

Niger: Public Expenditure and Financial Accountability (PEFA) Assessment

This Public Expenditure and Financial Accountability (PEFA) assessment report on Niger was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed in March 2013. The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of Niger or the Executive Board of the IMF.

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Niger

*Public Expenditure and Financial
Accountability (PEFA) Assessment*

March 2013

INTERNATIONAL MONETARY FUND

Fiscal Affairs Department



NIGER

PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY (PEFA) ASSESSMENT

Final Report

March 2013

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ABBREVIATIONS

ACCT	Central Treasury Accounting Agency
AFRITAC	Africa Regional Technical Assistance Center
ANFICT	National Financing Agency for the Sub-national Authorities
ARMP	Government Procurement Regulatory Agency
AYOROU	Name given to the macroeconomic forecasting model
BCEAO	Central Bank of West African States
BL	Budget Law
CAADIE	Autonomous Domestic Government Debt Amortization Center
CDBF	Budget and Financial Discipline Section
CEGIB	Government Accounting and Integrated Budget Management
CFAF	African Financial Community franc
COFOG	Classification of the functions of government
COGES	School Management Committees
COTECNA	Société de contrôle et de certification commerciale
CSI	Integrated Health Center
DD	Directorate of the Debt
DEP	Directorate of Studies and Planning
DGB	Directorate General of the Budget
DGCF	Directorate General Of Financial Control
DGCMP	Directorate General of Procurement Oversight
DGD	Directorate General of Customs
DGEP	Directorate General of Studies and Forecasting
DGI	Directorate General of Taxes
DGIF	Directorate General of the Office of the Finance Inspector
DGTCP	Directorate General of the Treasury and Public Accounting
DIF	Directorate of Financial Information Technology
DPBEP	Multiyear Budget and Economic Programming Paper
DPPD	Multiyear Expenditure Programming Paper
DRF	Directorate of Financial Reforms
DSOP	Expenditures without prior authorization
FP	Public Finances
GAA	Government administrative agency [<i>établissements publics administratifs, EPA</i>]
IGE	Office of the Government Inspector General
IGST	Office of the Inspector General of Treasury Units
INS	National Statistics Institute
LAP	Payment Authorization Letter
LFR	Supplementary Budget Law
LOLF	Organic Budget Law
MF	Ministry of Finance
MPATDC	Ministry of Planning and Land Use
MS	Sectoral Ministry
MTEF	Medium-Term Expenditure Framework
NRA	Nonrepayable aid

DCE	Government Disputes Directorate
DPG	General Policy Declaration of the Government
HIPC	Heavily Indebted Poor Countries
MDG	Millennium Development Goals
MSFP	Public Finance Statistics Manual
NGO	Nongovernmental Organization
NIF	Tax ID Number
PDES	Economic and Social Development Plan
PDS	Health Development Plan
PEFA	Public Expenditure and Financial Accountability
PEMFAR	Public Expenditure Management and Financial Accountability Review
PGT	General Pay Office of the Treasury
PIE	Government Investment Program
PRGFP	Public financial management Reform Program (PRGFP)
RGT	General Treasury Revenue Agency
SDR	Rural Sector Development Strategy
SDRP	Accelerated Development and Poverty Reduction Strategy
SONIDEP	Société nigérienne des produits pétroliers
SP-SDRP	Permanent Secretariat-Poverty Reduction Strategy
SRP	Poverty Reduction Strategy
TFP	Technical and financial partners
TOFE	Table of Government Operations
UNDP	United Nations Development Program
VAT	Value-added Tax
WAEMU	West African Economic and Monetary Union

Currency in effect: African Financial Community franc (CFAF).

US dollar exchange rate as of January 30, 2013: One dollar was equal to CFAF 504

Fiscal year: From January 1 to December 31.

Disclosure of Quality Assurance Mechanism

The following quality assurance arrangements have been established in the planning and preparation of the PEFA assessment report for the Niger final report dated February 19, 2013.

The assessment oversight team was established on June 26, 2012 by the finance minister. It was chaired by Mr. Abdou Maidagi, Chief of Cabinet at the finance ministry (MoF) of Niger, and comprised of key stakeholders from various ministries and institutions, including:

- Messrs. Mahaman Sani Kanta and Hamza Mayata, General Directorate of Financial Reforms, MoF
- Mr. Maissa Djibo Diouf, General Directorate of Budget, , MoF
- Mrs. Souleymane Gambo, General Directorate of Treasury and Public Accounting , MoF
- Mrs. Aissa Miginyaoua, General Directorate of Tax, MoF
- Mr. Labo Mamane Souley, General Directorate of Customs, MoF
- Mrs. Fatimata Falalou, Ministry of Planning
- Mr. Hamidou Garba, Court of Accounts
- Mr. Farouk Abdoukarim, Inspectorate General of State.
- Mr. Maman Sani Zakari, Inspectorate General of Finance, MoF
- Mr. Daouda Chaibou, General Directorate of Control of Public Procurement, MoF
- Mr. Ango Issa Zango, Central Bank of West African States
- Mrs. Gambina Garba Sahabi, General Directorate of Finance Control, MoF
- Mr. Adamou Moussa, Directorate of Material and Financial Resources, Ministry of Agriculture
- Mr. Garba Moussa Abdoukader, Ministry of Interior
- Mr. Yaou Seini, Directorate of Material and Financial Resources, Ministry of Education
- Mrs. Fatouma Ali, Agency of Public Procurement Regulation, Prime Minister's Office
- Mrs. Mariama Soumana, Directorate of Material and Financial Resources, Ministry of Public Health
- Mr. Ismael Zaneidou, Ministry of Public service

The assessment team consisted of:

- Mr. Jean Pierre Nguenang (Team Leader, Fiscal Affairs Department (FAD), IMF)
- Mr. Gregory Allen Horman (FAD, IMF);
- Mr. Abdelali Benbrik (FAD expert)
- Mr. Mario Dehove (FAD expert)
- Mr. Jean-Marcel Warnier (FAD expert).

1. Review of Concept Note and/or Terms of Reference

- Draft terms of reference dated September 2012 was submitted for review on September 13, 2012 to the following reviewers:
 - 1) Mr. Charles Seibert and Mrs. Helena Ramos (PEFA Secretariat)
 - 2) Mr. Eric Brintet (World Bank)
 - 3) Mr. Abdou Maidagi (Chief of Cabinet at the MoF of Niger and Coordinator of the established Working group on PEFA)

- 4) Messrs. Johannes Mueller, Kris Kauffmann and Xavier Rame (FAD, IMF)
Final terms of reference were forwarded to reviewers on September 25, 2012.

2. Review of draft report(s)

- Draft report dated November 14, 2012 was submitted for review on November 14, 2012 to the following reviewers:
 - 1) Mr. Charles Seibert and Mrs. Helena Ramos (PEFA Secretariat)
 - 2) Mr. Eric Brintet (World Bank)
 - 3) Mr. Abdou Maidagi (Chief of Cabinet at the MoF and Coordinator of the established Working Group on PEFA, Niger)
 - 4) Messrs. Johannes Mueller, Benoit Taiclet and Xavier Rame (Fiscal Affairs Department, IMF)

3. Review of final draft report

A revised final draft assessment was forwarded to reviewers on January 11, 2013 and on January 25, 2013 included a table showing the response to all comments raised by all reviewers.

- 4. This form, describing the quality assurance arrangements is included in the revised draft report.**



PEFA assessment report Niger, February 19, 2013

The quality assurance process followed in the production of this report satisfies all the requirements of the PEFA Secretariat and hence receives the '**PEFA CHECK**'.

PEFA Secretariat, March 7, 2013

Summary of the Assessment

At the request of the Minister of Finance of the Republic of Niger, the IMF Fiscal Affairs Department (FAD) performed an assessment of the systems, procedures and public financial management institutions for the 2009–2011 period according to the revised “public expenditure and financial accountability” methodology or PEFA. The assessment was performed in Niamey from October 3 to 17, 2012, in close cooperation with the PEFA dedicated study working group (WG), coordinated by the Director of the Cabinet of the Minister of Finance, consisting of the representatives of the key ministries and institutions. This assessment reports on the progress that has been made since the last PEFA assessment in 2008. Thus, it establishes a new benchmark to monitor progress in implementing the public financial management reforms. It is used as a basis for the work of fine-tuning the current Public financial management Reform Plan (PRGFP) of the authorities.

Key findings of the PEFA assessment

Overall, the measurement of the public financial management performance indicators shows that progress has been insignificant. Of the 31 indicators, 21 were ranked the same or lower than their 2008 level. Only ten indicators improved slightly. The progress that was observed was obtained mainly in areas that received foreign technical assistance, namely public policy-based budgeting owing to the introduction of the medium-term expenditure frameworks and the preparation of a government debt strategy, and the improvements of the revamped procurement system.

Reform programs in progress in the area of oversight and external auditing are moving ahead; as this trend continues, the progress will be reflected in the scores of subsequent assessments. However, the progress of the external audit will continue to depend on positive trends in the area of accounting, information recording and financial reporting. The persistent weaknesses observed in the area of accounting also limit the extent of progress in policy-based budgeting. The budgetary and financial information required for analysis and decisions is incomplete, unreliable and irrelevant. The production of quality budgetary information is hampered by the fact that the information generated by the Directorate General of the Treasury and Accounting does not reach the database managed by the Directorate General of the Budget. In the end, these results are reflected in the poor credibility of the budget.

The summary of the results of the assessment in each of the six dimensions of the performance measurement framework and of donor practice is as follows.

Credibility of the budget. The credibility of the budget continues to be unsatisfactory despite efforts to limit the creation of new payment expenditure arrears (PI-1 to PI-4). The poor mobilization of domestic resources has a negative impact on credibility, and is in part the reason for the changes in the level and composition of spending by agency in the 2009-2011 period. This contributes to the accumulation of domestic arrears, albeit limited (1.7

percent of total expenditures), and are added to the older stock, a portion of which was cleared.

Comprehensiveness and transparency. Progress in comprehensiveness and transparency was insignificant (PI-5 to PI-10). Public access to key information continues to progress insufficiently after the public was provided with an increasing quantity of budgetary and financial information. The budgetary documentation submitted to the National Assembly has been improved, in particular with the information on tax exemptions and the public debt strategy paper. By contrast, there has been no change in the transparency of the annual budget since 2008, and the information is incomplete because a substantial percentage of the revenue collected by some ministries, such as Justice, Foreign Affairs or Health, is not included in the reports. The budgeting of projects financed by donors has improved, but is still insufficient. Relations between the central government and sub-national authorities continue to lack transparency due to the absence of rules for the horizontal allocation of resources from the central government for their use. The oversight of budget risk in government agencies and enterprises has remained unchanged since 2008, primarily because there is no unit that oversees and/or consolidates their budget and financial statements.

Budgeting based on national policies. Budgeting based on national policies has improved, although it is weakened by the poor quality of budget execution data (PI-11 and PI-12). Even though the draft budget laws were submitted to the National Assembly on time, the sectoral ministries, by contrast, had an average of less than four weeks to prepare their budgets. The circular letter is not exhaustive, because it fails to differentiate between information on authorized services [*servicios votés*] and new measures. Since 2010, the budgetary procedure introduced the components of a medium-term expenditure framework that is linked to the macroeconomic and budgetary model known as AYOROU. However, the budget estimates are used for forecasting and not for execution. The links between the budget estimates and the subsequent setting of annual budgetary ceilings do not appear clearly and discrepancies are unexplained. An analysis of debt sustainability is produced each year, and sectoral strategies for priority sectors that account for more than one-third of total expenditures exist and are updated. However, investments are relatively unaligned with existing sectoral strategies.

Predictability and control of budget execution. Regarding the predictability and control of budget execution, with the exception of the procurement system, little progress was observed (PI-13 to PI-21). The highlight of the recent period was the preparation of a General Tax Code, enacted in June 2012. However, progress was slower in the area of simplifying the system of tax and customs exemptions, in formalizing and disseminating administrative procedures, and in improving the settlement of tax disputes. The registration process improved somewhat in 2010 and 2011, in terms of the requirement of being registered in order to bid on government contracts or to engage in import activities. There are programs for tax audits based on findings from previous reviews of taxpayer returns and/or

crosschecks, but they are not based on real risk assessment criteria. The funds that are collected are transferred regularly to the Treasury, but the time frame for mobilizing them is not optimized. For the execution of expenditures, a quarterly budget regulation system is in place. The data on the internal and external debt is relatively complete and is reconciled every year. The results of the 2012 survey of government accounts show that there is considerable data, which results in fragmenting the government's cash into accounts whose balances, calculated monthly, are not consolidated. Budget adjustments during the year are made by regulation are used if there are constraints on financial resources, but also by legislation. The procedures for nonrecurring expenditures are significant and reduce the scope for executing expenditures using the normal procedure, which also limits the effectiveness of internal controls of nonwage expenditures. The audit of the payroll statement based on crosschecking it against the personnel database kept by the civil service continues to have only partial coverage due to the existence of the autonomous status provisions introduced beginning in 2010 and managed directly by the agencies concerned. The survey operation carried out in 2009 was not followed by a tabulation of these results. The implementation of the revamped procurement framework has improved. The internal control system has not improved, other than an improvement in following the recommendations; this continues to be below international standards, in particular with regard to the independence of systems programming and control.

Accounting, information recording and financial reporting. In the area of accounting, recording information and financial reporting, there was an overall deterioration compared to the 2008 assessment (PI-22 to PI-25). Although the systems that provide the central government with information on the resources that the local health centers and schools receive continue to suffer from constraints, expenditure reviews and annual surveys have been carried out in these sectors. Bank accounts, suspense and prepayment accounts are settled every year, but delays are significant, at more than a year. In-year and end-year reporting on budget execution remains poor. The quarterly reports are unclear, incomplete, and insufficiently reliable. In the annual financial statements, there are significant delays of more than a year for finalizing and submitting them to the Audit Office. At the time of the assessment, the last draft budget review law that was finalized and submitted to the Audit Office was the one for 2007, and the latest end-year treasury account dated back to 2008; after the assessment, the draft 2008 and 2009 budget review laws were finalized and sent to the Audit Office. The draft budget review laws and end-year treasury accounts for 2010 and 2011 are being finalized. Consequently, the draft finance law for year (n+1) is being examined, but the budget review law for year (n-1) has not been submitted to the Assembly.

External oversight and audit. External oversight and audit have improved, but their effectiveness is hampered by weaknesses in government accounting (PI-26 to PI-28). The external audit has been strengthened, inasmuch as the Audit Office was established in 2010 and began operating vigorously and authoritatively. However, the Audit Office considered that the current legal framework made it impossible for it to perform its judicial review in the

area of tax and customs revenue. Its work is hampered by the delays caused by the Ministry of Finance in producing the accounts and draft budget review laws, and its effectiveness is weakened by the insufficient attention that the executive pays to its recommendations. Although it does not hold a debate before the fact on the major budgetary policies and the status of public finance, the National Assembly does have procedures and methods to review the draft budget law and they are clear, precise and effective. The Assembly holds hearings of officials and key figures and has the time needed to perform the review so that it is fully informed. The rules for reallocating funds during the year by the executive are adequate, but the practice of supplementary budget laws limits the real extent. Relations between the National Assembly and the Audit Office have made insignificant progress: (i) at the time of the PEFA assessment, there had been no debate on the 2007 budget review law; (ii) after the assessment, in December 2012, the 2007, 2008 and 2009 budget review laws were enacted; and (iii) the Assembly has not yet received the results of the Audit Office judicial and administrative audits which, nonetheless, were sent to it recently. The National Assembly put in place a framework for having the executive monitor its recommendations.

Donor practice. There was no progress in donor practice (D-1 to D-3). There were in fact lags in the quarterly disbursement of direct budget support agreed upon with donors that surpassed 50 percent in 2009 and 2010. Some key donors only provide annual estimates of disbursements of project aid and program aid, and the estimates are not disaggregated according to the economic categories of the government budget classification. Even though some donors use the national procedures, the amounts of the funds paid using this procedure remain low.

Consequences of the findings of the PEFA assessment on meeting the public financial management objectives

Fiscal discipline and the strategic allocation of resources were negatively affected by the lack of budget credibility. This lack of credibility generated negative baseline budget balances and significant funding shortfalls during the period under review. A portion of these deficits was funded by continuing to establish new domestic expenditure payment arrears (albeit on a limited scale). Due to finite budget resources, the leeway of the authorities was reduced, creating funding shortfalls for some priority expenditures. The reallocations of expenditures that ensued changed the original resource allocations somewhat.

These issues are exacerbated by the weaknesses in the internal controls of nonwage expenditures, in part due to the significant use of procedures for payments without authorization, which weakens the production of budget and accounting reports. In this context, no relevant information was available to establish the costs of services or to measure the actual use of resources by the beneficiary units.

Prospects for preparing and implementing the reforms

The results of the current PEFA assessment confirm the evaluations of the public financial management systems summarized in the public financial management reform program (PRGFP2), implemented beginning in December 2011. The implementation of these reforms is facilitated by putting in place a monitoring-evaluation system around two key entities: (i) a steering committee chaired by the Minister of Finance and consisting of donor representatives; and (ii) a technical committee, chaired by the secretary general of the Ministry of Finance, consisting of representatives of the partner entities in the preparation and execution of the reforms.

