SITUATION NOTE — BUDGET AND FINANCIAL REFORMS

The Steering Framework for Budget and Financial Reforms in Senegal

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1. Background

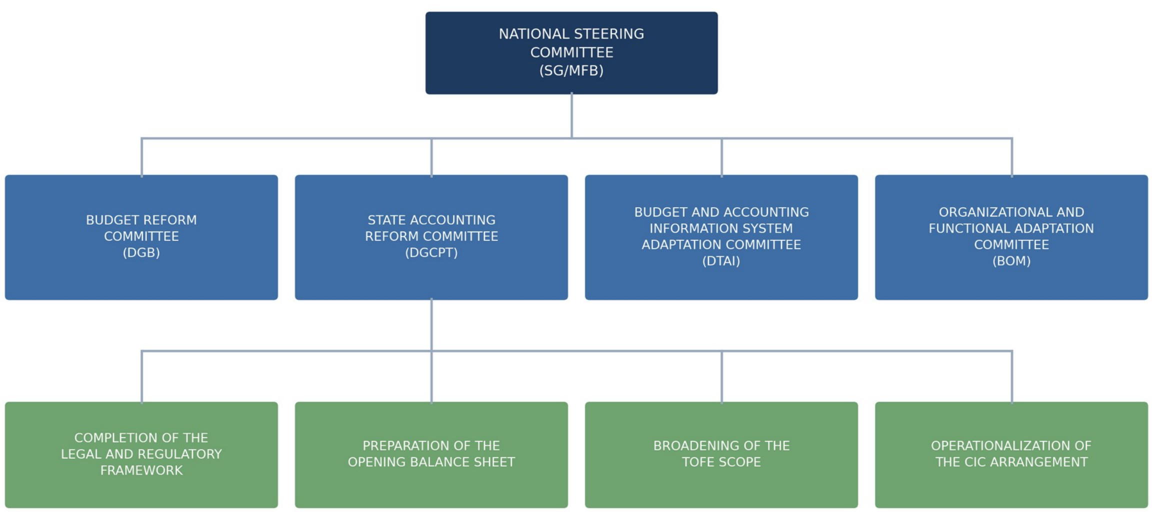
In 2009 the West African Economic and Monetary Union established a new harmonized public financial management framework through the adoption of six directives, bearing respectively on transparency in the management of public finances, finance acts, the general regulation on public accounting, the State chart of accounts, the State budget nomenclature and the table of State financial operations. That landmark decision, taken collectively by the eight member States, had as its principal objectives the effectiveness of public policy and transparency in the management of public finances.

Having successfully transposed those directives into its domestic law within the required time limits, Senegal embarked on the process of implementing reforms that are potentially disruptive to the budget framework and, beyond it, to the organization of the State. Indeed, meeting the implementation challenge presupposes, among other conditions, commitment at the highest level, rigorous steering and sound coordination.

An institutional framework was accordingly established to provide for the steering and monitoring of implementation.

That framework rests on Order No. 0013.282/MEFP of 13 August 2013 establishing the institutional framework for the steering and implementation of the reforms arising from the new harmonized WAEMU public financial management framework, as amended by Order No. 09.295/MEFP of 29 June 2016.

The resulting organizational structure may be represented as follows:



Institutional arrangement for the steering and implementation of budget and financial reforms.

2. Operational status of the committees

2.1 The National Steering Committee

Under the founding order, the National Steering Committee is to meet quarterly and whenever required. It is chaired by the minister responsible for finance or his representative, but relies on the Budget and Financial Reform Coordination Project (PCRBF), which acts as its secretariat. More than that, the PCRBF — in keeping with its purpose and with the responsibilities conferred on it by Order No. 005.222 of 30 July 2003 establishing it — plays a pivotal role within the Committee.

The National Steering Committee no longer meets with the regularity it observed when it was first set up.

2.2 The sectoral technical committees (CTS)

The sectoral technical committee on "budget preparation, execution and control of budget execution". It does meet, but on an irregular basis. It would benefit from being revitalized, given the fundamental role assigned to it under the reform: to prepare and carry out, gradually and in liaison with the sectoral ministries, the transition of budget practice towards the new modes of budget management.

The sectoral technical committee on "accounting reform". It functions fairly regularly through its four technical sub-committees, each placed under the responsibility of one institution. A number of achievements can accordingly be credited to it. One of the main factors impeding its deployment, however, is the absence of a relevant information system, which SIGIF was meant to be.

The sectoral technical committee on "adaptation of the budget and accounting information system". It has not yet reached a level of operation commensurate with what is at stake in this important aspect of the reform. The appointment of the former head of the SIGIF monitoring unit as Director of Automatic Information Processing (DTAI) did not make it possible to capture the positive synergies expected from that well-known fact.

The sectoral technical committee on "organizational and functional adaptation". It was created when the framework was amended by Order No. 09.295/MEFP of 29 June 2016. It does not meet regularly and appears to be lapsing into genuine lethargy. The catalytic effect expected from its creation has thus not yet materialized. Given the emergence of new actors and the adoption of new management rules brought about by programme budgeting, it appears imperative to revitalize this committee so as to enable it to assume its fundamental role, tied to the advisory support responsibilities conferred on its lead institution, namely the Organization and Methods Bureau (BOM). The change management strategy, one of the cross-cutting priorities of the USAID Public Financial Management Support Project, assigns primarily to the BOM — and to a lesser extent to the PCRBF — a role as driving force and relay for the sectoral ministries. That new and decisive role could serve as a ramp allowing this institution to relaunch the committee.

3. Outlook

Among the findings drawn from the diagnosis of the state of reform in Senegal, the following figure prominently:

- The marked asymmetry in capacity between the Ministry of Finance and Budget on the one hand and the sectoral ministries on the other.
- The uneven degree of ownership of the reform and of general capacity within the sectoral ministries, some being pioneers while others lag far behind.
- The relative absence of a permanent framework for dialogue, or for reporting difficulties, between the MFB and the sectoral ministries.

- The bottlenecks that impede the exercise by the sectoral ministries of the responsibilities conferred on them, owing to restricted access to the SYSBUDGEP information system and to the shortcomings inherent in it.

This relatively bleak picture of the state of reform should nonetheless be qualified in the light of the welcome measures now on the horizon. These are the decisions taken under the action plan for the implementation of the new 2022-2027 reform strategy adopted by the Government of Senegal in June 2022. They are intended to reorient the steering of the reform and bring it more into line with the requirements of modern management. They include:

- The overhaul of the institutional framework for reform governance.
- The establishment of a framework for dialogue between the PCRBF and the sectoral ministries.

Dakar, 24 March 2023

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Editorial note. This document reproduces the note of 24 March 2023 without any change of substance: the terminology, the data, the regulatory references and the analysis are those of the original, and no later information has been added. Only typographical, agreement and punctuation errors have been corrected and the layout harmonized. The organization chart has been redrawn unchanged. This is a translation of the French original, which remains the authoritative text.