

2013 Annual ReSAKSS Conference:
Achieving the Maputo Declaration Target and
Prioritizing Public Agricultural Expenditures

Plenary Session IV
Public Agriculture Expenditures Reviews

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*Strengthening National Comprehensive
Agricultural Public Expenditure
in Sub-Saharan Africa*

www.worldbank.org/afr/agperprogram

- **Context:** low government spending, declining ODA
- **Objective:** through analytical support, to promote the articulation of strengthened national comprehensive agricultural public expenditure programs, thereby building consensus for increased levels and efficiency of public expenditure for agriculture in Sub-Saharan Africa.
- **Funding:** BMGF and CAADP MDTF
- **Types of Studies:** (i) Basic diagnostic, (ii) Specialized
- **Countries:** 17, responders to NPCA invitation
- **Workshops:** training and cross-country learning
- **Coordination:** SAKSS Country Nodes, FAO, CABRI
- **Closing:** in August 2014
- **Next:** -> Phase 2 but different?

Areas of Focus in the Basic Diagnostic Analysis

- Is enough being spent? (COFOG, CAADP basis)
 - More countries on increasing trend
- Is the spending on the right things (allocative efficiency)
 - Sub-sector balance
 - Recurrent /investment, personnel / O&M
- Are resources budgeted being fully spent? (technical efficiency)

Is Enough Being Spent?

Figure 1: Total agricultural budget (US\$ million)

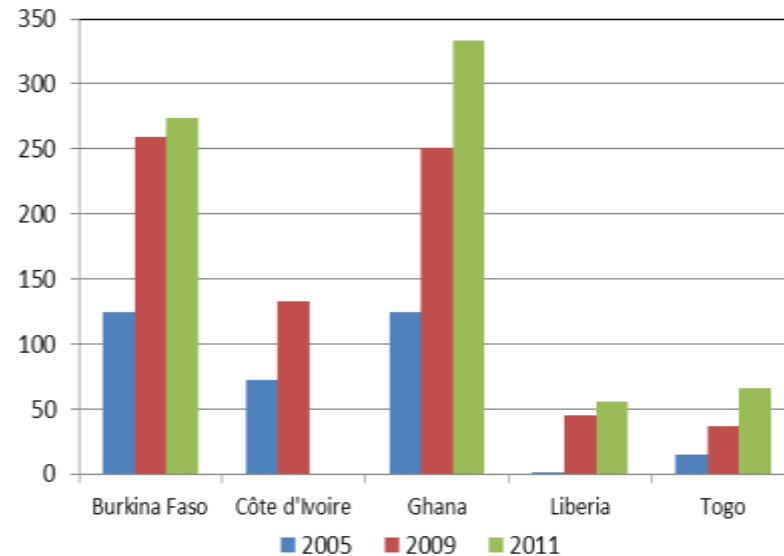


Table 1: Agricultural expenditure as percent of total budget

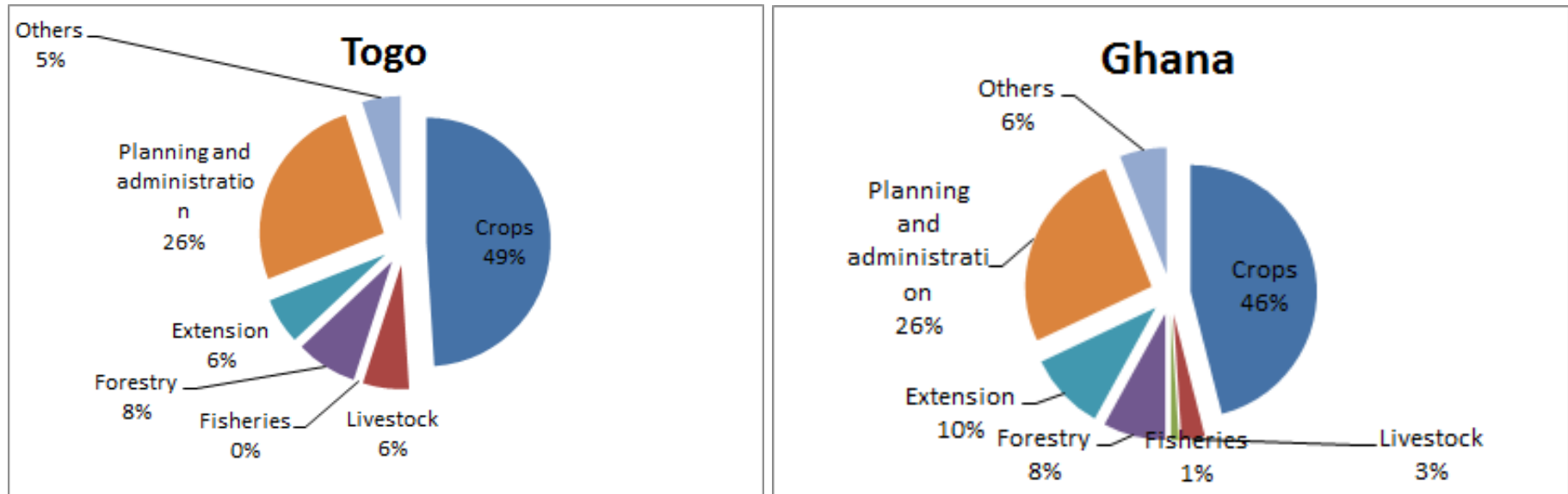
Countries	2005	2009	2011
Burkina Faso	9.2	10.9	9.5
Côte d'Ivoire	2.8	3.3	-
Ghana	8.4	10.3	11.2
Liberia	-	7.2	6.7
Togo	5	5.1	5.7