Table 1. Summary of the PEFA 2012 assessment compared to the 2008 assessment

		2008 Score	2012 Score	Change
Credibility of the budget				
PI-1	Aggregate expenditure outturn compared to original approved budget	C	D	↓
PI-2	Composition of expenditure outturn compared to original approved budget	A	C+	↓
I. PI-3	II. Aggregate revenue outturn compared to original approved budget	D	D	→
A. PI-4	B. Stock and monitoring of expenditure payment arrears	D+	D+	→
KEY CROSS-CUTTING ISSUES: Comprehensiveness and Transparency				
PI-5	Classification of the budget	C	C	→
PI-6	Comprehensiveness of information included in budget documentation	D	C	↑
PI-7	Extent of unreported government operations	B+	B+	→
PI-8	Transparency of inter-governmental fiscal relations	D+	D	↓
PI-9	Oversight of aggregate fiscal risk from other public sector entities	C+	C+	→
PI-10	Public access to key fiscal information	C	C	→
C. BUDGET CYCLE				
C(i) Policy-based budgeting				
PI-11	Orderliness and participation in the annual budget process	C+	C+	→
PI-12	Multi-year perspective in fiscal planning, expenditure policy and budgeting	C	B	↑
C (ii) Predictability and Control in Budget Execution				
PI-13	Transparency of taxpayer obligations and liabilities	C+	C+	→
PI-14	Effectiveness of measures for taxpayer registration and tax, fee, and customs duties assessment	C	C	→
PI-15	Effectiveness in collection of tax and customs payments	D+	D+	→
PI-16	Predictability in the availability of funds for commitment of expenditures	C+	B	↑
PI-17	Recording and management of cash balances, debt and guarantees	D+	C	↑
PI-18	Effectiveness of payroll controls	D+	C	↑
PI-19	Competition, value for money, controls in procurement and mechanisms for filing complaints	B	B+	↑
PI-20	Effectiveness of internal controls for non-salary expenditure	C+	C+	→
PI-21	Effectiveness of internal audit	C	C	→
C (iii) Accounting, Recording and Reporting				
PI-22	Regularity and timeliness of accounts reconciliation	D	D	→
PI-23	Availability of information on resources received by primary services delivery units	D	C	↑
PI-24	Quality and timeliness of in-year budget execution reports	D+	C+	↑
PI-25	Quality and timeliness of annual financial statements	C+	D+	↑
C (iv) External Scrutiny and Audit				
PI-26	Scope, nature and follow-up of external audit	D	D+	↑
PI-27	Legislative scrutiny of the annual budget law	C+	B+	↑
PI-28	Legislative scrutiny of external audit reports	C+	D+	↓
DONOR PRACTICES				
D-1	Predictability of direct budget support	D+	D	↓
D-2	Financial information provided by donors for budgeting and reporting on project and program aid	C+	D+	↓
D-3	Proportion of aid that is managed by use of national procedures	D	D	→

I. INTRODUCTION

1. **The purpose of this report on public expenditure and financial accountability (PEFA) is to provide a common framework of information on the current status of public finances in Niger.** The 2012 PEFA assessment measures the progress since the previous PEFA assessment in 2008 and identifies the areas in which public financial management performances have changed in the last four years, and the reform programs or other factors that contributed to these changes. The assessment will serve as a basis for fine-tuning the public financial management reform program.
2. **This PEFA assessment is being conducted in a context highlighted by the adoption in September 2012 of an Economic and Social Development Plan (PDES) for 2012 to 2015.** The PDES is the successor to the General Declaration of the President (DPG).
3. **With financing from Japan, and at the request of the authorities, the IMF Fiscal Affairs Department (FAD) performed the current PEFA assessment.** A team led by Mr. Jean Pierre Nguenang, FAD Technical Assistance Advisor, with Messrs. Gregory Allen Horman (FAD), Abdelali Benbrick, Mario Dehove and Jean-Marcel Warnier (FAD experts), carried out this assessment. The dedicated working group for this study coordinated the assessment under the supervision of Mr. Abdou Maidagi, Cabinet Director of the Ministry of Finance, along with representatives from the ministries and institutions.
4. **The working group held meetings and collected and submitted the documents to the assessment team while the assessment team was in Niamey.** The working group organized, as scheduled, two workshops. The first was an introduction and assisted in familiarizing the Nigerien party with the new 2011 PEFA methodology, while the purpose of the second workshop was to present the preliminary assessments of the 31 indicators. The assessment team held two working sessions with the donor dialogue framework on fiscal management. The first was an introduction and the second was a debriefing: (i) a summary of all the preliminary results of the assessment; and (ii) more in-depth on the three indicators that deal with donor practice.
5. **The 2012 PEFA assessment was performed based on the January 2011 revised PEFA framework, the highlight of which was the revision of three out of the 31 indicators (PI-2, PI-3 and PI-19).** All of the methodology guides the PEFA Secretariat provided were used, including the guides for the repeated assessments. The assessment covered the 31 indicators in the PEFA framework. In particular, the assessment period for indicators PI-1 to PI-4 covers the three fiscal years from 2009 to 2011. The key sources of information were the texts of laws, decrees and decisions, as well as reports, some of which are public, while others were made available to the mission.
6. **The assessment covered revenue operations as well as expense operations in the general government budget, extrabudgetary expenses, as well as project aid from donors.** The central government commits a significant percentage of public expenditures,

including the funds delegated to the regions, which vary between 10 and 15 percent of government expenditures (see Table 2). Expenditures for grants to government agencies, of which there are roughly 63, account for approximately two percent of government expenditures. There are no transfers to local governments, which consist of 255 communes. However, for the 2012 budget, the government planned to allocate an amount equal to less than one percent of total government spending to the eight regions of the country.

Table 2: Number (and percentage of expenditures) of government public entities

	Number of entities	Percentage of total public expenditures
Central government *	26 ministries and 8 deconcentrated units	97.7
Government agencies	63	2.0
Sub-national authorities	255	0.3

*Includes the ministries, directorates and deconcentrated entities
Source: Nigerien authorities, January 2013.

7. **All the stakeholders were interviewed**, including the officers of the working group, the Ministry of Finance, and the other ministries and partner institutions such as the Audit Office, the Office of the Government Inspector General, the National Assembly and its Finance Committee, as well as civil society. The list of names of the people we met is in Annex 2.

8. **In addition to the government of Niger, three other institutions took part in the review of the preliminary PEFA assessment report.** The government prepared its comments on the preliminary PEFA report based on the internal work of the expanded working group that was mobilized at a one-day workshop held in Niamey on January 21, 2013. Its comments were taken into account for producing the final report. The World Bank, a member of the Niger donor dialogue framework, prepared and submitted its comments on the preliminary version of the PEFA report. The PEFA Secretariat reviewed the preliminary report and submitted its comments; in accordance with its terms of reference, it refrained from checking the quality of the data that was submitted and analyzed. Finally, the FAD internal review committee performed the internal review and quality control of the preliminary PEFA report. The report was enhanced by comments that were provided and by a separate annex of the final report, which includes the responses to the comments. The report was delivered to the institutions that reviewed the report.

9. **This final performance report followed all of the steps of the advanced quality assurance procedure, known as “PEFA CHECK,” which led the PEFA Secretariat to issue the disclosure that appears before the Summary of the Assessment.** In addition to this introduction (Section I), the performance report consists of the following sections:

country background (Section II), assessment of the systems, procedures and public financial management institutions (Section III), and the government reform process (Section IV). The Minister of Finance, His Excellency Gilles Baillet, authorized the publication of the final 2012 PEFA report on January 30, 2013.

II. NIGER BACKGROUND

A. Economic situation of the country

10. **The country is vast and landlocked, and the population is growing rapidly.** Niger covers an area of 1,267,000 km². The closest port to the country is the Port of Cotonou in Benin, located about 1,000 km away. Thus, most of Niger's foreign trade is over land, and the main corridors are Benin, Togo and Côte d'Ivoire via Burkina. According to the estimates of the National Statistics Institute (INS), the population of Niger is roughly 15,203,822 in 2010, and the growth rate is 3.3 percent—one of the highest in the sub-region.

11. **Recent economic activity has been affected primarily by political events and significant fluctuations in agricultural production.** After a year of food shortages, economic activity recovered in 2010 and was brisk in the first half of 2011, pulled along by a very good farm harvest (see Table 3). However, a new period of drought interfered with growth in late 2011, although the country recovered quickly after that. In periods of food shortages, half of the population suffers from malnutrition. Growth was steady in 2011 thanks to sizeable investments in the mining and oil sector. Despite the fluctuations in farm production, inflation on the average was under control and below the regional limit of three percent. The external debt is sustainable due to the various restructuring arrangements obtained from the creditor members of the Paris Club as part of the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative.

Table 3. Key macroeconomic data

	2009	2010	2011(p)
Annual change in percentage			
Real GDP growth	-0.9	8.0	2.3
GDP price growth rate (GDP deflator)	4.1	1.5	3.6
Rate of increase in consumer prices (average)	1.1	0.9	2.9
Terms of trade (change; deterioration = -)	3.9	-3.6	8.7
Multilateral debt relief (as a percentage of GDP)	3.3	3.7	3.2
as a percentage of GDP			
Current balance (grants included)	-25.0	-21.1	-28.3
GDP at the market rate in billions of CFA francs	2,481	2,680	2,839
<i>Indicators</i>			
<i>Debt service compared to exports</i>	2.5	2.6	4.2
<i>External aid</i>	6.1	6.2	12.6

Source: IMF Request for a New Three-Year Arrangement under the extended credit facility-staff report, May 2012.

12. **In September 2012, the government enacted the Economic and Social Development Plan (PDES) for 2012-2015, which is the current reference framework for economic and social development policy.** After the new government took office in 2011, the Accelerated Development and Poverty Reduction Strategy (SDRP) that covers the 2008-2012 period was replaced by the General Policy Declaration of the Government (DPG). The current PDES superseded the DPG in September 2012, and became part of the international commitment to the Millennium Development Goals (MDGs) for 2015. The strategic policies in the PDES are based on five pillars: (i) bolster the credibility and effectiveness of the public institutions; (ii) create the conditions for sustainable, balanced and inclusive development; (iii) food security and sustainable agricultural development; (iv) a competitive and diversified economy for accelerated and inclusive growth; and (v) promote social development. A priority action plan was prepared, taking into account the government's desire to increase the funds consumption rate and the rate of resource mobilization. The PDES takes into account the existing strategic sectoral policies, and in particular the food and nutritional security and sustainable agricultural development policy, known as the 3N Initiative, or "Nigériens Feed Nigériens."

13. **To support macroeconomic stability, in December 2011 the government enacted a public financial management reform program (PRGFP) for 2011 to 2014.** This PRGFP is part of the series of reforms in the PDES and, in particular, pillar 5 on bolstering the credibility and the effectiveness of the public institutions, which contributes to strengthening the public financial management systems, procedures, and institutions.

B. Budgetary objectives

14. **During the period from 2009 to 2011, the financial operations of the central government posted significant deficits.** The primary balance continued to be negative, between 3 percent and 4.2 percent of GDP (see Table 4). Situated between 7.5 percent and 11.5 percent of GDP, the deficits of the total balance of government financial operations (cash basis) were financed in large part through external budget support, between 4.9 percent and 7.8 percent of GDP, and this included a significant proportion of grants. However, the government improved the level of this revenue in 2011 as a result of the better performance of the directorates general of taxes and customs. Revenue from natural resources (uranium) vacillated between 1.7 percent and 2 percent of GDP and was relatively limited. To restore its credibility, the government steadily reduced the stock of its older domestic arrears by an amount equal to between 0.3 percent and 0.6 percent of GDP. However, the government posted new domestic arrears, illustrating the difficulties it has in reestablishing fiscal discipline.

Table 4. Financial operations of the central government (as a percentage of GDP)

	2009	2010	2011	2012
		(Outturn)		(Proj.)
	(as a percentage of GDP)			
Total revenue	14.7	14.4	15.7	18.0
Budgetary tax revenue	13.8	13.5	14.9	16.0
Nontax revenue	0.8	0.9	0.8	2.0
Total expenditure	24.6	21.8	27.2	29.6
Current expenditure excluding interest outlays	12.1	13.7	14.8	12.3
Interest expenditure	0.2	0.2	0.4	0.3
Capital expenditure	12.5	8.1	11.0	17.3
Net lending	0.0	0.0	1.4	0.0
Overall balance (commitment basis)	-9.9	-7.4	-11.5	-11.6
Primary balance	-4.0	-3.0	-4.2	-0.8
Change in arrears and float (reduction -)	-0.6	-0.5	-0.3	-0.3
Overall balance, cash basis	-10.5	-7.9	-11.8	-11.9
Financing	10.5	7.9	11.8	11.9
External financing	5.9	5.9	12.0	12.8
Domestic financing	4.6	2.0	-0.2	-1.4
Financing gap	0.0	0.0	0.0	0.5
Memorandum item				
Natural resource revenue	1.8	1.7	2.0	3.8
Source: TOFE, IMF and Nigerien authorities				

15. **Between 2009 and 2011, the composition of expenditure by economic category remains dominated by current expenditures (Table 5).** On average, they amounted to 55.5 percent of total central government expenditures, versus 45.5 percent for capital expenditures and net loans. Subsidy expenditures and transfers (averaging 19.4 percent), exceed expenditures for wages and salaries (averaging 16.5 percent). In particular, subsidies for the distribution of oil products explain these changes, due to the rigidity of the prices charged in an international context, characterized by price increases. We further note that the share of capital expenditures financed externally exceeded expenditures financed domestically in two years (2010 and 2011).

Table 5. Central government expenditures by economic categories (as a percentage of the total)

	2009	2010	2011	2012
		(Outturn)		(Proj.)
	(as a percentage of total expenditure)			
Total expenditure	100.0	100.0	100.0	100.0
Current expenditures	49.3	62.7	54.5	41.4
Wages and salaries	15.3	17.7	16.4	14.7
Equipment and supplies	13.8	16.1	12.9	11.1
Grants and transfers	15.9	23.2	19.2	11.5
Interest payable	1.0	1.0	1.4	1.1
External debt	0.7	0.7	0.8	0.7
Adjustment and tax expenditures	-0.7	1.2	0.8	0.0
Special accounts	4.0	3.4	3.9	3.1
Capital expenditure	50.7	37.3	40.4	58.6
Domestically funded	26.8	17.1	13.6	21.9
Externally funded	23.8	20.2	26.8	36.7
Net lending	0	0.0	5.0	0.0
Source: TOFE, IMF and Nigerien authorities.				

16. **Between 2009 and 2011, the government allocated its resources based on the priorities identified in its poverty reduction strategy paper.** The priority sectors are rural development, education, and health and social protection, to which significant resources were given during the period. Expenditures for these sectors accounted for over a third of total government spending (Table 6). In 2011, allocations to the rural sector were more significant due to considerable financing from donors to support programs, and especially food for the people.

Table 6. Budget allocations by sector (as a percentage of total expenditures)

	2009	2010	2011
	(Outturn)		(Proj.)
(en % des dépenses totales)			
Agriculture, stockbreeding (rural sector)	3.9	3.8	12.9
Health	8.6	6.7	6
Education	23	24.5	14.9
Social protection	0.5	0.4	0.6
Other	64.0	64.6	65.6
Total	100	100	100
<i>Education+Health+Social Protection</i>			
	32.1	31.6	21.5

Source: Budget execution statements and calculations by the assessment team

C. Legal and institutional framework for public financial management

17. **Since 2009, Niger has experienced political instability and it adopted a new constitution in 2010.** Following the highly contested constitutional referendum of August 4, 2009 of the President of the Republic, the purpose of which was to extend his term, and with legislative elections boycotted by the opposition and condemned by the international community, a coup d'état took place on February 18, 2010. The military regime at the head of the government dissolved the institutions and set up a High Council to restore democracy and manage the transition. A new government was named on March 1, 2010. Following a smooth transition, a new constitution was adopted by referendum on October 31, 2010, and the Seventh Republic was proclaimed on November 25, 2010. The new President of the Republic was inaugurated on April 7, 2011, following democratic elections that the international community considered free and transparent.

Legal framework

18. **The directives of the West African Economic and Monetary Union (WAEMU) still very largely determine the legal and institutional framework for managing public finances.** The transposition to internal law of the new 2009 directives is still incomplete and has been slow. In addition to the Constitution, which sets forth the general rules of a system in which parliament adopts the budget, thereby ensuring the preeminence of the Minister of Finance in budget and fiscal management, and that institutes a specific legal order for the judicial review of the rules of fiscal management, the fundamental statute governing fiscal management during the period continued to be Law 2003–11 of April 1, 2003 on the organic budget law (LOLF).

19. **A new LOLF was adopted in 2012.** This LOLF is practically the same as the WAEMU directive (it is the transposition of that directive). It introduced six new main points:

- Performance-based management and adoption of program budgets and the principle of autonomy and accountability of the program officer;
- Decentralization in the technical ministries that authorize payments;
- The adoption of the multiyear budget program (including the requirement to prepare overall and sectoral medium-term expenditure frameworks (MTEF));
- Drastic strengthening of reporting requirements;
- Preparation of the budget debate by a budget policy debate beforehand;
- Adoption of accrual basis accounting.

20. **The implementation of this law should be gradual over a five-year period from January 1, 2012 to December 31, 2016.** Two additional years could be added for the newest and most restrictive provisions (which are in fact the six major new points listed above).

21. **New codes were adopted in 2011 and 2012.** They pertain to taxes, the sub-national authorities, and procurement.

22. **The basic legislation on the Audit Office has been enacted.** The Audit Office was established legally in 2007 by law 2007-022 of July 2. It addressed the functions of the Accounts Section of the Supreme Court pursuant to the WAEMU directives. However, this law was not implemented. During the transition period, a new Office was established by Order 2010-05 of March 30, 2010, which modified Order 2010-01 of February 22, 2010 on the organization of the central government. Order 2010-017 of April 15, 2010, which establishes the composition, organization, duties and operation of the Audit Office, authorized the Office to be seated on May 18, 2010. It was modified and further detail was provided in organic law 2012-08 of March 26, 2012, which sets forth the duties, composition, organization and operation of the Audit Office in the following key areas: the appointment of the First President was expanded to categories of officers other than magistrates; the length of the term of the First President (five years renewable one time), the President of the section (three years and renewable), and of the counselor, were changed; Judicial Service Commission (CSM) approval for appointments was established; provisions were made to establish a budget and financial discipline section (CDBF) and regional account sections; the right to oral defense and access to files for persons on trial under the CDBF procedure were established; the Office was given the authority to audit property declarations; details were provided on the notion of debit balance; a general definition of a management offense according to current financial law was introduced (*“any damage caused by the officers to the government agency in which they exercise responsibilities due to gross negligence in the*

controls they are required to carry out or by omissions or negligence in their management role”).

Institutional framework

23. **Niger has a presidential-type political system.** The President of the Republic is elected through universal suffrage with two rounds for a five-year term that may be renewed one time. He appoints the prime minister, who is the head of the government and chairs the Council of Ministers. He may dissolve the National Assembly. He is the head of the government and signs the Council of Minister’s orders and decrees. A single house, known as the National Assembly, exercises legislative authority; it is elected for five years and is responsible for enacting laws and overseeing the government’s action. The government may be held accountable to the National Assembly either by voting a censure motion or by a vote of no confidence. The National Assembly meets in two sessions. The second, known as the budget session, begins in October and may not exceed 60 days.

24. **Judicial authority is independent of the legislative and executive authority.** The Constitutional Court, the Court of Cassation, the Council of State, the Audit Office, and the upper and lower courts exercise judicial authority. The President of the Republic appoints the judges with the approval of the Judicial Service Commission. Judges may not be removed. The Audit Office is the highest jurisdiction for the supervision of public finances.

25. **The Constitution requires that natural and mineral resources be used transparently and that the use takes into account the preservation of the interests of present and future generations.** Prospecting and development agreements, as well as revenue paid to the government, are disaggregated company by company and are published in the *Official Gazette* in their entirety. In March 2011, the International Board of the Extractive Industries Transparency Initiative ranked Niger among the countries that are in compliance with this initiative.

26. **The sub-national authorities are established by an organic law and are freely administered by elected boards.** They consist of 255 communes and eight regions. The levels of deconcentration are the region and department (36 prefectures).

Key features of the public financial management system

27. **The management of public finances in Niger remains highly centralized.** The sub-national authorities receive no grants from the central government. Although the budget of the Ministry of Health is executed at the district (department) level, the budget for national education is executed at the central level. According to its 2010-2011 public report, the Audit Office indicates that it surveyed 41 public enterprises and government-owned companies, 1,000 nongovernmental organizations (NGOs), and 300 projects. The survey of government administrative agencies (GAAs) is deficient. There are 63 that receive a grant from the

government greater than CFAF 100 million according to the Directorate General of the Treasury and Public Accounting (DGTCP).

