the requests and needs of the Committee based on a mutually agreed on yet flexible work plan	1) The Assembly is constitutionally required to approve the government's budget. This analysis is presented first to the Budget and Finance Committee then to the plenary of the Assembly for approval of the National Budget; 2) second most important task of the Assembly is the approval of its year end financial report; 3) ongoing regulatory and financial analyses at the request of individual or joint Committees	1) working with APAP consultant to establish the capacity to produce macroeconomic forecasts; 2) reviews budgetary allocations in pending legislation; 3) produces analyses commissioned by committees; 4) in its analysis of the National Budget it provides comparative analysis with the budget of previous years.

Appendix 1: COP Impression of Budget Office Effectiveness

1) Morocco Budget Analysis Bureau (BAB)

Q: How much credibility does the Budget Office have in the eyes of MPs and Committees?

A: MPs present the BAB as a model of the parliament's administration effectiveness. Recently, the newly elected president of the Upper House requested the BAB to prepare research about "a more efficient management of the budget of the House". The BAB got requests for research from MPs from both houses. The BAB activities are attended by all political parties represented in parliament.

Q: Do MPs/Committees utilize products of the Budget Office in vetting legislation?

A: Yes, both budget committees in the bicameral parliament use the BAB products (fact sheets about the national budget; analysis of the budget and research about budget execution).

Q: Are recommendations made heeded by policymakers, or cast aside?

A: Policymakers use BAB research. In October 2008, the BAB prepared a research on the reform of the Organic Law of Finance. Some MPs in the Lower House used the study to initiate reform process of this law through the budget committee.

Q: Generally speaking, does the Budget Office provide valuable oversight of policymaking itself or the bills pushed through by the Executive?

A: The BAB assists committees in the oversight of the executive implementation of public policies through analysis of ministries' spending. The BAB is a reference for MPs who are drafting legislation including amendments to national budget. Also, it assisted the budget committee to advocate for the inclusion of parliament in the

budget cycle since April session. Thus, they extended the inclusion of parliament in the budget cycle from 70 days to 6 months.

2) Jordan Parliamentary Budget Office

Q: How much credibility does the Budget Office have in the eyes of MPs and Committees?

A: The PBO is highly credible in the eyes of MPs, Committees, and Parliamentary leadership. At present there are some personality differences between the PBO Director and Chair of the Finance and Economics Committee but nothing that threatens the credibility of the PBO.

Q: Do MPs/Committees utilize products of the Budget Office in vetting legislation?

A: PBO prepares budget analysis reports and lists of questions for each segment of the budget. These are utilized by the Finance and Economic Committee. The PBO also provides reports analyzing the performance of the government based on budget data and this report is used by all interested members.

Q: Are recommendations made heeded by policymakers, or cast aside?

A: At times, their advice is heeded, at times discarded.

Q: Generally speaking, does the Budget Office provide valuable oversight of policymaking itself or the bills pushed through by the Executive?

A: The PBO is a valuable tool for the Finance and Economic comm. in the budget making and budget oversight processes. The PBO has not yet been fully utilized by other committees as they deliberate on other non-budget legislation.

3) Kenya Parliamentary Budget Office (PBO)

Q: How much credibility does the Budget Office have in the eyes of MPs and Committees?

A: The PBO is highly credible in the eyes of MPs, Committees, and Parliamentary leadership.

Q: Do MPs/Committees utilize products of the Budget Office in vetting legislation?

A: PBO prepares budget analysis reports and lists of questions for each segment of the budget. These are utilized by the Fiscal Analysis and Appropriations Committee. The PBO provides analysis for sectoral budgets which are shared by the different departmental committees. The PBO also provides reports analyzing the performance of the government based on budget data and this report is used by all interested members.

Q: Are recommendations made heeded by policymakers, or cast aside?

A: There are times when the advice is heeded and times when it is discarded.

Q: Generally speaking, does the Budget Office provide valuable oversight of policymaking itself or the bills pushed through by the Executive?

A: The PBO is a valuable office for the Fiscal Analysis and Appropriations Committee in the budget making and budget oversight processes. Being a newly created office, other departmental committees are yet to fully appropriate the usefulness of the PBO in their work and is therefore not yet been fully utilized by other committees as they deliberate on other non-budget legislation. With the coming into effect new Standing Orders that require all departmental committees to examine the budget of the ministries under their respective mandate, it is expected that PBO will be a significant resource to the various committees.

4) Afghanistan National Assembly Budget Office

Q: How much credibility does the Budget Office have in the eyes of MPs and Committees?

A: The BO enjoys majority, if not total, credibility because it has increased enormously the prestige of the Assembly in the eyes of the Min of Finance, who now knows that the MPs have a basis for their criticisms.

Q: Do MPs/Committees utilize products of the Budget Office in vetting legislation?

A: Little, beyond the Budget and Finance Committee and the National Economic Committee.

Q: Are recommendations made heeded by policymakers, or cast aside?

A: Increasingly heeded by the Ministry of Finance, who realizes it has to negotiate now with the Assembly on the basis of facts in order to get their budget approved.

Q: Generally speaking, does the Budget Office provide valuable oversight of policymaking itself or the bills pushed through by the Executive?

A: Since this is still a nascent Assembly, the Executive is dominant, both in determining the priority bills to be considered by the Assembly and on their passage. But here again, there is much progress, and besides the BO APAP's Legislative Support team is providing capacity building for several target committees to draft amendments to proposed laws.

Note:

Information found in the preceding Tables and the Appendix come from responses to a questionnaire sent to the field offices of SUNY/CID-implemented projects in Jordan, Morocco, Kenya and Afghanistan on February 23, 2009. The COPs of each project answered the same questionnaire to allow for a standard categorization of the responses.