Table 2: Relationship between expenditure and sector outcomes, select countries

Country	Share of Ag Spending in National Budget, 2009, %	Ag Spending per capita, 2009, \$	Share of Ag Spending in Ag GDP, 2009, %	Average Ag Output Growth 2001-2009, %
Burkina Faso	10.9	20.8	9.2	3.22
Côte d'Ivoire	3.3	19.1	2.3	1.4
Ghana	10.3	25.8	5	4.17
Liberia	7.2	4.7	6.8	1.05
Senegal	10.9	51.1	20.4	3.62
Togo	5.1	11	3.6	1.39

Is Spending on the Right Things?

Figure 2: Sub-sector composition of public expenditures, Togo, Ghana



Are budgeted resources being fully spent?

Table 4: Execution rates for selected countries and years

	Wages	Non-Wage Recurrent	Internally Funded Development/ Capital	Donor Funded Development/ Capital
Burkina Faso (2004-2011)	90%	72%	84%	59%
Côte d'Ivoire (1999-2010)	90%	62%	35%	23%
Senegal (2005-2010)	100%	94%	89%	N/A
Togo (2002-2010)	104%	71%	69%	23%

Table 5: Execution rates, by spending type, over time in Burkina Faso

		2004-2005	2006-2008	2009-2011
Ministry of Agriculture and Water	Recurrent	74%	92%	92%
	GoBF Funded Investment	76%	66%	95%
	Donor Funded Investment	61%	68%	49%
Ministry of Livestock	Recurrent	67%	88%	99%
	GoBF Funded Investment	25%	52%	93%
	Donor Funded Investment	67%	38%	52%

Expenditure Data Issues

- Off-budget expenditure
- Sector/sub-sector performance data, for impact assessment
- Investment expenditure clean-up for recurrent/capital classification (mostly donor projects)
- Multiple ministries for COFOG scope
- Expenditure data re-aggregation for presentation by sub-sector
- SOE's – state enterprises of non-commercial nature, may be important to capture full income/expenditure analysis, not just net annual position vis Treasury
- Updating for most recent years
- Sub-national data capture (Nigeria, Sierra Leone)
- Agencies expenditure data
- Expenditure data re-aggregation for Program presentation (Burkina Faso)
- Expenditure data re-aggregation for regional/spacial presentation (Burkina Faso, Ghana)
- NGO expenditure on public goods

Can MinAgs Solve this Alone?

- Sustainably getting easier data collection -> solve the problems at the source, in treasury information systems and reporting:
 - Treasury implementation of capture, comprehensively, of donor project expenditure to bring it on budget
 - Adding information coding capacity to Treasury budget systems, e.g. code/variables for region of expenditure occurrence
 - Training of budget data management staff is a big issue, and more needed so as to capture data accurately. This is true whether: (i) data systems are being upgraded to capture more expenditure points (e.g. agencies), with new staff; (ii) adding new variables to expenditure coding (e.g. region, or program); and (iii) getting better application of definitions (e.g. of recurrent, capital expenditure).
- Collaboration needed with MinFins to get the right architecture for treasury reports, placement/training of budget staff.

Four Challenges for Countries

- Planning
- Rebalancing
- Implementing
- Adjusting on evidence

Four Challenges for Countries: Planning

Strengthening the articulation in sector strategies of public expenditure priorities - for both recurrent and capital expenditure - as the basis for building stronger ownership and accountability for sector budgets

Four Challenges for Countries: Rebalancing

Spending smarter

(and perhaps less) on inputs subsidies by more clearly defining objectives, targeting and exit strategies

to free up resources for underfunded subsectors (often livestock and production forestry) and public services essential to improved sector outcomes (including research)

Four Challenges for Countries: Implementing

- Incorporation of off-budget expenditure – often related to donor-financed projects-- into the regular sector budget to enable full-budget management for results by the responsible ministries;
- Under Ministry of Finance leadership, increased integration of Ministries of Agriculture and their reporting agencies with computerized government budget management, payroll and treasury account management systems, to facilitate more routine and up to date expenditure tracking and analysis for improved efficiency and impact.

Four Challenges for Countries: Adjusting on evidence

- Improving M&E - increasing qualification, motivation, stability, and numbers of M&E staff, and improving data collection, storage and dissemination.
- External finance will remain important to reach expenditure targets. But funds from different sources must be well integrated and harmonized for management of whole budgets to improve and execution rates to rise. Aid fragmentation's downsides are known... solutions must continue to be sought to increase reliance on national systems for fiscal management, and to align funding with sector programs.

Challenges for Design of Programs to Support Country Agric PE Management

- Basic Study -> “lite” update
- Basic Study in further countries
- Move on to specialized studies
- Country control of process
- Access to / mobilizing expertise
- Informal network building
- Cross-country learning
- Complementarity/Coordination under AU leadership