28. **The Ministry of Finance plays a key role in the public financial management system.** The Ministry prepares the drafts of the budget law that the Council of Ministers enacts. The right of the deputies to amend draft laws is limited by the rule that renders inadmissible any amendment that would result in increasing the deficit of the draft budget. The Minister is responsible for implementing the budget laws and for complying with budgetary and financial balances it identifies. In this regard, he has budgetary regulatory authority and cash management authority. Before the March 26, 2012 organic budget law, the Minister of Finance was the single payment authorization officer for the government budget, the special treasury accounts, and the annex budgets, and the ministers were the administrators of appropriations. In the long term, this law provides that the ministers will become the principal payment authorization officers for the appropriations, programs and annex budgets of their ministry. The Minister of Finance is in charge of centralizing the budget operations of the payment authorization officers for reporting on the accounts that pertain to the implementation of the budget laws.

29. **In April 2011, the Ministry of the Economy and Finance was broken up into two ministries: the Ministry of Finance and the Ministry of Planning, Land Use and Community Development (MPATDC).** The latter coordinates development planning activities and in particular the mobilization of external funding to finance them. In this regard, the Ministry plays a role in preparing the draft public investment budget.

30. **A major reform of the administrative and accounting organization of the Treasury was put in place through the Order of April 15, 2010.** This reform separates the functions of the government as principal accounting officer and regulation, partitions the General Treasury of Niger into three principal government accounting items: (i) a Central Treasury Accounting Agency (ACCT); a General Paymaster's Office of the Treasury (PGT); and (iii) a General Treasury Revenue Agency (RGT). The reform improves mission integration by broadening the scope of authority of the Government Treasury Management Directorate and the financial and accounting management of the sub-national authorities and the GAAs.

31. **The Audit Office was established on March 30, 2010 to replace the accounting office in the Supreme Court; it exercises judicial authority, supervisory authority, and advisory authority.** The accountant debit balance system is based on formal regularity and is disconnected from the damage sustained by the public entity and the fault of the accounting officer. The Audit Office has no express certification mission. It assists the National Assembly in supervising the execution of the budget law, in particular by reporting on the execution of the budget law that is sent to the National Assembly along with the draft budget review law. A budget and financial discipline section of the Office, which has yet to be established, takes disciplinary action against management offenses by civil servants.

III. ASSESSMENT OF THE PUBLIC FINANCIAL MANAGEMENT SYSTEMS, PROCEDURES AND INSTITUTIONS

32. **The assessments of the indicators are presented in sequence.** Each score is presented before it is substantiated by the comparative analysis of the current status of the public financial management systems, procedures and institutions relative to the one that was in effect during the previous assessment in 2008. The analysis of the 31 indicators is divided into Sections A to G.

A. Budget credibility

33. **The data analyzed for the assessment of indicators PI-1 and PI-2 cover the budgets of the ministries and institutions, including the special treasury accounts.** The data is included in the 2009 draft review law that was finalized on October 8, 2012. For fiscal years 2010 and 2011, the assessment is based on the interim budget execution statements (authorization basis) extracted on October 11, 2012 from the database of the budgetary information system of the Directorate General of the Budget (DGB) known as CEGIB (Government Accounting and Integrated Budget Management) used to prepare the drafts of the review law. The closing of posting budgetary operations in the CEGIB-Budget system is delayed because payment authorization letters have not been systematically regularized or there are payments without prior authorization and because all the manual summary statements that show the execution of the appropriations delegated to the deconcentrated entities in the regions are not routinely processed. The processing of the summary statements incorporates the delegated appropriations into the CEGIB-Budget system. The automatic upward flow of this available information that takes an average of one month to arrive at the CEGIB-Treasury system (managed by the DGTC) to the CEGIB-Budget system was not in effect during the period from 2009 to 2011. The development of the interface between the two aforementioned applications, a structural benchmark of the FEC program with the IMF, so that its entry into operation subsequently is now pending. These reserves are primarily the budget execution statements for 2011, whose subsequent modifications are not expected to be such that they change the assessments of indicators PI-1 and PI-2, since the rating criteria is for two fiscal years.

34. **In 2010, Niger experienced political instability that extended into early 2011 and it interfered with the preparation and execution of the original budgets.** The original 2010 budget was changed by presidential order. The original 2011 budget came into effect through a presidential order and was amended by supplementary budgets. There were wire and other transfers of appropriations as well.

PI-1. Total actual expenditures compared to the original approved budget

35. **This indicator measures the extent of the difference between actual primary expenditures and primary original approved expenditures.** The purpose of this indicator is to assess the extent to which the public financial management system has the mechanisms

necessary for preparing and agreeing upon a realistic budget based on accurate revenue projections and executing expenditures during the course of the year in a manner consistent with the original approved budget. The better the tools of a public financial management system are, the more predictable the budget execution process will be and the more credible the budgeting process will be.

Score

PI-1. (M1 scoring method)	2008 Score	2012 Score	Rationale for the score	Explanation for the change
	C	D	During the three years that were reviewed, the difference between outturn and original approved primary expenditures surpassed 15 percent.	2008: 12.3%; 12.7%; 20.8% 2012: 17%; 18.6%; 16.5%. The main cause of the deterioration is the poor mobilization of internal and external revenue.

36. **The discrepancies in the actual expenditures compared to the expenditures projected in the original budgets were greater than 15 percent during the three fiscal years (Table 6).** The score for this indicator is D, and it fell compared to the previous assessment, for which the score was a C. The total level of expenditures changed significantly and reflected the poor mobilization of domestic revenue (see indicator PI-3) and external revenue (indicator D-1). For example, in 2010, the first change in the order on the budget law decreased appropriations by 13 percent compared to the original budget law and the second increased them by eight percent compared to the first supplementary order. The late release of appropriations that was observed in the period also justifies the lower score. The results of the previous 2008 PEFA assessment indicated that the discrepancy between actual expenditures and the expenditures that were initially approved was significant in only one year (2006) during the reference period, at 20.8 percent, while this discrepancy was relatively insignificant in 2004 and 2005.

Table 7. Central government budget allocation and execution
(in millions of CFA francs, unless indicated otherwise)

EXPENDITURES (in billions of CFAF)	2009	2010	2011
Original approved primary expenditures	483,920,233.3	452,438,977.2	703,483,199.7
Actual primary expenditures	401,850,113.4	369,146,282.8	587,421,530.5
Difference (in absolute value)	37,788,512.0	70,298,108.8	79,674,501.6
Difference (in relative value or percent)	17.0%	18.6%	16.5%

Sources: Original budget laws, 2009 draft budget review law and annual execution statements for the 2010 and 2011 budgets.

PI-2. Composition of actual expenditures compared to the original approved budget

37. **This indicator describes the extent to which the composition of expenditures differs from the composition projected in the original budget.** The first criterion used, which is the first component of this indicator, is the change in the composition of expenditures compared to the total discrepancy of primary expenditures not including provisional appropriations. There is a new component for this indicator, namely the level of actual expenditures posted to the contingency reserve. The change in the composition of expenditures for calculating the indicator is assessed for the 19 principal ministries, while all the others are combined into a single twentieth item. The indicator used is the ratio between the sum of the discrepancies in absolute terms between the projections of the original budget law and the outturn for the budget of these 20 entities and the total discrepancy of these same magnitudes for the entire budget. Moreover, the methodology for calculating the change in the composition of the actual expenditures improved compared to the methodology that was in effect during the previous assessment.

Score

PI-2 (M1 scoring method) Components	2008 Score	2012 Score		Rationale for the score	Explanation for the change
(i)	A	C	C+	The discrepancy in the composition of expenditures was greater than 15 percent of the original budget in one year (2010)	Reallocations between ministries were significant.
(ii)	Not applicable	A		Provisions for contingencies were limited to 0.1%	Not comparable

(i) Extent of discrepancies in the composition of expenditures over the last three years, including provisional appropriations.

38. **The discrepancy in the composition of expenditures compared to the original approved budget was greater than 15 percent in one year only (2010)** (Table 8). This indicator was down compared to the previous assessment in 2008 using the same methodology. In 2010, the high level of the change in the total amount of expenditures in the original budget illustrated by indicator PI-1 resulted in a significant change in the composition of expenditures (reallocations between ministries) (see Annex 3), which reflects the instability the country has experienced. The delayed release of appropriations, in addition to the slow execution of the budget during the year, explain the drop that was observed.

(ii) Average amount of expenditures actually charged to the contingency reserve over the last three years.

39. **Provisions established to deal with spending contingencies were limited to 0.1 percent on average during the 2009-2011 period.** The provisions are provided for in the budget laws and are under the budgetary reserve designation in Title 4 of the transfers and grants that the Directorate General of the Budget administers. During the year, they are transferred to the budget line items for executing the appropriations based on beneficiaries. The budgetary reserve coexisted with a budget line item entitled “provisions and contingencies,” which is a budget line item for executing sundry expenditures. To eliminate confusion, beginning with the 2012 budget, the name of the “provisions and contingencies” line item was changed to sundry expenditures.

Table 8. Matrix of results of indicator PI-2

Fiscal year	For PI-2 (i) Breakdown of the change	For PI-2 (ii) Proportional allocation of the reserve for contingencies
2009	9.4%	
2010	19.1%	0.1%
2011	13.6%	

PI-3. Total actual revenue compared to the original approved budget

40. **This indicator measures actual revenue collected compared to the revenue projections in the original approved budget.** It excludes the funds received from budget support but includes all the categories of tax and nontax revenue, including nonrecurring revenue. In Niger, this nonrecurring revenue includes resources from debt relief and sundry revenue from the Directorates General of Taxes and Customs and from bonuses paid directly to the DGTCP. The methodology for assessing this indicator has changed since the previous assessment in 2008. Excess revenue collection is also considered a change in budget credibility.

Score

PI-3: (M1 scoring method)	2008 Score	2012 Score	Rationale for the score	Explanation for the change
	D	D	Domestic revenue outturn accounted for less than 92% of domestic revenue originally approved in 2010 and 2011.	Not comparable due to the change in the calculation methodology.

41. **Actual revenue accounted for less than 92 percent of domestic revenue originally approved in 2010 and 2011 (Table 9).** The score for this indicator remained unchanged at a D, as it was during the 2008 PEFA assessment. We note that in 2009, the total level of actual revenue collection was higher than the projection in the original draft budget law, which was progress, relatively speaking, compared to the previous assessment, in which the collection

level was systematically below projections. The execution of domestic and foreign reserves (see D-1) that was below projections illustrates in part the discrepancies found in the expenditures indicators (PI-1 and PI-2). The assessment of this indicator was based on the 2009 end-year treasury accounts that were submitted to the Audit Office and the provisional trial balances of the 2010 and 2011 accounts that were published on October 9, 2012, for which the settlement of the suspense accounts in the estimated trial balances for 2010 and 2011 is ongoing.

Table 9. Summary of results: outturn rate for revenue projections
(in billions of CFA francs, unless indicated otherwise)

DOMESTIC REVENUE (in billions of CFAF)	2009	2010	2011
TAX REVENUE			
Budgeted	288.38	365.38	544.87
Outturn	319.92	308.87	516.79
Outturn rate in %	110.9%	84.5%	94.8%
NONTAX REVENUE			
Budgeted	121.94	20.04	18.54
Outturn	124.31	15.35	13.68
Outturn rate in %	101.9%	76.6%	73.8%
NONRECURRING REVENUE			
Budgeted	18.26	18.35	52.35
Outturn	1.35	15.78	4.61
Outturn rate in %	7.4%	86.0%	8.8%
OTHER REVENUE (provisional posting)			
Outturn	0.1	10.3	0.2
TOTAL DOMESTIC REVENUE			
Budgeted	428.58	403.76	615.76
Outturn	445.63	350.28	535.32
Outturn rate in %	104.0%	86.8%	86.9%

Sources: Original budget laws, 2009 draft end-year treasury accounts and estimated general trial balances for the 2010 and 2011 accounts.

42. **Despite recent efforts, the use of revenue forecasting techniques has not been mastered.** Forecasts of domestic revenue are obtained using the AYOROU macroeconomic and budgetary model, and are supplemented with specific projections of revenue from the mining and oil sector. This model forecasts the nature of revenue based on an unchanged policy, based mainly on the elasticities taken from the economies of comparable countries. In addition to these forecasts, there are the assessments of the impact of new tax measures and new administrative measures that the Directorates General of Taxes and Customs prepare each year. No tools for projecting revenue from natural resources from mining or oil are used in the Ministry of Finance.

43. **The authorities are aware of these issues and have undertaken to obtain more reliable forecasting tools.** With support from the United Nations Development Program (UNDP), they have begun a study to improve budgetary projections of revenue that will be used to implement revenue forecasting tools and methods, to include the training of the appropriate stakeholders as well. The IMF initiated support in the area of mining and oil, and plans to continue it with the trust fund from wealthy countries with natural resources that finances technical assistance.

PI-4. Stock and monitoring of expenditure payment arrears

44. **This indicator assesses the existence and extent of the stock of arrears and whether the systemic problem has been harnessed and addressed.** Arrears in the payment of government expenditures is a type of nontransparent financing. A stock of arrears reflects problems, some of which are caused by insufficient commitment control, liquidity constraints, overestimating of revenue, or underestimating of expenditures. During the period from 2009 to 2011, the indicator examines: (i) the stock of expenditure payment arrears (expressed as a percentage of total actual expenditures for the corresponding fiscal year) and any recent change in the stock; and (ii) the availability of data for monitoring the stock of expenditure payment arrears.

45. **The concept of payment arrears is understood here according to the WAEMU definition.** For this assessment, the arrears consist of expenditures that are regularly executed, which the accounting officer pays, but that remain unpaid after a period of 90 days. This definition is similar to the definition used in the 2009 WAEMU directive on the Table of Government Operations (TOFE), according to which arrears consist of all validated expenditures not settled in three months.

Score

PI-4: M1 scoring method Components	2008 Score		2012 Score		Rationale for the score	Explanation for the change
(i)	D	D+	D▲	D+	Despite the progress that led to limiting the accumulation of arrears, the stock of payment arrears accounted for more than 10% of total actual expenditures during the period.	No change
(ii)	B		B		The data for monitoring the stock of arrears is available, but may be incomplete for a few expenditure categories	No change

(i) Stock of payment expenditure arrears (expressed as a percentage of total actual expenditures for the corresponding fiscal year) and any recent change in the stock

46. **The accumulated stock of payment arrears accounted for more than 10 percent of expenditures (Table 10).** This resulted in a D, so that this score did not change from the

previous assessment, even though there was some progress. In fact, the stock of old arrears, managed by the Autonomous Government Domestic Debt Amortization Center (CAADIE), gradually decreased from CFAF 106.5 billion at the end of 2009 to 92.8 billion at the end of 2011. Moreover, during 2009, 2010 and 2011, the annual accumulation of new arrears was low, at less than two percent of actual annual expenditures.

(ii) Availability of data for monitoring the stock of payment expenditure arrears

47. **The data for monitoring the stock of arrears is available, but may be incomplete for a small number of expenditure categories.** This score is a B, and was unchanged from the previous assessment in 2008. In Niger, the total amount of arrears includes the old arrears and arrears attributable to more recent fiscal years. The former are managed through CAADIE, while the others are the responsibility of the DGTCP. Although they are fragmented between the DGTCP and CAADIE, the data on the stock of arrears (including aseniority profile) is generated at the end of each fiscal year. This data may be incomplete as there is no systematic procedure for monitoring it. The amounts of payment arrears should increase if the amounts of the hospital invoices (for which no payment order was issued) are included. No precise status of these invoices is available. These pending invoices are the result of an allocation of insufficient funds to cover the commitment of invoices that were the result of the implementation in 2007 of the policy of free health care adopted by the authorities.

Table 10 Stock of payment expenditure arrears

	2009	2010	2011
	In billions of CFAF		
Accumulated stock of arrears	112.9	110.1	115.9
CAADIE	106.5	96.8	92.8
Outstanding balances payable	6.4	13.3	23.1
Flow	-9.4	-2.8	+5.8
Clearance of CAADIE stock (1)	-10.6	-9.7	-4.0
Outstanding balances payable	0.2	6.9	9.8
New arrears compared to expenditures	0%	1.8%	1.7%
Accumulated stock of expenditure arrears	28.0%	29.8%	19.7%
Total expenditure outturn	401.8	369.1	587.4

(1) The cleared amounts do not include reductions due to the reclassification of civil servants because these reclassifications are not part of the stock.

Sources: DGTCP, CAADIE, mission calculations

B. Comprehensiveness and Transparency

PI-5. Classification of the budget

48. **Using fiscal year 2011 as the baseline, this indicator assesses the quality of the classification system used to prepare, execute and report on the central government budget.**

Score

PI-5. (M1 scoring method) Component	2008 Score	2012 Score	Rationale for the score	Explanation for the change
i)	C	C	The budget for fiscal year 2011 is prepared and executed based on administrative and economic classifications, but government expenditures are not prepared or executed according to the functional classification	No change

49. **The budget for fiscal year 2011 is prepared and executed using the administrative and economic classifications as a baseline, but government expenditures are not prepared or executed according to the functional classification.** The score for this indicator remained the same at a C, as it was for the previous assessment in 2008. The current government budget classification was implemented in 2003. It was established by Decree 2002-197/PRN/MF/E of July 26, 2002, and was based on WAEMU Directives 04/98 and 04/99. The classification system of WAEMU directives is consistent with the international standard in the 1986 Government Finance Statistics Manual (GFSM). This budget classification system consists of the following key classifications: (i) administrative (section, sector, principal location, structure), (ii) geographical (region), (iii) donor (group, donor), (iv) type of financing; and (v) economic (article, paragraph, line). The classification by economic nature of the government budget classification system is the classification of the government chart of accounts adopted by Decree 2002-198/PRN/MF/E of July 26, 2002. Government revenue is presented and executed based on the classification system by economic nature. Expenditures are presented and executed according to the administrative and economic classifications.

50. **Government expenditures are not prepared or executed according to functional classification.** The classification of the functions of government (COFOG) in its revised version that is consistent with the 2001 MSFP is provided in the annex of the decree on the budget classification system. This classification addresses the three levels of COFOG (division, group, class). However, no segment of the codification of a budget line item is set aside for codifying functions. No aggregate summary of government expenditures based on the ten key functions of the COFOG is presented in the budget documentation. However, the budget documentation does present a list of poverty reduction expenditures based on the

COFOG using a bridge table developed between chapters (and sub-chapters) of the administrative classification and the first two levels of the COFOG.

PI-6. Comprehensiveness of information included in budget documentation

51. The purpose of this indicator is to assess the extent to which the budget documentation submitted by the Minister of Finance to the Parliament for scrutiny for approving the 2012 draft budget law is comprehensive.

Score

PI-6. (M1 scoring method)	2008 Score	2012 Score	Rationale for the score	Explanation for the change
i)	D	C	Three of the nine documents the PEFA methodology requires were on the list of documents	The progress made in this indicator is largely explained by the introduction of the public debt strategy paper as an annex to the budget law

52. Three of the nine documents the PEFA methodology requires were on the list of documents, as opposed to just one for the previous assessment (Table 11). The score for this indicator is a C and illustrates progress compared to the previous assessment in 2008. Based on the 2012 budget law (BL) and its annexes adopted in late November 2011, Table 11 below illustrates the three documents provided in the budget documentation and the others that are not provided, and indicates their sources.

53. The budget documentation submitted to and adopted by the National Assembly for the 2012 budget law consisted of three notebooks. The first notebook was mainly the presentation of the purposes of the draft budget law, Annex I on the details of the revenue (Title 0) and Annex II on the details of the expenditures, which begins with Title 1 on the amortization of the debt, followed by Title 2 of personnel expenditures by ministry section and by structure. The second notebook continues with the presentation of Annex II and indicates (in Title 3) the operating expenditures. Finally, the third notebook contains Annexes III and IV in addition to the continuation of Annex II. Annex II continues with the presentation of Title 4 on grants and other current transfers, and Title 5 deals with investments made by the government. Annex III deals with the title on special treasury accounts. Annex IV provides a revised public debt strategy paper and two tables: (i) the first deals with the summary of expenditure forecasts by title for all sections; and (ii) the other provides a single list of expenditures to fight poverty.

Table 11. Status of documents required by PEFA

Documents required	Response	Sources
1. Macroeconomic assumptions, including at least estimates of aggregate growth and the inflation and exchange rates	No	The presentation of the purposes includes the growth rate, but not the exchange or inflation rate
2. Fiscal deficit, defined according to the GFS standards or any other type of internationally recognized standard	Yes	Third BL 2012 notebook, "Revised public debt strategy paper" section
3. Deficit financing, including a description of the planned composition	Yes	Third BL 2012 notebook, "Revised public debt strategy paper" section
4. Debt stock, including at least detailed information from the current year	Yes	Third BL 2012 notebook, "Revised public debt strategy paper" section, contains the debt stock for the year [2012]
5. Financial assets, including at least detailed information from the beginning of the current year	No	No information on financial assets is presented
6. Budget outturns for the previous fiscal year, presented in the same format as the budget proposal	No	No information on the status of budget execution for 2010 is presented.
7. Budget for the current fiscal year (either the supplementary budget law or the estimated result), presented in the same format as the budget proposal	No	No information on the status of budget execution for 2011 is presented.
8. Summarized budget data for both government revenue and expenditures according to the key headings of the classifications that are used (refer to Indicator PI-5), including the data for the current and previous fiscal years	No	No information on the summary of 2010 budget data is provided according to the key headings in the classifications that are used (PI-5). Yes, the summary of the 2011 budget data is presented according to the key headings of the classifications that are used
9. Explanation of budget implications of new policy initiatives, with estimates of the budgetary impact of all major tax and or customs policy changes and/or some major changes to expenditure programs	No	No information on the impact of budgetary resources on tax measures (change in rates, larger taxable base) and administrative measures (better yield) is presented.

Source: 2012 budget law

54. **The progress for this indicator is explained in large part by the introduction of the public debt strategy paper.** For fiscal year 2012, this paper presents estimates of the government's gross financing requirements, sets the level of gross debt (external and internal), and culminates with debt projections for the new fiscal year. In addition, it includes components of debt sustainability.

55. **By contrast, the budget documentation for 2012 does not include a statement of execution of 2010 and 2011 the budgets.** There are very substantial delays in preparing the execution statements. The last budget review law enacted was for 2008. The draft budget for a new fiscal year is scrutinized with no information on the status of budget execution for the previous fiscal year or the outturn estimates for the current fiscal year, which is inconsistent with current regulations. This is a major weakness that affects other indicators of the public

financial management system. Although the summary of the 2011 budget data is provided, by contrast, no information is provided on the 2010 and 2011 budgets by budget line item using the same format as the 2012 budget.

PI-7. Extent of unreported government operations

56. **This indicator measures the relative extent of extrabudgetary expenditures relative to total expenditures that are not included in the budget reports in 2010 and/or 2011.**

Score

PI-7: (M1 scoring method) Components	2008 Score		2012 Score		Rationale for the score	Explanation for the change
(i)	A		A		The level of unreported extrabudgetary expenditures other than the projects financed by donors is insignificant	No change.
(ii)	B	B+	B	B+	Complete information on revenue and expenditures for all projects financed through loans are included in the budget reports, and roughly 56 percent (in value) of projects are financed through grants.	No change.

(i) Level of extrabudgetary expenditures (other than projects financed by donors) that are not included in the budget reports.

57. **The level of extrabudgetary expenditures that are not reported other than projects financed by donors is insignificant.** The GAA operations that are shown in the trial balances of the treasury accounts include the amounts of subsidies that are in account 42; 63 GAAs each receive subsidies in the amount of more than CFAF 100 million per year. The 2009 end-year treasury accounts show operations in the special accounts, which is noteworthy progress. Likewise, the reporting of nontax expenditures began with the budget documentation in 2011. Reviews during the previous assessment failed to identify extrabudgetary funds. The current assessment identified a source of extrabudgetary expenditures, namely expenditures made using administrative revenue collected by certain government agencies. For example, the authorities mentioned: the Ministry of Justice (a portion of fines and orders to pay costs), the Ministry of Health (a portion of immunization costs and other revenue), and Foreign Affairs (visa costs). No assessments of this administrative revenue are available since the ministries involved do not prepare reports for the MF. However, the estimated amount of this revenue is less than CFAF 15 billion, or less than one percent of total expenditures in 2011. Beginning in 2012, two revenue agencies became operational in the International Immunization Center in Niamey and the National Health and Reproduction Center respectively.

(ii) Information on revenue/expenditures related to projects financed by donors that is included in the budget reports

58. **Comprehensive information on revenue and expenditures for all projects financed through loans is included in the budget reports, and about 56 percent (in value) for the projects financed through grants.** The score for this indicator is stable at a B, as it was for the previous assessment in 2008. According to the UNDP report published in late December 2011 on development cooperation in Niger, the level of disbursements for grants was roughly CFAF 122.2 billion in 2010. Only 68.85 billion was reported in the budget, or 56.3 percent of the total grants the country received. Extrabudgetary operations are for grants that finance the projects managed directly by donors.

59. **In May-June the Ministry of Planning organizes a review with the principal donors on the status of execution of the projects that are part of the government investment program (PIE), and the information that originated from the ministries is deemed to be very incomplete.** The review in question pertains more to the physical aspects than the financial aspects of the outturns. Difficulties in project execution are due to both the lack of the administration's capacity in the area of donor procedures as well as reduced private-sector capacities, in particular in terms of infrastructure construction.

PI-8. Transparency of inter-governmental fiscal relations

60. **This indicator shows the relations between the government and the sub-national authorities.** This indicator determines the extent to which: (i) the current systems are transparent and based on rules for horizontal allocation between the decentralized governments of unconditional and conditional transfers from the central government; (ii) the central government sends timely information to the decentralized governments on their budget allocations for the coming fiscal year; and (iii) the degree of consolidation of fiscal data from the central government according to the sectoral categories. The assessment of this indicator is for fiscal year 2011.

61. **The system for dividing up subsidies from the general budget to the sub-national authorities is now being put in place by establishing the National Financing Agency for the Sub-national Authorities (ANFICT).** No subsidies were paid to the sub-national authorities before 2011. The consolidation of fiscal information from the sub-national authorities continues to be partial and lagging.

Score

PI-8: (M2 scoring method)Components	2008 Score		2012 Score		Rationale for the score	Explanation for the change
(i)	D	D+	D▲	D	Although an agency may have been established, there are no transparent mechanisms based on transparent and objective rules for the horizontal breakdown of allocations among the decentralized governments.	No change

(ii)	No score		Not applicable	There have been no transfers to the decentralized governments	No change
(iii)	C		D	For the fiscal year that ended in 2011, there has been no consolidation of fiscal or accounting information from the sub-national authorities, and consolidation can be delayed by more than 24 months.	Deterioration of the financial and accounting reporting system

(i) Transparent rule-based systems for the horizontal allocation between the decentralized information for unconditional and conditional transfers from the central government. (This allocation is included in the budget and actual allocation).

62. Transparent mechanisms based on transparent and objective rules in the horizontal breakdown of assets among the decentralized governments have not been established. No progress was noted compared to the previous assessment in 2008. However, some advances were noted. Based on Law 2008/38 of July 10, 2008 on the establishment of the “National Financing Agency for Sub-national Authorities” (ANFICT), a system for distributing subsidies from the general budget is now being put in place for the sub-national authorities. This entity is in charge of managing and distributing the resources allocated to the sub-national authorities (Article 3). ANFICT’s resources are primarily “government subsidies to the sub-national authorities as part of decentralization support and the equalization fund” (Article 5). The regulation that deals with the agency was supplemented by Decree 2008/360/PRN/MI/SP/D/ME/F of November 6, 2008, on approving the ANFICT rules of procedure. Finally, with Decision 478/MI/SP/D/AR/DGAT/CL of July 17, 2012 on appointing the members of the ANFICT board of directors, the work of the agency should begin. Its management bodies were appointed in 2012, but the agency is not operational.

63. All of the legislation that applies to the local governments was changed in 2011 and took on the form of a General Code of Sub-national Authorities. The administration of local governments (255 communes, four of which have a special status: Niamey, Maradi, Tahoua, and Zinder) is governed by Law 2008/42 of July 31, 2008 on the organization and administration of the Republic of Niger. The sub-national authorities have their own tax resources or resources provided by the government as well as nontax resources (Article 224 of the 2008 law). A fund to support decentralization was established, the funding is supplied by the government (Article 225), and there is an equalization fund to be used to provide extra support to the budgets of the sub-national authorities to ensure their harmonious development based on national solidarity (Article 226). The procedures for funding and managing these accounts are set by decree of the council of ministers. These texts do not exist.

(ii) The central government sends timely and reliable information to the decentralized governments on their budget allocations for the coming fiscal year

64. According to the Ministry of the Interior, the central government paid no subsidies to the local governments. The local governments took office in 2011 following the elections that were held at the same time as the elections for the communes. Due to the

lack of resources for the regions, in Title III of the 2012 budget, the government added amounts by regions under the item entitled “miscellaneous operating expenditures for the operation of the regional councils,” established according to the demographic criterion, in the amount of roughly CFAF 740 million.

(iii) Degree to which the consolidated fiscal data (that pertains to at least to revenue and expenditures) is collected and reported to the central government according to the sectoral categories.

65. **For fiscal year ended 2011, the fiscal and accounting information of the sub-national authorities was not consolidated (Table 12).** For fiscal year 2009, 30 sub-national authorities failed to produce budget projections. The Urban Community of Niamey failed to submit its budget projections for 2009. The entity in charge of the financial and accounting management of the local governments in the Local Finance Directorate received 134 sets of municipal financial statements for fiscal year 2009, 122 for 2010, and 177 for 2011 (see Table 12). The share of consolidated expenditures is 19.88 percent in 2009 (Table 10). Due to a deterioration of the financial and accounting reporting system, data production is seriously lagging and is more than 24 months late for the 2010 sets of financial statements.

Table 12. Summary of sets of financial statements produced and expenditures reported

Years	Sets of financial statements produced	Percentage of sets of financial statements produced	Total budget projections (A)	Total budget projections from the sets of financial statements reported (B)	Coverage rate as a percentage (B/A)
2008	NC	NC	2.50	12.34	48.39%
2009	134	52.55%	22.58	4.49	19.88%
2010	122	47.84%
2011	177	69.41%

Source: Local Finance Directorate, Ministry of the Interior

PI-9. Oversight of aggregate fiscal risk from other public sector entities

66. **This indicator measures the conditions under which the central government exercises its formal oversight function over other entities in the public sector,** its controls, and the management of national-scale budget risks as a result of the activities of the decentralized levels of government, the autonomous public agencies, and public enterprises. The assessment for this indicator is for fiscal year 2011.

67. **The lack of an entity in charge of oversight of government agencies and,** consequently, the lack of data consolidation, results in the same score, a C+. The lack of risk for the central government from the local governments is confirmed.

Score

	2008 Score		2012 Score		Rationale for the score	Explanation for the change
(i)	C	C+	C	C+	Most of the key autonomous government agencies and public enterprises submit budget reports to the central government at least once a year, but no consolidated statements of budget risks are produced	No change
(ii)	A		A		The sub-national authorities are unable to make commitments that result in obligations for the central government.	No change

(i) Extent of oversight exercised by the central government over the autonomous public agencies and public enterprises.

68. **Most of the key autonomous public agencies and public enterprises submit budget reports to the central government at least once a year, but no consolidated statement of budget risks is produced.** The score for this category remained the same, at a C. The regulatory framework continues to be the 1986 orders that address the general system, oversight and control, with the procedures for exercising them over government agencies, government-owned companies and semi-public companies. This legislation indicates the conditions under which general oversight is carried out (the agency in charge is not specified), direct supervision (by the ministry in charge of the establishment's activity), oversight by the Ministry of Finance (occasionally with upper limits and for certain operations). In practice, central government oversight of government agencies and public enterprises and companies is diffuse. The financial comptrollers, appointed on May 30, 2012, perform an audit of the expenditures of certain government agencies and offices at the front end.¹ The year-end accounts are prepared routinely for all public enterprises in Niger, albeit with delays for some. They are submitted to financial control or statutory auditors for auditing and are approved by the board of directors. The Directorate General of Government Property, an entity in the MF, does not manage the government portfolio and restricts its activities to monitoring the government's immovable and movable assets. The DGTCP is considering establishing an entity in the DGTCP to remedy the status quo, under which no entity in the MF or elsewhere has consolidated data on the budget risks of government agencies and public enterprises.

(ii) Extent of central government control over the fiscal situation of the decentralized agencies.

69. **The sub-national authorities may not make commitments that generate obligations for the central government.** The score for this dimension is stable, at an A. The governors and/or prefects exercise oversight over the sub-national authorities. The Office of the Inspector General of Territorial Administration is in charge of auditing the management

¹ For example, these facilities include the National Hospital in Niamey, the Gazobi Maternity Center, the National Hospital in Lamordé, Abdou Moumouni University in Niamey, the Center for University Projects and the Autonomous Fund for Road Maintenance.

of the sub-national authorities and performs on-site audits. The Office of the Inspector of Finance also performs audits. The sub-national authorities do not generate risks for the central government. The supervisory authorities oversee the balance of local government draft budgets and approve them. In addition, although Decree 2003-178/ PRN/MI/D of July 18, 2003 sets the conditions under which a region, department, commune or urban community may contract loans, Article 7 provides that “these loans” may under no circumstances obtain government guarantees. Since one savings bank that extended loans to communes has ceased doing business, only the Urban Community of Niamey contracted a loan from the banking sector without a government guarantee during the transition period in 2010.

PI-10. Public access to key fiscal information

70. **This indicator measures the transparency of information on projections, monitoring budget execution and access to information by the public and relevant groups using the end of fiscal year 2011 as a benchmark.**

71. **The agency supplies the public with two of the six information components that PEFA requires (Table 13).** This indicator, with a score of C, was unchanged from the previous 2008 assessment (C). However, positive advances are observed in making the INS sites operational, as well the sites of the Audit Office and the Government Procurement Regulatory Agency (ARMP), in terms of making information available online for consultation by the public.

Table 13. Access to key fiscal information

Documents	Availability before the deadline required by PEFA	Sources
1 Annual budget documents	No	However, civil society representatives were included in the process of preparing the 2013 draft budget. For the first time, the MF submitted, without restrictions on dissemination, to the associations, such as Alternatives-Espaces-Citoyens, the 2013 draft budget law at the time it was submitted to the office of the National Assembly.
2 In-year budget execution reports	No	Only the note on the execution of the 2012 government budget as of March 31, 2012 from the Directorate General of the Budget was available on the INS website
3 Year-end financial statements	No	
4 External audit reports within six months following the completion of the audit	Yes	2010-2011 General public report of the Audit Office and reports on consolidated government operations for the most recent fiscal year (2009) are posted on the Audit Office website.

5	Awards of contracts over the equivalent of about \$100,000 are published at least every quarter	Yes	The Newsletter and the ARMP website show contracts that are awarded based on requests for bids above the thresholds (CFAF 25 to 50 million depending on the type of contract)
6	Resources given to the units in charge of providing basic services	No	

Source: Ministry of Finance, + ARMP, Audit Office

Score

PI-10: (M1 scoring method)	Score 2008	Score 2012	Rationale for the score	Explanation for the change
(i)	C	C	The agency provides the public with six of the information components that PEFA requires	No change

72. **In addition, representatives of civil society participated in the budget process for preparing the 2013 draft budget law and received a copy of the documentation when it was submitted to the office of the National Assembly.** Finally, the creation of a documentation directorate in the Ministry of Finance is helping to gradually implement a charter for public access to information.

73. **However, public access to information is limited by the low literacy rate and rate of the use of French.** Fiscal information written in national languages is nearly or totally nonexistent. The National Assembly debates on the budget law are broadcast on the national radio station. The website of the Office of the President of the Republic of Niger has no budget information. A website of the Ministry of Finance, without documentation, was established on October 5, 2012.

C. Budgeting based on public policies

PI-11. Orderliness and participation in the annual budget preparation process

74. **This indicator assesses the budget preparation process and the effectiveness of participation by ministries and political leaders.**

Score

PI-11: (M2 scoring method) Components:	Score 2008	Score 2012	Rationale for the score	Explanation for the change
(i)	D	C	The annual budget schedule is fixed and clear, yet slight delays were found in its implementation; it gives the ministries two weeks for a theoretical reaction, which is less than the actual deadline, and this gives them insufficient time to prepare their budget proposals	This is not really an improvement. It is not certain that the 2008 assessment analyzed the practice.
(ii)	C	C+	For the preparation of the budget proposals for 2012, the letter from the Prime Minister sets the applicable ceilings by economic categories for each institution and ministry, but it is not comprehensive.	No change
(iii)	A	B	Between 2009 and 2011, the National Assembly approved the budget before the fiscal year began, except for the 2011 budget, approved by a presidential order one month after the fiscal year began.	No National Assembly in 2010

(i) Existence of a budget fixed budget schedule and compliance with the schedule.

75. **The annual budget schedule is fixed and clear, yet slight delays were found in its implementation; it gives the ministries two weeks for a theoretical reaction, which is less than the actual deadline, and this gives them insufficient time to prepare their budget proposals.** The score for this indicator is C, which is better than in the previous assessment. The budget preparation procedure is set by Decree 2003-243/PRN/MF/E of September 30, 2003. It details the key stages necessary for preparing the detailed budget estimates adequately and on time. This schedule provides for sending letters indicating expenditure ceilings to the institutions and line ministries before June 15. This was done but was slightly delayed (less than a week), on June 21 and June 19 for the 2012 draft budget respectively. However, this schedule gives the institutions and line ministries only two weeks to prepare and submit their draft budgets to the Ministry of Finance, i.e. June 30. In practice, according

to several persons with whom we met,² the amount of time given was three weeks for the 2012 draft budget. The budget conferences and decision-making sessions were held in July-August for the 2012 draft budget, and the Council of Ministers reviewed the preliminary draft budgets in September as scheduled. Finally, the draft budget law is to be sent to the National Assembly before October 1, and this was done for the 2012 draft budget.

(ii) Directives regarding the preparation of budget proposals
(Fiscal year 2012 Budget Circular).

76. **For the preparation of the budget proposals for 2012, the letter from the Prime Minister sets the applicable ceilings by economic titles for each institution and ministry, but it is not comprehensive.** The content of the circular letter indicates the principal actions that are to guide the preparation of budget proposals based on the General Policy Declaration of the Government (DPG). The letter sets target ceilings by economic titles for each institution and ministry. Before it is signed, the letter is discussed in the council of the cabinet, chaired by the Prime Minister. However, the expenditure ceilings by title and by agency do not distinguish the authorized services [*services votés*] from the new measures. They do not include the components for calculating project and program costs (price indices) that are essential for assessing them. Finally, the ceilings do not take into account spending on projects and programs financed by external sources.

77. **The budget proposals of the institutions and ministries were reviewed and approved by the Council of Ministers only once the ministries had painstakingly examined all the details.** The Council of Ministers reviews the draft budget law in September, after the budget conferences and decision-making sessions are held in July and August with the institutions and ministries. The Council of Ministers makes relatively limited adjustments to the draft budget.

(iii) Timely approval of the budget by the legislative authorities
(From 2009 to 2011).

78. **Between 2009 and 2011, the National Assembly approved the budget before the beginning of the fiscal year, except for the 2011 budget, approved by a presidential order one month after the fiscal year began.** During the last three fiscal years, the dates the draft budgets were approved and the authority that approved them were: (i) November 2009, by the National Assembly, for the 2010 draft budget; (ii) January 2011 by an order of the President of the Republic, for the 2011 draft budget; and (iii) November 2011 by the National Assembly, for the 2012 draft budget. The late approval by order of the 2011 budget occurred in a context in which the National Assembly, dissolved by the military regime in place, had not been reinstated.

² These include: the Ministry of Public Health and the Ministry of National Education, Literacy and the Promotion of National Languages.

PI-12. Multi-year perspective in fiscal planning, expenditure policy and budgeting

79. **This indicator measures the extent to which medium-term public expenditure policies are aligned with available resources.** It is important to determine how the deficit will be financed and to obtain analyses of the tolerable debt threshold. These policies should be predicated on medium-term projections based on sectoral strategies, along with corresponding costs.

Score

PI-12: (Scoring method M2) Components	Score 2008		2012 Score	Rationale for the score	Explanation for the change
(i)	C		C	Aggregate sliding budget projections (based on a breakdown according to the main categories of economic classification) have been prepared for three-year periods since 2009.	No change
(ii)	B		A	The sustainability of the external and internal debt is analyzed each year	The improvement in performance is explained by external technical expertise and the start of internal ownership
(iii)	C	C	C	Sectoral strategies were prepared for the health and education sectors, and the sector covered by the "3N" Initiative, accounting for 36% of primary expenditures in 2011, and include complete cost statements that are inconsistent with the budget projections	No change
(iv)	D		C	Important investment decisions that are largely disconnected from the sectoral strategies and the consequences they generate for recurring expenses with regard to the sectoral allocations are made and few are included in the budget estimates	The improvement in the investment budget preparation process was observed

(i) Budget projections and multiyear functional allocations.

(Benchmark fiscal years 2010 and 2011)

80. **Using multiyear programming tools, sliding aggregate budget projections (based on a breakdown according to the main economic classification categories) have been prepared for three-year periods since 2009.** The medium-term expenditure framework (MTEF), prepared by the Financial Reform Directorate (DRF), is a budget forecast over three years, theoretically prepared during the macroeconomic framework operation, and the government account is one of the framework accounts. The purpose is to align the medium-term frameworks with the budget policy documents that are described in Box 1 below. However, today the production of these frameworks faces institutional organization issues and changes in methodology as shown in Box 2 below.

Box 1: Budget policy documents

To guide public policies, the country prepared medium and long-term strategy papers. The *Niger horizon 2035* Sustainable Development and Inclusive Growth Strategy plans the long-term vision that is used as a frame of reference for short and medium-term public policies. The Accelerated Development and Poverty Reduction Strategy (SDRP), which covers the period from 2008 to 2012, was superseded beginning in June 2011 by the General Policy Declaration (DPG), whose action plan that covers the period from 2011 to 2015 is the basis for intersectoral resource allocations due to the computation of the programs by ministries that it contains. In September 2012, the government adopted an economic and social development plan (PDES) for the period from 2012 to 2015 to supersede the DPG.

The Priority Action Plan (PAP) presented by sector and expected outcomes is a basis for preparing the annual budget, but there is still no connection between them. The PAP consists of 86 programs (series of programs to achieve a result). The agency was informed of the difficulties in incorporating the “support expenditures,” 50 billion in operating appropriations, that the Ministry of Planning considers investment expenditures. There is no linkage table between the PDES and the budget, but the ministries are apparently placed in the 43 “sectoral effects.” Some ministries are in several effects. Several ministries share results, as is the case for education. The ministries appear clearly in the PAP as entities in charge of implementing programs. The deadline for approving the plan made it impossible to use for the 2012 budget. According to the Ministry of Planning, the amounts in the PAP can be different than the amounts in the 2013 draft budget, but the operation is still in the “startup phase.”

The Mission

Box 2: Medium-term frameworks: *Institutional issues and change in methodology*

Macroeconomic and macrobudgetary forecasting is scattered today and there is duplication. There are three entities that prepare three macroeconomic forecasting documents: (1) *macroeconomic framework*, by the Directorate of Analysis and Economic Reform in the Ministry of Planning, Land Use and Community Development (MPATDC); (2) the *Multi-year convergence, stability, growth and solidarity program*, to be submitted to the WAEMU by the National Economic Policy Committee, which is an interministerial entity; (3) the program with the IMF, with which the aforementioned entities are involved to varying degrees; the program is run by the Directorate of Financial Reform in the Ministry of Finance. These three documents present similar yet different figures, explained only in part by the different dates they were prepared. Macroeconomic as well as macrobudgeting forecasting capacities are limited. They would be put to better use if the forecasts were combined, including the program with the IMF. The revision of the macroeconomic forecasting model should be the opportunity for combining them.

The MPATDC, in cooperation with the DRF, is faced with a difficulty caused by an overhaul of the macroeconomic model, and not yet grasped by the managers involved, and may be overly ambitious in terms of the number of macroeconomic variables to be projected. In addition to this difficulty, there is the problem of coordination between macro and budget economists due to the separation of the former Ministry of the Economy and Finance into two ministries. Despite that, the DGB produces the aggregate MTEF with a single software package known as “AYOROU,” which has two iterative modules. These documents are used to determine the expenditure ceilings that are submitted to the ministerial departments, and these ceilings serve as a basis for the budget law.

The Mission

81. **The Ministry of Finance does not analyze the links between the estimates of years N+2 and N+3 of the MTEF and the next setting (in other words, for the following years) of the annual budget ceilings.** The Directorate General of the Budget does not yet carry out this work. A coordinating committee, put in place in 2009 and renewed in 2011, is in charge of supporting the preparation of the aggregate MTEF. The members of this committee were trained in France. The committee meets to finalize and validate the proposals of the MTEF envelopes and submits them to the Minister of Finance for approval.

82. **An intersectoral allocation was prepared taking into account the inertia in implementing public policies, which resulted in adopting 80 percent of the current budget law + 20 percent of the DPG.** However, after a debate in the MTEF Committee, the viewpoint was repeated that the intersectoral allocation was to be explicit and not sought implicitly in the strategy documents. There was a proposal that the intersectoral allocation should be an essential contribution of the preparatory document in the budget policy debate. Regardless of the difficulties, the Budget Directorate submits to the ministries, at the same time as the budget circular, expenditure ceilings by ministry and by title.

(ii) *Scope and frequency of the debt sustainability analysis*
(Benchmark years 2009, 2010 and 2011)

83. **A sustainability analysis of the external and internal debt is prepared each year.** The Public Debt Directorate produces a “revised public debt strategy paper” each year that is attached to the budget law. These analyses of the viability of the internal and external debt are prepared with external expertise support. The Public Debt Directorate, which received training support, is planning to have Nigerien managers perform analyses each year, the first of which was in progress during the current assessment.

(iii) Existence of sectoral strategies, along with multiyear statements of operating expenditure and investment costs

(Benchmark year 2011)

84. **Sectoral strategies were prepared for the health and education sectors, and for the sector covered by the “3N” Initiative, and they account for 36 percent of primary expenditures in 2011 and include complete cost statements that are not always consistent with budget projections.** Only a few ministries prepare sectoral MTEFs, and their characteristics are different. The pilot ministries that prepare MTEFs are Health, National Education, Infrastructure and Rural Sector.³ The weight of these ministries in the entire government budget is significant, at 36 percent of primary expenditures in 2011 (see Table 14). Complete costs consistent with the fiscal strategies are produced. The documents that are produced are complex and detailed, and are actually intended for sector specialists and not the Budget Directorate. The preparation methodologies are inconsistent, and the presentations in particular are not the same, so that the documents are difficult to use for discussion purposes during budget conferences and even less likely to be consolidated for the purpose of proposing a transparent and unified presentation of all the sectoral MTEFs. The budgetary constraint (of the aggregate MTEF) is in some cases not observed, even though efforts along these lines were noted, following the realization that the MTEF procedure is budgetary in nature. Budget and nonbudget finances are not always kept separate. However, the documents that are produced attest to considerable efforts made by the ministries involved, as well as the mastery of their sector and the preparation of programmatic computations.

85. **However, rural development has evolved somewhat since a High Commission for the “3N” Initiative (Nigeriens Feed Nigeriens) was created and since the former executive secretariat for rural development was eliminated.** The High Commission prepared a sectoral strategy before the PDES was approved. The entire 2012-2015 investment plan that stems from is found in pillar 3, and a portion in pillar 2 for environmental programs.

³ The rural sector consists of the Ministry of Agriculture, the Ministry of Livestock, the Ministry of Water Resources and the Environment, as well as other institutions attached to the Cabinet of the Prime Minister and some programs of the Ministry of Commerce and Private Sector Development, Land Use and Community Development, and the Ministry of Finance.

Table 14. Actual primary expenditures in the priority sectors
(In thousands of CFAF, unless indicated otherwise)

Priority sectors	2009	2010	2011
Education	83,820,844	117,033,695	146,131,048
Health	39,676,010	38,981,671	47,021,447
Rural sector	22,182,801	23,650,635	34,208,835
Equipment	28,279,665	22,977,580	26,911,886
Total expenditures	173,959,320	202,643,581	254,273,217
As a percentage of aggregate primary expenditures	35.9	44.8	36.1
Memorandum item			
Total primary expenditures	483,920,233	452,438,977	703,483,200

Source: 2009, 2010 and 2011 budget law and mission calculations.

(iv) Links between the investment budgets and medium-term expenditure estimates (benchmark year 2011)

86. Important investment decisions that are largely unrelated to the sectoral strategies and the consequences they entail for recurring expenditures in terms of sectoral allocations, are adopted and yet are not included in the budget estimates.

Investments, which are Title 5 of the budget, are scheduled by the Ministry of Planning as the government investment program (PIE). This document, despite a few flaws, is a rather good predictor of government investments. The crux of the link between the PIE and the strategies—ministerial or central level—is essentially the matter of donor involvement in financing the strategies, as Title 5 projects (excluding investments funded using the government's own resources) are essentially executed with external funding. Domestically funded investments are decided without regard to the strategies. For externally funded investments, although an effort to link them with the sectoral strategies was observed, investment decisions that were not aligned with these strategies were also found. However, periodic revisions of these strategies have begun to include the negotiations with donors, and a government-donor dialogue framework is being implemented. The question that arises is not so much the consistency between investments and strategies, but rather the lack of prioritization of the strategies to ensure an optimal choice of investments.

D. Predictability and Control in Budget Execution

PI-13. Transparency of taxpayer obligations and liabilities

This indicator measures the degree of transparency that characterizes taxpayer liability, mainly in terms of the clarity and comprehensiveness of the legislation and administrative procedures, access to relevant information, and the opportunity to dispute administrative decisions regarding tax owed with the independent institutional entities. This indicator is measured at the time of the assessment, in October 2012.

Score

PI-13: (Scoring method M2) Components	Score 2008	Score 2012	Rationale for the score	Explanation for the change
(i)	B	B	The legislative and regulatory framework for taxation and customs is complete and relatively clear; it limits the discretionary authority of the agency	No change
(ii)	C	C	Taxpayers have access to information on tax and customs obligations and on relevant administrative procedures, but access is not very extensive	No change
(iii)	C	C	There is a procedure for disputing the implementation of the provisions or the assessment of taxable bases with the tax and customs entities, but a detailed review is required to ensure equity and transparency	No change

(i) Clarity and comprehensiveness of tax and customs obligations.

87. **The legislative and regulatory framework for taxes is complete and relatively clear; it limits the discretionary authority of the agency.** Tax legislation is combined into a document entitled “Republic of Niger Tax and Government Property Regime,” now in effect. A General Tax Code was adopted on June 1, 2012 and takes effect on January 1, 2013. Although the finalization of the General Tax Code was delayed, while the 2008 PEFA assessment was being finalized for 2009, these key provisions were in effect based on the budget laws for the years 2009 to 2012. This new statute is the culmination of efforts to adjust tax laws and regulations. Consequently, it represents a major step forward. This code introduces greater consistency in the presentation of the tax system, incorporates the supranational provisions based on the WAEMU directives, and is a unique framework. While the General Tax Code was being prepared, the representatives of the professional organizations were consulted and a dialogue with the Chamber of Commerce began. A national workshop on the draft general tax code was held in 2010 and included the DGI, government administrations and agencies, the Chamber of Commerce, civil society, and the sectoral professional organizations. However, the circulars and implementation notes for the new tax code are not yet ready. The DGI indicated that they are being prepared and will be available at the end of the current year.

88. **Some procedures for implementing the tax provisions complicate tax management for taxpayers.** For example, regarding the value added tax (VAT), some large enterprises and government agencies are authorized to withhold the tax and pay their suppliers without tax and pay the withheld tax to the Treasury. This is an infringement of the fundamental principle of the VAT. It causes a breach in the deduction chain and increases the volume of VAT credits from enterprises that are subject to withholding with no certainty that the VAT will be reimbursed, despite the fact that, although this is the principal objective of this measure, there is no full guarantee. Taxpayers who are eligible for exemption regimes sometimes consider that they are exempt from the requirement to file returns under ordinary law, and the agency's supervision and control capacity is insufficient; this is especially true for NGOs.

89. **Regarding customs, the legislative and regulatory framework is complete and clear.** The customs regime is governed by:

- Law 61.17 of May 31, 1961, which establishes the customs system of the Republic of Niger, updated in July 2000, and the relevant regulations;
- The Investment Code, the Oil Code and the Mining Act;
- Rule 05/99/CM/WAEMU of August 6, 1999 on the customs value of goods. This rule enshrines the transaction value as the primary basis for customs valuation;
- Rule 09/2001/CM/WAEMU of November 26, 2001 on the adoption of the WAEMU Customs Code.

90. **This customs legislative and regulatory framework limits the agency's discretionary authority.** The large number of exemptions granted based on the legislation and conventions in effect, the codes to promote investment, or sundry other conventions further complicate efforts to manage the customs system. Surveys performed by customs revealed cases of abuses. These customs systems are problematic from the standpoint of interpreting and implementing the regulations and they make it difficult to ensure that exempt goods were truly used for their ultimate purpose, based on which they were made eligible for these customs arrangements.

(ii) Taxpayer access to information on tax and customs obligations and the relevant administrative procedures.

91. **Taxpayers have access to information on tax and customs obligations and on relevant administrative procedures, but it is not very extensive.** Taxpayer access to information exists, but the channel of information is intended more for economic operators, mainly through the Chamber of Commerce, as opposed to all taxpayers. With regard to taxes, there are communication projects carried out by the public relations unit, which falls under the director general of taxes. Communication projects are organized for taxpayers, but there are no widely disseminated pamphlets or brochures to support them. Regarding customs, operators are informed through notices to importers and instruction manuals. The

implementation circulars are disseminated to tax and customs units and to the Chamber of Commerce. But the DGI and DGD websites, which could facilitate broader dissemination of tax and customs information, are not active.

92. **The customs circuit for declarations, which was relatively cumbersome, has recently been streamlined now that scanners are in use in the three largest offices of the customs clearance offices.** The commissioners have access to the customs computer system to enter the data into their declarations. They use the ASYCUDA++ common terminal provided to them in the customs offices to enter the various data in the declaration; the data is validated by the authorized customs officer. The declaration is entered in ASYCUDA and assigned to an inspector in charge of paying the duties. Scanning is a procedure that takes place at the beginning of the process, and the results are immediately available; if no suspect data is reported, the payment of the duties is authorized and a release voucher is issued.

93. **The work of the customs commissioner has been regulated more transparently since 2011.** Measures to correct the constraints encountered in the execution of the work of the customs commissioners resulted in the implementation of a transparent authorization procedure formalized by Decision 0002/MEF/CCRI/DGD of January 1, 2011. In accordance with the current regulation, only the authorized customs committees are authorized to carry out customs procedures for others. The implementation procedure bolsters transparency and compliance with the commitments and obligations of customs operators.

(iii) Existence and operation of a system to appeal decisions by the tax agency and customs.

94. **There is a procedure for disputing the implementation of the provisions or the valuation of taxable bases with tax and customs units, but it should be reviewed in detail to ensure that it is fair and transparent.** Regarding taxes, as in 2008, the procedure is the same, for disputing both matters of law and matters of fact. Taxpayers may dispute their tax bill by filing complaints with the operational units. The unit that reviews the complaint (Dispute Unit) is separate from the unit that established the tax base (Tax Base Unit). A taxpayer who disputes the decision of the operational units may file an appeal with the Director General of Taxes. The Legislation and Dispute Directorate conducts the review and submits its proposals to the Director General of Taxes, who decides whether or not the complaint is valid. A taxpayer who still disagrees with the decision may appeal to the Minister of Finance. However, there is no entity that represents both parties (the agency and the taxpayer). After exhausting the prior administrative remedy, it is still possible to file an appeal with the courts, but there are very few tax disputes at this level, as the data in Table 15 below shows.

Table 15: Number and type of appeal

Type of appeal/Year	2010	2011
Administrative appeals	269	165
Appeals to the courts	10	04
Total number of appeals	279	169

Source: DGI

95. **In customs, there is no formalized appeal procedure.** However, complaints may be filed with the office manager, the regional director, or the director general of customs. Appeals to the courts are possible as a matter of right, but such appeals are rare and customs has no statistics on disputes.

PI-14. Effectiveness of measures for taxpayer registration and the assessment of taxes, fees and customs duties

96. This indicator measures the effectiveness of the taxpayer registration system in effect and the use by the agency of the risk-based approach for auditing. The benchmark period for this indicator is October 2012.

Score

PI-14: (M2 scoring method) Components:	Score 2008	Score 2012	Rationale for the score	Explanation for the change
(i)	C	C	A Taxpayer Identification Number (NIF) is in effect and is recorded in a database with no link to the other tax functions for granting licenses and/or the National Social Security Fund database	No change.
(ii)	C	C	Breaches of the requirement to register and file tax returns are penalized, but this is not universally enforced	No change.
(iii)	C	C	There are tax audit programs and reviews, but these programs are not based on clear risk assessment criteria	No change.

(i) Control of the taxpayer registration system

97. **A Taxpayer Identification Number (NIF) is in effect and is entered in a database with no link to the other tax functions of granting licenses and/or the National Social Security Fund database.** This identifier is unique, exclusive and invariable, and is the same for customs and taxes; it is used for taxation or customs clearance operations. The NIF is helpful in certain crosschecking operations; however, it is not linked to other registration systems, for example, the National Social Security Fund database. The registration for the NIF takes place in the DGI. A system that involves the Chamber of Commerce is also in place to facilitate the registration procedure through the Business Procedures Center, which assists merchants in completing tax procedures.

98. **There has been a relative improvement in registrations over the last two years.** There were 16,256 NIFs as of 12/31/09, with 2,098 new registrations in 2010 and 2,839 in 2011. The NIF must be entered on documents taxpayers issue as part of their business dealings.

99. **Access to procurement and carrying out certain operations are contingent on producing the registration number.** The NIF is compulsory for bidding on a government contract, engaging in import operations or activities of a business nature.

100. **Despite the registration requirement, the taxpayer database is far from covering all potential taxpayers and the system has some limitations.** The fact that the award procedure is centralized in Niamey, that the award lead times are occasionally lengthy, and that inspections are infrequent, are the main factors that explain the failure to comply with the registration requirement. Occasional importers that do not have an NIF may appear on the single customs declarations (DDUs) under an anonymous code: 9999.

(ii) Effectiveness of penalties for cases of noncompliance with registration and reporting obligations.

101. **Breaches of the registration and tax reporting requirement are subject to penalties, but these penalties are not systematically enforced.** Failure to present the NIF upon the request of tax or customs officers renders the perpetrator liable to pay a fine of CFAF 100,000 and the fine for fraudulent use is CFAF 500,000. These penalties could be a disincentive if they were systematically enforced, but they are not, because of poor controls and the existence of a degree of flexibility. **Discretionary behaviors are condoned, for example, the acceptance by the agency of the deductibility of income tax expenses for invoices for small amounts, even though there is no NIF on them.**

(iii) Planning and monitoring of tax supervision and fraud review programs

102. **There are tax auditing and review programs, but they are not based on clear risk assessment criteria.** Risk indicators must take into account the frequency of corrections to original returns and tax reminders after auditing. In the area of taxation, there are programs based on a manual review of individual files for auditing, and findings are based on an off-site audit of the files by tax base staff and/or review staff. Contrary to the statement made during the 2008 assessment, these auditing programs are not based on a risk-based approach tailored to the sector or area of activity, to the size or the organization of the business, or to business behaviors in order to categorize the entities according to risk level. Moreover, the lack of identification of the factors that make possible breaches of tax discipline, fraud or tax evasion, makes it impossible to improve the level of compliance with tax obligations. The risk-based approach allocates available resources as efficiently as possible in terms of revenue and preventive effects. In customs, audits of valuation performed by Société de contrôle et de certification commerciale (COTECNA) and the very recent implementation of scanners reduce the risk level, but customs still faces difficulties in terms of controlling and checking exemptions. In this area there is no database on the risks inherent in the exemption system that could improve the effectiveness of the audits. Moreover, goods in transit on roads pose difficulties for inspection because of problems with customs escorts.

103. **Customs uses the services of COTECNA staff; they provide inspection support before goods are loaded or, if that is not possible, when the goods are offloaded, and then they issue an inspection certificate (ADV).** They manage the scanners, which were placed in service in September 2012. Moreover, COTECNA was to inspect quality and standards, but at this time only the value is checked. The framework for the intervention of the specialized inspection entity, mandated by the government for this purpose, is governed by Decree 2011-248/PRN/MF of August 11, 2011. The data processing interconnection among the customs offices that could improve the effectiveness of the inspections is incomplete; other than the offices in Niamey and two regional customs posts, the others are not connected.

PI-15. Effectiveness in collection of tax and customs payments

104. **This indicator measures the level of arrears in taxes and fees and the agency's capacity to collect the arrears.** The benchmark period is October 2012.

Score

PI-15: (M1 scoring method) Components:	Score 2008		Score 2012		Rationale for the score	Explanation for the change
(i)	No score		D		The tax agency does not produce a statement that shows the arrears for each fiscal year for the previous period, the new outstanding amounts to be collected, or the tax arrears that were collected	Not comparable.
(ii)	B		C	D+	Funds collected are transferred into the RGT accounts regularly for DGI and DGD revenue, but it can take up to 10 days to transfer this revenue back to the regions	The deterioration is not real, because it is uncertain that the 2008 score took into account the time frame for transferring revenue from the regions
(iii)	D		D		Collection accounts are reconciled at the end of the month based on a summary statement of revenue, along with payment notices that the customs receiver submits the accounting officer of the appropriate treasury, with discharge.	No change.

(i) Collection rate of gross tax/fee arrears, calculated as a percentage of tax arrears at the beginning of the fiscal year, that were collected during the given fiscal year (average of the last two fiscal years).

105. **The tax agency does not produce a statement that shows the arrears for each fiscal year from the previous fiscal year, the new outstanding amounts to be collected, or the tax arrears that were collected.** This was also found in the 2008 PEFA assessment.

106. **The tax system is declaration-based and payment is spontaneous for the large taxes (VAT and income tax).** The outstanding amounts to be collected are thus insignificant, except for taxes levied previously by the agency, of which the taxpayer was notified, and that are to be paid by the statutory deadline. This is the case of tax reminders after a tax audit. There is no complete statement that summarizes spontaneous payments, collections following a previous issuance of revenue securities, cancellations) or outstanding amounts to be collected. The analysis of the specific statements in the Directorate of the Tax Audit and Reviews (DCFE), for each of the fiscal years (2009, 2010 and 2011) shows the poor efficiency of collections compared to the tax reminder following the adjustments [redressement] to the taxable bases. The scores issued after a tax audit show low collection rates during the issuance exercise, as shown in the table below on DCF revenue (Table 16).

Table 16: Status of collections and outstanding amounts to be collected from issuances after a tax audit for each fiscal year (2009, 2010 and 2011)

Year	Acceptance for the FY after audit (a)	Cancelations (b)	Collections from acceptance (c)	Outstanding amounts to be collected from acceptance (d)	Percent R (c/a-b)
2009	10,360,374,252	265,837,539	2,680,554,527	7,408,314,513	26.5%
2010	62,752,485,979	70,464,653	1,749,505,293	60,932,476,033	2.9%
2011	6,609,887,074	296,524,931	1,117,792,114	5,205,013,559	17.7%

Source: Tax Audit and Review Directorate

107. **For each year, the DCFE receiver prepares a statement of acceptances, cancelations, collections and outstanding amounts to be collected.** But the outstanding amounts to be collected, determined at the end of a fiscal year, are not included in the statements prepared for the next year and there are no comprehensive statements on the settlement of acceptances that summarize the amount of these acceptances, settlements due to cancelations, collections, or outstanding amounts to be collected. Settlements due to cancelations are occasionally very high, and this reduces the credibility of the audits and related acceptances. In 2010, acceptances amount to CFAF 62.7 billion, 47.9 billion of which was canceled in 2011, and the statement of cancelations that the staff submitted was incomplete.

108. **There is a special procedure for the immediate or direct removal of goods in customs, subject to an adjustment period, for which there are risks in terms of settlement and the actual collection of duties.** This procedure applies in special cases such as fresh products, spare parts, and imports under the exemption system. However, cases of the illegal use of this procedure have occurred and jeopardize the collection of duties. A guarantee system has been put in place to improve the management of this procedure.

(ii) Effectiveness of the transfer into the treasury account of amounts for taxes, fees and customs duties collected by the tax agency and customs.

109. **Transfers to the RGT account of funds collected are made regularly through the DGI and the DGD revenue office, but the time frames for mobilizing the funds are not optimized.** The RGT account is reconciled with the ACCT account daily, at the end of the day. The tax is paid to the Taxes and Customs Revenue Office in cash or by check. The checks are presented for clearing. At the BCEAO branch in Niamey, the value date of the checks for clearing is D+1. For customs revenue, the cash is released regularly, but the time frame for reimbursing the revenue that the regional posts collect may be as much as ten days, and the maximum level is three percent of total customs revenue.

(iii) Frequency of a full reconciliation of valuation accounts, collections, arrears files and amounts received by the Treasury.

110. **The collection account reconciliation operations are carried out at the end of the month based on a summary statement of revenue along with payment notices that the customs receiver submits to the appropriate treasury accounting officer, with discharge.** Authorized operators are eligible for the facility for phased withdrawal of goods from customs [*crédits d'enlèvement*]. The funds are available after they are audited (this is the Treasury's responsibility). The Treasury must collect the corresponding duties by the due date.

PI-16. Predictability in the availability of funds for commitment of expenditures

111. **The indicator pertains to the information the ministries received regarding the actual availability of the funds, and how the government manages its cash, in particular from the standpoint of cash flow forecasting.** The benchmark year for the measurement of this indicator is 2011.

Score

PI-16 (M1 scoring method) Components	Score 2008		Score 2012		Rationale for the score	Explanation for the change
(i)	A		B		A cash plan is prepared for the fiscal year and is updated each quarter, but there is no guarantee that it is reliable	It is not true that the predictability and monitoring of cash flows have deteriorated. It is likely that in 2008 no analysis of the reliability of the projections was performed
(ii)	C	C+	B	B	To align the pace of the consumption of funds for expenditures with the pace of available funds, since 2009 budget regulation has been in use and this is reported to the ministries	Improvement through the funds release instrument
(iii)	C		B		Insignificant adjustments through legislative methods through the supplemental budget laws or by regulation for wire or other transfers are used if there are constraints on the financial resources	Improvement due to compliance with the current provisions

(i) Degree of predictability and monitoring of cash flows.

112. **A cash plan is prepared for the fiscal year and is updated each quarter, but there is no guarantee that it is reliable.** A cash committee is in charge of preparing an annual cash plan and monitoring cash management. Annual estimated cash plans are prepared using the month as a basis. Quarterly cash plans are prepared (projected and actual). The cash committee meets once a week to review the execution of expenditures and revenue for the previous week and to determine expected revenue for the coming week before determining expenses payable as a result as well as the amount to be secured for paying wages. However, the randomness of some nontax revenue (dividends) and difficulties in controlling the

schedule for disbursing external budget aid (loans and non-repayable aid – NRA) lessen the predictability of funds and the ability to prepare the annual schedule for floating loans. The nonrecurring expenditures procedures (30 percent of Titles 3, 4 and 5) also lower predictability and leeway for paying expenditures that arrive via the standard procedure, and this is a source of accumulation of arrears.

(ii) Reliability and frequency of periodic information supplied during the fiscal year to the ministries, directorates and other administrative entities on ceilings for expenditure commitments.

113. To align the pace of consumption of funds for expenditures using cash [disponibilités financières], since 2009 a budget regulation has been in use and reports are submitted to the ministries. Instruction 000549/ME/F/DGB of February 20, 2009 governs the practical procedures for executing government expenditures. The first type of regulation is by releasing funds in equal quarterly installments. The second type of regulation is the release of a percentage of funds broken down into expenditure categories to take account of the seasonal nature of expenditures for some ministries. The third type is the monthly distribution of funds authorized for certain categories of expenditures for the remaining period by limiting monthly commitments to the released allocation. Allocations released under these procedures are reported by ministerial circular letters to the fund administrators and to the IT director. Within the limit of the envelope reported for each title: 3 (operation), 4 (transfer and subsidies) and 5 (investments), the fund administrators propose to the payment authorization officer, based on their priorities, a detailed breakdown of the commitment proposals. However, since there are no commitment plans that are harmonized with the procurement plans, the effectiveness of the regulation procedure is diminished.

(iii) Frequency and transparency of adjustments of budget allocations, the decision for which is made at a management level above the ministries and other administrative entities.

114. Insignificant adjustments using legislative means through the supplementary budget laws or by regulation through wire or other transfers are used if there are constraints on financial resources. Regulatory changes in the budget (wire and other transfers) continued to be limited in 2009. In 2010, regulatory changes were unnecessary due to the two supplementary budget laws (LFR): the first LFR lowered funds by 13 percent compared to the original budget law, and the second increased funds by eight percent compared to the previous LFR. However, the organic budget law strictly controls the movements of these funds.

PI-17. Monitoring and management of cash balances, debt and guarantees

115. This indicator assesses the monitoring and management of cash balances, debt and guarantees. Debt management (procedures for setting it up, service and repayment) and the granting of government guarantees, are the major components of budget management. Thus, to avoid borrowing and paying interest unnecessarily, the cash balances of all the government bank accounts (including the balances of extrabudgetary funds and accounts of

projects controlled by the central government, must be identified and consolidated. In three dimensions, the indicator measures: (i) the quality of data recorded on the debt and reporting; (ii) the status of consolidation of the central government's cash balances; and (iii) the lending system and the system for extending guarantees.

Score

PI-17: (M2 scoring method) Components	Score 2008	Score 2012	Rationale for the score	Explanation for the change
(i)	D	C	The data on the internal and external debt is complete and up-to-date and is reconciled every year	Internal debt monitoring has improved
(ii)	B	C	Bank balances, such as the balances in the special treasury accounts with the BCEAO, are not consolidated with the principal ACCT accounts	This is not really a deterioration. It is likely that the 2008 assessment was unable to identify the treasury accounts managed by the DGTCP that are not consolidated for optimal cash management
(iii).	D	C	The Minister of Planning signs the loans, but there are no rules, criteria or ceilings for granting guarantees	The improvement is from making a single entity responsible for signing loans

(i) Quality of recording data on the debt and reporting (as of the time of the assessment).

116. **Several entities are involved in managing Niger's debt.** The Public Debt Directorate (DDP) is in charge of recording and administering the medium and long-term external and internal debt using the CS-DRMS software, and for establishing a strategy to manage the public debt approved by the National Public Debt Management Committee (CNGDP). The Directorate General of the Treasury and Public Accounting (DGTCP) is responsible for the treasuries issued in the regional market. The CAADIE is in charge of managing domestic arrears prior to 2010 and for clearing them. The Ministry of Planning identifies the sources of external financing and negotiates loans with creditors.

117. **The data on the internal and external debt is complete and up-to-date and is reconciled every year.** Practices regarding the debt are sufficient to obtain the score of C, which is better than the previous assessment in 2008. Complete management reports and statistics (on debt service, the stock and operations) are produced: (i) the public debt strategy paper is produced annually and is annexed to the annual budget; (ii) statistical reports on the external debt are produced twice a year. The data is of good quality, but there are problems in terms of the time it takes to record new loans and some drawings. The external debt data is reconciled with creditors at the end of each year.

(ii) Consolidation statement of central government cash balances (As of the time of the assessment).

118. **The consolidation of cash balances is incomplete.** The cash balances are calculated daily for the revenue transit accounts and monthly for all the administration accounts (including the accounting item accounts). Bank balances, such as the balances of the special treasury accounts with the BCEAO, are not consolidated with the principal ACCT accounts. There are three types of these special accounts: (i) the government agency accounts, such as the Postal Service, the National Social Security Fund (CNSS), and some GAAs; (ii) the accounts kept by the DGTCP (largely for historical reasons); and (iii) the project accounts at the request of the donors. Although the authorities surveyed the bank accounts in order to close some of them, the number of government agency accounts in commercial banks increased from 1,147 in July 2010 to 1,954 accounts in June 2012. According to the results of the survey, performed in late June 2012, the GAA accounts with the BCEAO held cash equivalent to two and a half times the cash the Public Treasury held.

(iii) System for loans and granting guarantees
(Status as of end-2011).

119. **The Minister of Planning signs loans, but there are no rules, criteria or ceilings for granting guarantees.** The new organic budget law enacted in 2012 established that only the Minister of Finance grants loans and guarantees. The Minister of Finance delegated this authority to the Minister of Planning. The time frames for disclosing information on loan agreements between the two ministries generate uncertainty regarding the consolidation of data on the debt for the forecasting requirements of its service under the draft budget law. Moreover, the guaranties are not granted on the basis of clear criteria laid out in an instruction. In addition, there is no specific or single oversight system. However, new guarantees were seldom granted in recent years, and the sole recipient was Société de raffinage de Zinder in the amount of US\$352 million, and prior to that, Hôtel Gaweye, in the amount of CFAF 2.3 billion.

PI-18. Effectiveness of payroll controls

120. **This indicator assesses the payroll control mechanisms and their level of effectiveness**

Score

PI-18: (M1 scoring method) Components:	Score 2008		Score 2012		Rationale for the score	Explanation for the change
(i)	B		C		The personnel database is not kept up-to-date due to the lack of integrated staff and payroll management; reconciliations do occur, albeit sporadically.	It is not certain that the addition of the personnel and payroll databases was really checked in 2008.
(ii)	C		C		Some changes in the personnel database and payroll statement are often made more than three months late.	No change.
(iii)	A	D+	C	C	Control measures are in place, but they do not guarantee the total integrity of all the data because of the separate management of staff that enjoy autonomous status and that are not not under civil service control..	This is not a real deterioration. It is not certain that the 2008 assessment verified that changes in the two databases (personnel and payroll) were auditable. Since 2010 the autonomous status provisions have been expanded.
(iv)	D		C		In 2009, a staff count was taken but has not been tabulated.	The improvement is due to the count that was taken.

(i) Degree of integration and reconciliation of payroll and personnel database data (As of the time of the assessment)

121. **The personnel database is not kept up-to-date due to the lack of integrated staff and payroll management; reconciliations do occur, albeit sporadically.** There is no integration of government employee management with the joint data of the Ministry of the Civil Service and the Payroll Directorate under the MF and the DRHs of the sectoral ministries; this would facilitate a systematic update of the personnel database in the civil service. The civil service database is updated monthly based on appointment and promotion documents prepared at the central government level, as well as the deconcentrated documents, prepared in the sectoral ministries. The Payroll Directorate database includes all the changes brought about by the decisions for which Ministry of the Civil Service is responsible, as well as changes brought about through the documents prepared by the sectoral ministries for the management of staff that have autonomous status. This autonomous status applies to personnel in customs, water and forest, judges, the National Police, the Niger National Guard, and the Military Corps.

(ii) Timely changes made in the personnel database and payroll statement (As of the time of the assessment).

122. **Some changes in the personnel database and payroll statement are often made more than three months late.** The ministries are not connected to the payroll application. They forward the relevant decisions and receipts to the Ministry of the Civil Service. The civil service employees who input data go to the Ministry of the Civil Service website to

enter payroll changes. The Payroll Directorate thus updates the file monthly, up to the 24th of the month, in order to begin processing the payroll and auditing the statements that are edited after the changes. Some changes in the personnel database and payroll statement are often made three months late.

(iii) Internal controls of changes made in the personnel database and payroll (As of the time of the assessment)

123. **Control measures are in place, but they do not guarantee the total integrity of all the data because the management of staff with autonomous status that is not under civil service control is separate.** The audit of the payroll based on crosschecking it with the personnel database kept by the Ministry of the Civil Service is still partial. The personnel database only manages staff that falls under the general regulation, and employees with autonomous status are managed directly by the appropriate agencies. The update of the database depends on the speed with which the ministries update the files for their employees. The financial and Treasury audits are not part of the process of checking changes made in the payroll. The 2008 assessment overestimated this component by restricting it to the ability to show the changes made in the personnel database and payroll statement database.

(iv) Existence of measures to audit the payroll to find failures in the internal control system and/or ghost workers

(Status over three years, from 2009 to 2011).

124. **In 2009, a staff count was taken, but has not been followed by tabulating the results to update the database of civil servants.** In addition, IGF performed an audit of the payroll system in May 2011, but the report prepared for this purpose and its main findings were not tabulated.

PI-19. Procurement: transparency, competition and systems for filing complaints

125. **This indicator examines the procurement system based on which much government spending is executed.** It consists of four dimensions: (i) the legal and regulatory procurement framework; (ii) the use of competitive procurement methods; (iii) public access to procurement information; and (iv) processing of procurement complaints. The structure and method of assessment of this indicator have changed since the previous assessment in 2008.

Score

PI-19: (M2 scoring method) Components	Score 2008		2012 Score		Rationale for the score	Explanation for the change
(i).	Not comparable	B	A	B+	The legal and regulatory framework in effect since 2011 is consistent with best practices.	Change in the assessment method
(ii)			B		According to the data, which is of average quality, in 2011 roughly 90% of the value of contracts that were awarded were competitive.	Change in the assessment method
(iii)			B		About 90% of the information on procurement that is published pertains to contracts awarded in 2011.	Change in the assessment method
(iv)			A		There is a Dispute Resolution Committee that reviews complaints, and this is consistent with optimal standards.	Change in the assessment method

(i) Promotion of transparency, comprehensiveness and competition through the legal and regulatory framework
(Situation as of end-2011).

126. **The legal and regulatory framework in effect since 2011 is consistent with best practices (Table 17).** To improve governance and optimize resources, reforms were begun in 2006. The Directorate General of Procurement Oversight (DGCMP) and the Procurement Regulatory Agency (ARMP) were established. More recently, in 2011, a new law and decrees and decisions that implement it were adopted. In particular, a system for reviewing complaints was implemented and included an independent administrative body. The legal and regulatory procurement framework meets all the requirements of the PEFA methodology: a clearly established hierarchical organization is freely and easily accessible; use open competitive procurement as the default method of procurement; provide public access to procurement information; provide independent administrative procurement review process for handling procurement complaints by participants before the contract is signed. However, there is room for improvement in the procurement system since some of the DGCMP's duties continued to be carried out by certain units of the Ministry of Finance. Procurement data is fragmented between the ARMP and the Directorate General of Financial Control (DGCF). Visibility in procurement below the threshold of CFAF 10 million is more limited.

Table 17. Summary of the features of the legal and regulatory framework for procurement according to the baseline PEFA criteria

No.	Baseline criteria	Included	Sources
1	Be organized hierarchically and precedence is clearly established	Yes	Law 2011-37 of Oct. 28, 2011 on the general principles, control and regulation of procurement and delegations of public service in Niger Decree 2011-686/PRN/PM of Dec. 29, 2011 on the procurement code and delegations of public service Decree 2011-687/PRN/PM of Dec. 29, 2011 on the duties, composition, organization and operating procedures of the Procurement Regulatory Agency Decree 2011-688/PRN/PM of Dec. 29, 2011 on the code of ethics for procurement and delegations of public service Decree 2008-120/PRN/MEF of May 9, 2008 on the organization and duties of the Directorate General of Procurement Control Decision 0140/CAB/PM/PM/ARMP of June 29, 2012 on the establishment, duties and organization of a regional representative office of the Procurement Regulatory Agency Decision 0143/CAB/PM/PM/ARMP of June 29, 2012 establishing procurement thresholds and the performance of government contracts and delegations of public service Decision 0145/CAB/PM/PM/ARMP of June 29, 2012 on the establishment, duties, standard composition and operations of the Ad Hoc Bid Opening Commission and the evaluation of procurement bids and delegations of public service Decision 0146/CAB/PM/PM/ARMP of June 29, 2012 establishing time frames for procurement and delegations of public service
2	Be freely and easily accessible to the public through appropriate means	Yes	
3	Apply to all procurement undertaken using government funds	Yes	
4	Make open competitive procurement the default method of procurement and clearly define the situations in which other methods can be used and how this is to be justified	Yes	
5	Provide for public access to all of the following procurement information: government procurement plans, bidding opportunities, contract awards, and data on resolution of procurement complaints	Yes	
6	Provide for an independent administrative procurement review process for handling procurement complaints by participants prior to contract signature.	Yes	

(ii) Use of competitive procurement methods

(At the time of the assessment in October 2012)

127. **In recent years, the operation of the procurement system has been strengthened as well.** All government contracts of a value greater than CFAF 10 million are awarded based on open competition. According to the average quality database in Table 18b, in 2011, about 90 percent of the value of contracts awarded were open (international tenders, domestic tenders and short-list tenders). A request for exemption was filed for the use of special methods such as short lists and direct agreements, which the DGCMP reviewed in accordance with legal requirements. The DGCMP refused to approve roughly 20 percent of procurement projects by other methods from 2009 to 2011 because they did not meet the requirements. To avoid tenders, splitting contracts is prohibited, and the DGCMP ensures compliance with this for contracts worth more than CFAF 10 million. Below that amount, government procurement follows the internal control procedure of the contracting entity. However, the DGCMP has not yet prepared period reports.

Table 18a. Breakdown of procurement modes by number and percentage

Mode	2009	2010	2011
	Number		
International tenders	39	23	42
Domestic (and local) tenders	267	144	438
Short-list tenders	50	67	206
Consultation with suppliers	8	49	100
Direct contract	9	13	54
Others (not specified)	6	0	0
Total	379	296	840
	As a percentage of the total		
International tenders	10%	8%	5%
Domestic (and local) tenders	71%	49%	52%
Short-list tenders	13%	23%	25%
Consultation with suppliers	2%	17%	12%
Direct contract	2%	4%	6%
Others (not specified)	2%	0%	0%
Total	100%	100%	100%

Sources: ARMP, mission calculations

Table 18b. Breakdown of procurement modes by amount

Mode	2009	2010	2011
	in millions of CFAF		
International tenders	2,279	38,643	29,930
Domestic (and local) tenders	14,365	13,077	37,829
Short-list tenders	12,104	4,133	31,436
Consultation with suppliers	0.201	1,931	1,961
Direct contract	10,111	4,575	7,715
Others (not specified)	0.156	13	0
Total	39217	62,371	108,872
	As a percentage of the total		
International tenders	6%	62%	27%
Domestic (and local) tenders	37%	21%	35%
Short-list tenders	31%	7%	29%
Consultation with suppliers	1%	3%	2%
Direct contract	26%	7%	7%
Others (not specified)	0%	0%	0%
Total	100%	100%	100%

Source: ARMP, mission calculations

(iii) *Public access to procurement information that is comprehensive, reliable and timely*
(At the time of the October 2012 assessment)

128. **About 90% of the information on procurement that is published pertains to contracts awarded in 2011.** Important procurement information is available to the public. This information includes forward-looking procurement plans, bidding opportunities,

contract awards and information on dispute resolution. This information which, for example, is disseminated to the ministries and other contracting entities such as city governments and professional associations in the private sector, is published in the Official Gazette and in the media. The public may obtain the information at a nominal cost. Ninety percent of the information on procurement that is published pertains to contracts awarded in 2011. In January the DGCMP publishes a forward-looking annual procurement plan of the government entities, and this plan is periodically updated. Thus, it reviews the tenders before they are released. There is an independent audit of procurement every other year. The most recent covers 2007 and 2008 and was published in 2010; the next one, covering 2009 and 2010, was in preparation.

(iv) Existence of an independent administrative body in charge of reviewing procurement complaints

129. An administrative body that complies with optimal standards reviews complaints (Table 19). Implemented by Decree 2004-192/PRN/MEF of July 6, 2004, the Dispute Resolution Committee is comprised of six (6) professionals who are not involved in procurement operations. The ARMP appoints half of the committee members, while the socio-professional organizations appoint the others. Its decisions are handed down in a reasonable amount of time and are binding on all parties. The committee may suspend the procurement process if necessary. The cost of this complaint process is reasonable, and the process is accessible to all. It is implemented using procedures known to the public.

Table 19. Analysis of the existence of an independent administrative body in charge of reviewing complaints

#	Criteria for the amicable procedure for reviewing complaints	Included
1	Is comprised of experienced professionals, familiar with the legal framework for procurement, and includes members drawn from the private sector and civil society as well as government	Yes
2	Is not involved in any capacity in procurement transactions or in the process leading to contract award decisions	Yes
3	Does not charge fees that prohibit access by concerned parties.	Yes
4	Follows processes for submission and resolution of complaints that are clearly defined and publicly available	Yes
5	Has the authority to suspend the procurement process	Yes
6	Issues decisions within the timeframe specified in the rules/regulations	Yes
7	Issues decisions that are binding on all parties (without precluding subsequent access to an external higher authority)	Yes

PI-20. Effectiveness of internal controls for non-salary expenditures

130. This indicator measures the effectiveness of the internal control system and the risk-based approach dimension for implementing it. The assessment is based on the situation as of October 2012.

Score

PI-20: (M1 scoring method) Components	Score 2008		Score 2012		Rationale for the score	Explanation for the change
(i)	B	C+	B	C+	The single payment authorization officer for expenditures determines the envelopes to release in terms of quantitative and time limits based on expected revenue; relatively reliable	No change
(ii)	C		C		The organization of the expenditure chain is characterized by the intervention of accounting controls prior to the payment authorization phase; this is a factor of redundancy	No change
(iii)	C		C		The organization of the expenditure chain is characterized by unjustified exemption procedures that jeopardize its effectiveness	No change

(i) Effectiveness of expenditure commitment control measures

131. **The single payment authorization officer for expenditures determines the envelopes to release in terms of quantitative and time limits based on expected revenue; this system is relatively reliable.** The expenditure execution procedures are carried out through the computerized expenditure chain using the principle of the single payment authorization officer. The Minister of Finance is the lead single payment authorization officer for expenditures from the general government budget, annex budgets, and special treasury accounts, and the other ministers are the fund administrators. The lead payment authorization officer and the fund administrators may delegate their authority. Based on expected revenue, the payment authorization officer determines the quantitative and time limits of the envelopes to be released; this is relatively reliable. The excessive use of exemption procedures limits somewhat the effectiveness of the measures to control expenditure commitments.

(ii) Comprehensiveness, relevance, clarity and other internal control rules/procedures.

132. **The internal control system is relatively well structured.** The fund administrators, accredited by the payment authorization officer or their delegates, propose expenditure commitments and prepare the validation. The financial comptroller must sign all commitment proposals. The payment authorization officer instructs the public accounting officers with whom they are accredited to pay the expenditures. The computerized administrative accounting shows by budget posting the amounts of funds open, expenditures for which there are commitments, available funds and authorized expenditures. The payment authorization officer and their delegates alone are empowered to authorize government expenditures, documented by the issuance of an order. The payment order that is issued is forwarded to the accounting officer, who accepts it and pays it by cash voucher, check or transfer order. However, rejections in financial operations are not determined,, although the number must be insignificant because available data can apply only to expenditures based on the standard procedure, and in such cases, the electronic circuit of expenditure execution reduces the risks of rejection. In fact, the fund administrator who introduces the commitment proposal is required to observe the limit of the amount to be committed that the system displays, the limits of the price list, and ensure that the NIF matches the beneficiary of the commitment.

However, system effectiveness is reduced to expenditures using the standard procedure, at just over 70 percent of total expenditures.

133. **The organization of the expenditure chain is characterized by the intervention of accounting controls prior to the payment authorization phase; this is another factor of redundancy.** Orders are issued only for expenditures actually signed by the accounting officer in his role as payer to avoid having to cancel orders already issued, signed and recognized by the payment authorization officer.

(iii) Degree of compliance with the rules of processing and recording transactions

134. **The organization of the expenditure chain is characterized by unjustified exemption procedures that jeopardize its effectiveness.** The large number of procedures heightens the complexity of the expenditure chain and raises recurring problems of adjustments and settlement of the suspense accounts with the assignee accounting officer. Exemption procedures account for roughly 30 percent of expenditures in Title 3 (operations excluding wages), Title 4 (transfers and subsidies) and Title 5 (investments). The use of exemption procedures for expenditures weakens the control of budget execution and of the entire budget and accounting system. In the economic and financial program that the FEC (IMF) supports, the authorities are required to limit expenditures using exemption procedures to five percent of total expenditure commitments. Finally, the authorities estimate that now that a committee that monitors expenditures without prior authorization has been seated (on March 30, 2012), it will be possible to harness and bring the procedures into compliance promptly.

PI-21. Effectiveness of the internal audit system

135. **This indicator assesses the extent to which the authorities are kept adequately informed of the performance of the internal control systems by an internal verification system.** Based on recent available information, no progress was observed compared to the previous assessment.

Score

PI-21: (M1 scoring method) Components	Score 2008	Score 2012	Rationale for the score	Explanation for the change
(i)	C	C	The internal audit is operational, at least for the most important entities of the central government and partially reviews the systems (at least 20 percent of staff time), but is not fully compliant with accepted professional standards	No change
(ii)	C	C	Reports adhere to a fixed schedule for most central government entities, but they are not always sent to the Ministry of Finance or the Audit Office (or to the Accounts Section, which is relatively inactive, before it was created).	No change
(iii)	C	C	To a certain extent, managers follow the recommendations of the internal audit reports, but there are delays	No change

136. **The scope of authority of the Directorate General of the Office of the Finance Inspector (DGIF) and the Office of the Inspector General (IGE) is interministerial and covers all public financial entities and activities, including the projects.** The statues that address these inspections are still Decree 85-120/PCMS/ of September 12, 1985 and Decree 97-272/PRN of July 18, 1997. The DGTCP has an internal inspection section that audits the services of the Directorate General and, in particular, all accounting items and the Office of the Inspector General of Treasury Units (IGST). The IGST was reorganized by Decision 0295/ME/F/DGTCP of July 27, 2010, which sought to strengthen it (in the past there was only a small unit). The technical ministries have inspection units. Their staffs are small and their main duty is technical control. They are coordinated by the Office of the Inspector General of Administrative Governance, which is under the cabinet of the Prime Minister. It was not possible to inspect the reports that the DGIF and IGE prepare.

(i) Coverage and quality of the internal audit

137. **The internal audit is operational, at least for the most important entities of the central government and partially reviews the systems (at least 20 percent of staff time), but it is not fully compliant with accepted professional standards.** The DGIF has 25 inspectors who are former senior civil servants (managers at the top of the scale) from the Ministry of Finance who are accountable. They are appointed by the Council of Ministers based on a proposal of the Ministry of Finance and cannot be removed from office. They are accountable for their report, which is distributed with their signature. The General Assembly of Inspectors prepares the DGIF work program for approval by the Minister of Finance (in the form of an audit by major categories of entities). Most audits (in terms of work time) are performed at the request of the Minister of Finance. The part that falls under internal programming is determined based on the major budget aggregates, but without reference to the idea of risk. The DGIF performs “*administrative*” audits of aspects of the systems, such as personnel management and IT, but these reviews pertain primarily to financial risks (debts

not collected). The *subcontracting of services* missions generate an audit of the procedures. The IGE is comprised of 12 inspectors who have served in senior positions of responsibility in the government. The President of the Republic appoints them and may dismiss them at any time. The IGE falls directly under the President of the Republic. Half of the controls are audits (of the procedures, institutional arrangements and organizations), divided evenly between audits of enterprises and audits of administrative services. In the recent period, there were in-depth reviews of customs procedures. There are five inspector-auditors in the IGST. Their mission pertains to the three senior accounting officers, the eight regional treasurers, and the 35 departmental treasurers. Their main mission is to carry out subcontracting of service operations and startup operations for the accounting officers (trial balance, cash audit and audit of reconciliation statements). Audits of accounting posts are usually not unannounced.

138. **During the period of the three principal internal inspections mentioned above, the main units of the Directorate General of Customs, the Directorate General of Taxes, of the General Treasuries and payroll services of the key ministries were audited.** In addition, they conducted various audits in all the ministries during regularity reviews requested by the President of the Republic and the Minister of Finance. These audits are in addition to the audits of the internal inspections of the technical ministries.

Table 20. Estimate of the share of systems reviews in the working time of inspections

Institution	Number of inspectors	Basis of calculation	Rate of systems reviews
DGIF	25	Proportion of subcontracting of services (that generates audits of procedures) and audits in the total number of missions for the period	78/124 for the entire period (table above), which is 63 percent
DIGE	12	Percentage of audits of procedures, institutional arrangements and services over the period	50 percent (IGE statement)
IGST	5	Percentage of audits in the missions	Considered very low. The IGST performs regularity controls
Total	42	Weight by number of inspectors	52%

139. **The IGF has a control procedures manual (2001).** However, this manual does not meet international standards completely, and the IGE benefits only from the experience of the inspectors.

(ii) Frequency and dissemination of reports

140. **Reports are prepared regularly for most central government entities, but not all of the reports are submitted to the Ministry of Finance and the Audit Office (or to the Chambre de Comptes, whose activity was very limited before the Audit Office was**

created). The DGIF produced about 35 reports in 2012. The reports are submitted to the Minister of Finance, the President of the Republic, the Prime Minister and the line ministers (who forward them to the entities).

Table 21: Annual DGIF missions

Type of mission	2009	2010	2011
Administrative reviews	5	8	20
Procurement of services	6	35	23
Audit	10	3	1
Startup	11	2	...
Total	32	48	44

Source: DGIF

141. **The DGIF prepares an annual report for the Minister of Finance that deals only with its activities.** The report is not made public. The IGE prepares about 50 reports per year. The reports are submitted to the President of the Republic, and only to him, and the President decides how to follow up on them. If he so desires, he forwards them to the Government Disputes Directorate (DCE) and to the line ministers of the audited entities (this has become universal). They are not released. The IGST prepares in-progress and annual activity reports. The only reports submitted were the reports for the last three months of 2011 and the first six months of 2012.

142. **The inspectors from the IGST prepare minutes of missions and reports that are submitted to the Director General of the DGTCP.** In 2011 (November and December), the IGST audited the revenue collection entities (collection of taxes and other fees) of nine ministries and the IGE. During the first six months of 2012, the IGST carried out 18 missions with respect to services for departmental treasuries and with respect to *billetage* [audit of payroll cash payment] for five ministries (Finance, National Education, Public Health, Water Resources and the Environment, and Infrastructure).

(iii) Measures to be taken by the responsible authorities based on the findings of the internal audit

143. **To a certain extent, managers follow the recommendations of the internal audit reports, but there are delays.** Although the follow-up for its recommendations are monitored by the IGE, which is kept informed by the authorities that are required to provide information, the DGIF has no procedure to systematically monitor the recommendations it makes. The Prime Minister submits the DGIF reports to the Government Disputes Directorate (DCE). This directorate may go before the courts, but the DGIF, which was not informed of how the DCE followed up on its reports, is nonetheless now beginning to receive information. The Secretariat General of the Ministry of Finance informs the line ministries of the DGIF's observations and of their request to indicate to him the follow-up they intend to carry out. But the DGIF is not kept informed of the answers or the follow-up by the line

ministries. A committee to monitor the recommendations in the DGIF report was established in 1985, but it has never worked well. A 2012 law should reactivate it. The IGE put in place a system to monitor the follow-up to the implementation of the recommendations in its reports. The Government Disputes Directorate initiates them when the President sends the report to it (for action by the courts) or the technical memorandum that accompanies it (for administrative action). The IGE is kept informed of monitoring this follow-up.

E. Accounting, recording of information and financial reporting

PI-22. Timeliness and regularity of accounts reconciliation

144. **This indicator measures the quality of financial reporting, and its reliability requires that the recording practices the accounting officers use are constantly audited.** These audits are an important component of the internal control system and are the basis of the quality information that is used for management purposes and that is published in the reports for external distribution. The regular and timely reconciliation of the data from different sources is essential for the reliability of the data.

Score

PI-22 (M2 scoring method) Components	2008 Score		2012 Score		Rationale for the score	Explanation for the change
(i)	D		D		The transactions for all the bank accounts managed by the Treasury are reconciled only once a year.	No change
(ii)	D	D	D	D	The suspense and prepayment accounts are reconciled and adjusted annually as part of preparing the end-year treasury account.	No change

(i) Regularity of bank account reconciliation

(At the time of the assessment)

145. **The reconciliations of the transactions for all the bank accounts managed by the Treasury are performed only once a year.** The BCEAO sends the Treasury a daily statement of transactions in its accounts with supporting documentation attached. At the end of the month, it sends a “circular letter” to certify the balances. The holder has 15 days to respond. This year a committee was put in place to check the transactions each month. The status of returning these letters to the Central Bank shows that only two were returned in 2012 (for July and August), which is beyond the 15-day deadline. Of the three accounts in the subdivision of account 50001 with the BCEAO for the senior government accounting officers (ACCT, RGT and PGT), only the RGT account is reconciled daily for the ACCT account. Roughly 30 other accounts are open: (i) the accounts of the government entities, such as the Postal Service and the National Social Security Fund; (ii) accounts opened at the request of donors for certain projects; and (iii) accounts opened at the request of the Treasury. Two Regional Treasurers have accounts with the BCEAO branches in the

provinces, and the other six have bank accounts. The accounts are fully reconciled only at the end of the year as part of preparing the end-year treasury account and/or the draft budget review law of the annual central level budget. The work of preparing the reconciliation statements as part of preparing the end-year treasury account as of December 31 2010 is in progress. Box 3 explains the change in accounting organization that was the highlight of the period.

Box 3: Change in Accounting Organization

Order 2010-015 of April 15, 2010 on the creation, organization and duties of the Directorate General of the Treasury and Government Accounting (DGTCP) was to create three principal government accounting positions (ACCT, PGT and RGT) to replace the General Treasury led by a national treasurer general. The procedures for organization and operation were set by a series of decisions on July 27, 2010. The new director general of the DGTCP was appointed at the same time as the senior accounting officers on April 30. After the procedures for seating the three new senior accounting officers (taking of the oath and posting of the bond) were completed, the operations for the transfer of services between the former treasurer general and the new accounting officers began on June 18, 2010. On that occasion, the accounts of the national treasurer general were drawn up and distributed among the three new senior accounting officers. The reintegration into the opening trial balance of the financial accounts for the new accounting officers was carried out and the automatic reconciliation between the BCEAO accounts of the ACCT and the RGT was performed. However, the settlement of the transfer and prepayment accounts is not complete, as some account balances require budget appropriations to be settled. This requires administrative decisions. In the meantime, an adjustment committee, put in place by Decision 0057/M/F/DGB/DO of February 22, 2011, is working to clear these accounts.

Source: DGTCP and the assessment team

(ii) Regularity of reconciling and adjusting the suspense and prepayment accounts

(At the time of the assessment)

146. **The suspense and prepayment accounts are reconciled and adjusted annually as part of preparing the end-year treasury account.** There is no monthly adjustment either. Adjustments are made when the end-year treasury account is prepared with delays greater than six months (in October 2012, the reconciliation and adjustment of these accounts was not complete for 2010). Some accounts have balances carried forward from several years ago, especially for expenses prepared with no available funding. A committee took office on October 14, 2012 to perform the adjustment operations.

PI-23. Availability of information on resources received by primary service delivery units

147. **This indicator assesses the information collection and processing system that provides evidence that the resources are indeed collected (in cash and in kind) by most of the primary schools and community health centers.** This indicator is assessed based on information from the last three fiscal years (2009, 2010 and 2011).

Score

PI-23. (M1 scoring method) Component	Score 2008	Score 2012	Rationale for the score	Explanation for the change
	D	C	An annual survey of the revenue collected by schools via the School Management Committees converted into Decentralized School Committees by a decision	Slight improvement of the system for monitoring resources

148. There has been discernable progress since the last PEFA:

- An annual survey of the revenue collected by schools via the School Management Committees converted by a decision into Decentralized School Committees (COGES) is operational;
- A statistical review was performed in the period from 2008 to 2009;
- A reliable report of resources the community units received is being developed.

Ministry of Health

149. The integrated health centers (CSIs) report to the districts on the use of their funds, and they in turn report the aggregate totals to the central government. The funds from the government budget to the deconcentrated entities (excluding the Ministry's GAAs) are delegated to the 42 *health districts* and to the eight *Health Regions* that distribute them. The CSIs are obtaining an activity program system. The central government receives no detailed information by CSI on the other revenue. They account for about 60 percent of operating expenditures and the two collection systems coexist:

- The cash management (community-based) system [*caisse unique*]: the revenue the CSI collects is paid back to the district which, in exchange, supplies the CSI with pharmaceuticals and other products;
- The autonomous cash management system [*caisse autonome*] (which the CSIs use in six out of the eight regions): revenue is managed independently by the CSIs.

150. The resources the CSIs collect from the Joint Support Fund for implementing the Health Development Plan (PDS), which account for about nine percent of Ministry of Health expenditures),⁴ are also allocated to the CSIs by the districts. This allocation is based on an annual action plan approved by the fund management entities (mainly the Secretary General of the Ministry and the Director of Research and Programs).

⁴ The principal source of this joint fund is resources from the Spanish Cooperation authorities, UNICEF, and France.

Ministry of National Education, Literacy and the Promotion of National Languages

151. **The 15,000 schools do not submit the accounting or financial information on the supplies they receive from the national budget.** Management is centralized at the Ministry, mainly by purchases of equipment and by investing. The supplies are then distributed according to demographic criteria by the regions, the departments and, at the end of the chain, by the inspectors, who are responsible for groups of schools that may range from three or four schools to 400).

152. **An annual survey of the revenue collected directly by the schools from the parents of students through the COGESs is conducted by a committee that coordinates this committee.** From 2003 to 2010, CFAF 11 billion was mobilized according to a study of this collection. This revenue remains at the local level. The Ministry of National Education converted by decision these COGESs into *Decentralized School Management Committees* to better supervise them.

PI-24. Quality and timeliness of in-year budget execution reports

153. **This indicator assesses the capacity of the accounting system to produce comprehensive reports on every aspect of the budget.** Including expenditures in the commitment as well as the payment phase is decisive for monitoring budget execution and the use of the funds that are disbursed.

Score

PI-24. (M1 scoring method) Component	2008 Score		2012 Score		Rationale for the score	Explanation for the change
(i)	B		B		The information on budget execution for expenditures is available at the PGT in real time, in accordance with the projected budget classification, at the stage of acceptance of authorization and payment	No change
(ii)	D	D+	A	C +	Since the 2 nd quarter of 2010, the expenditure execution reports have been prepared every quarter and are issued within six weeks	The improvement is due to the production of reports following the commitments in the in the economic and financial program to submit them
(iii)	C		C		The data presented in the available reports on the execution of budgetary expenditures is neither comprehensive nor entirely reliable	No change

(i) Scope of reports in terms of coverage and compatibility with the budget forecasts
(As of end-2011)

154. **The information on budget expenditures execution is available at the PGT in real time, in accordance with the projected budget classification, at the stage of acceptance of authorization and payment.** The level of expenditures paid without authorization or unregularized expenditures which have been paid but for which no payment order was issued or a payment authorization letter provided is available in real time on the DGTCP's CEGIB computer system. However, the adjustment authorization must be available before the budget posting can be determined. The revenue outturn information is available based on reserves that appear in indicators PI-13 and PI-14, with the General Treasury Revenue Office at the end of the month following execution, subject to operations of adjusting the accounts with the tax agency and customs.

155. **With the budget execution monitoring reports, comparisons can be made with the budget only for the main administrative headings.** In the chain of regular procedures, expenditures are entered during the commitment phase and at the time of payment. The reports to which this indicator refers are summary quarterly budget execution reports. They are to show the events that are recorded in accordance with the rules, point out the difficulties, and serve as a guide for decision-making. They are not merely a list of the execution of the different postings.

156. **The Table of Government Operations (TOFE), prepared monthly, is available six weeks later, after the end of the month, but it is not regularly updated based on data from the general trial balance of the accounts.** The TOFE is produced based on the former 1986 MSFP presentation using the following documents: (i) the "summary budget execution

table” (type of expenditure – TOFE base, budget appropriations, payment, amount of claims, and delegations) produced by the Budget Directorate, (ii) the “HIPC resource execution position table” (type of expenditures section, all categories, authorized appropriations, total commitments, execution rate compared to authorized appropriations as a percentage, produced by the Budget Directorate; (iii) position of project/program expenditures (budget forecasts and aggregate) produced by the MPATDC Directorate of Development Cooperation, the positions of DGI and DGD revenue; and (iv) the consolidated trial balance of the ACCT accounts. Beginning in 2011, the TOFE includes tax expenditures; the expenditures supplied by the DGD are disaggregated, while the expenditures from the Directorate General of Taxes are an aggregate amount. Finally, the annual TOFEs that are produced have discrepancies compared to the data in the general trial balance of accounts, which suggests that they are not being updated regularly.

(ii) Timely issuance of reports

(As of end-2011)

157. **Since the second quarter of 2010, the expenditure execution reports have been prepared every quarter and issued six weeks later (Table 22).** In accordance with the government and its partners, the DGB produces and disseminates a government budget expenditure execution report six weeks after the end of each quarter to provide regular information from all stakeholders, including the TFPs, on the execution of expenditures, including poverty reduction expenditures. In 2010 and 2011, the reports were produced on schedule, six weeks afterwards. By contrast, the DGTCP does not produce an in-year account trial balance. Accounting data is available only after the end-year treasury accounts are prepared. In addition, they become final only after the end-year treasury accounts are submitted to the audit judge after years of delays.

Table 22: Regularity of in-year reports on budget execution

Budget execution report	Regulatory date	Issue date	Delay in weeks
2010			
First quarter	May 15	May 20	Less than one week
Second quarter	August 15	July 26	0
Third quarter	November 15	November 8	0
2011			
First quarter	May 15	April 10	0
Second quarter	August 15	[July 30]	0
Third quarter	November 15	[October 30]	0

Source: DGB

(iii) Quality of information

(As of end-2011)

158. **The data presented in the reports that are available on budget expenditure execution is not comprehensive or totally reliable.** The note on the execution of the 2012 budget as of June 30, 2012 from the Directorate General of the Budget contains four chapters.

Chapter I is “General,” and gives details by budget law category and presents the purpose. Chapter II is entitled “Execution of Expenditures as of June 30, 2012,” and presents the legislation on government cash monitoring and control, and the text on managing budget regulation. It also provides details of the first supplementary budget for 2012. In addition, this chapter provides information on authorized appropriations and consumed by title and also supplies a separate statement of payments by category, which includes a heading that is not itemized entitled “other unclassified expenditures” of significant amounts (12 percent of the total of expenditures paid). Chapter III contains a statement by priority ministries on “poverty reduction expenditures.” Chapter IV deals with the “status of arrears of equity, contribution to the budget of the Office of the Inspector General, and the internal debt.” The note on the execution of the 2012 budget as of June 30, 2012 is incomplete. It does not contain detailed information on the execution of expenditures at the ministry level. A high percentage of expenditures are also for memorandum transactions. Expenditures for external financing are not included.

PI-25. Quality and timeliness of annual financial statements

159. **This indicator assesses the quality of year-end consolidated financial statements—** budget review law for administrative systems based on the francophone system—which are essential for the transparency of public financial management systems.

Score

PI-25. (Scoring method: M1) Components	2008 Score		2012 Score		Rationale for the score	Explanation for the change
(i)	C		C		A consolidated central government statement is prepared annually; information on revenue, expenditure and bank account balances is not always very complete, but the omissions are not very significant.	No change.
(ii)	C	C+	D	D+	The receipt by the Audit Office of the drafts of the budget review law for fiscal years 2008 and 2009 was late and was received on November 22, 2012, or 47 and 36 months respectively after the end of the fiscal year.	Deterioration due to the weakness of the data centralization system and the change in accounting organization in 2010.
(iii)	A		C		The statements (budget review law and accounting trial balance) are presented with the same format year after year. For preparing these statements, the current standards are indicated at the regional level (WAEMU) and date back to 1998; they have yet to evolve into new standards in the 2009 directives, which are based on IPSAS standards.	It is uncertain that the 2008 assessment analyzed the complete implementation of the current standards.

160. **A deterioration is observed due to the failure to submit the final edition of the drafts of the 2010 and 2011 budget review law (the final texts of the laws are produced for fiscal years 2007, 2008 and 2009).** This situation is attributable to the delay in collecting information on certain insignificant operations, but it slows the finalization of the consolidated trial balance. These delays grew longer compared to the 2008 PEFA.

(i) Completeness of financial statements

(As of the last statement produced and submitted)

161. **A consolidated central government statement is prepared annually. The information on revenue, expenditure and bank account balances is not always very complete, but the omissions are not very significant.** Drafts of the budget review law are prepared yearly based on the centralization of the accounting officers' end-year treasury accounts (by the ACCT since its inception and by the Treasurer General before its inception) that centralize all the sets of financial statements from the public accounting officers in the government agencies. The drafts of the budget review law and end-year treasury accounts from 2007 to 2009 were submitted to the Audit Office, and the National Assembly enacted the final texts of the 2007 to 2009 supplementary laws in December 2012. The drafts of the budget review law and the 2010 and 2011 end-year treasury accounts are now being finalized (see indicator PI-26).

162. **The delays in finalizing the annual consolidated financial statements are caused by difficulties in making the accounting officers' entries consistent with the entries of the delegated payment authorization officers for some deconcentrated expenditures.**

These expenditures result in issuing summary statements [*bordereaux sommaires*]. Adjustments to the statements take a long time, but the amounts are relatively small according to the DGTCP. These difficulties are also the result of problems with reversing balances. Each year these create difficult technical problems that take a long time to solve; for example, negative balances appear due to an entry trial balance that was incorrectly valued initially and that are accounting issues. A committee was put in place to finalize the 2010 and 2011 accounts. The 2008 PEFA mentioned the same entry trial balance difficulties and observed that the TGN had prepared trial balances for the fiscal years from 1998 to 2006.

(ii) Timeline submission of financial statements

(Latest financial statement submitted for audit)

163. **Regarding the timeliness of preparing and adopting the draft budget review law, the legislation is inconsistent**

- Article 115 of the Constitution provides that the draft law must be submitted to the budget session of the year following the year in which the budget is executed (n+1) to be debated in the next session of parliament (n+2) and adopted before December 31 of the following year (n+2);
- Article 44 of the organic law on the 2003 budget laws, Article 63 of the organic budget law (LOLF) for 2012, and Article 102 of the General Public Accounting Rule provide that the draft must be submitted at the opening of the budget session of the year following execution (year n+1) and adopted before the end of the year.

164. **These deadlines are not observed.** The Audit Office received the 2007 draft budget review law on March 2, 2009. The report was adopted on August 31, 2011 (date of the statement of compliance). The Office received the drafts of the budget review law for fiscal

years 2008 late from the Ministry of Finance on November 22, 2012, or 47 and 36 months late respectively, after the end of the fiscal year. Drafts of the budget review law for 2010 and 2011 are being finalized at the Ministry of Finance. The delays in the budget review law are explained by the delays in finalizing the end-year treasury accounts as indicated above. For the 2008 PEFA, the draft budget review law for 2006 was submitted to the Chambre des comptes in the first quarter of 2008, which was 15 months after the end of the fiscal year, and that is why the score of C was assigned.

165. The draft budget review law consists only of a statement of purposes comprised of information that is absolutely necessary and explicitly provided for by the organic law (Article 49): cancellations of unused funds and opening supplementary loans by Ministry and by title, recognitions of management results in the general budget as expenditures and as revenue in the special accounts, and four annexes consisting primarily of statements of revenue and expenditures in the budget classification that compares the original projections (in fact, appropriations opened) with the issuances of checks.

166. The last draft budget review law that was evaluated is limited in terms of legibility and is incomplete in terms of ensuring a good understanding of budget execution. It does not show the financial assets/liabilities expenditures as PEFA requires. It does not have a summary table of expenditures and revenue by ministry for the principal stages of expenditure. The draft does not provide data for performing a historical analysis (and not even a comparison with the previous budget). There is no information on cash management (even though this is information that Article 49 of the organic law requires) or on the internal and external debt.

(iii) Accounting standards used

167. The statements (budget review law and account trial balance) are presented using the same format year after year. The current standards, as in the 2008 PEFA, are the WAEMU standards (Directive 04/98 on the government budget classification and its amendments; Directive 05/98/CM/WAEMU on the government chart of accounts). These standards have not yet evolved into the new standards of the 2009 directives that are based on IPSAS. The 2009 directives (Directive 08/2009/CM/WAEMU on the government budget classification in WAEMU, currently being transcribed, and Directive 09/2009/CM/ WAEMU on the government chart of accounts in WAEMU) will be implemented later.

F. External Scrutiny and Audit

PI-26. Scope, nature and follow-up of external audit

168. This indicator evaluates the principal components of the quality of effective external auditing: scope of the audit, compliance with relevant audit standards, including the independence of the external audit institution, with emphasis on the systemic and important aspects of public financial management in the reports and the performance of a comprehensive

financial audit on the accuracy of the financial statements, the regularity of operations and the operation of internal control and procurement systems.

169. **The work of the Chambre des Comptes over the period from 2009 to 2010 was poor, and the Office that replaced it was set up on May 18, 2010 and has strengthened the external audit.** The Audit Office is comprised of four sections, only three of which are operational; the budget and financial discipline section is not yet operational. Legally speaking, the Audit Office was created in 2007 by Law 2007-022 of July 2. The Office took over the duties of the Chambre des Comptes of the Supreme Court. However, this law has not been implemented. During the transition period, a new Office was established by Order 2010-05 of March 30, 2010 amending Order 2010-01 of February 22, 2010 on the organization of the government during the transition period. Order 2010-017 of April 15, 2010 established the composition, organization, duties and operation of the Office. The November 25, 2010 Constitution raised the Audit Office to an institution of the Republic as the highest jurisdiction of oversight for public finances. Organic Law 2012-08 of March 26, 2012 determined its duties, composition, organization and operation. Its resources were reinforced. It has few magistrates or judges (the first president, three section presidents, and eight advisers, two of which are court judges). Its Office of the Prosecutor, by contrast, has good resources (the Prosecutor General, the Senior Attorney General, and three general attorneys). Its budget is CFAF 277 million in 2011 (excluding compensation for the judges). The Office received support from the European Union in the amount of CFAF 557 million, with which it obtained the skills of 12 experts who serve as auditors.

170. **There has been progress since 2008, but it is not fully reflected in the score.**

Score

PI-26. (Scoring methodology: M1) Components	Score		Rationale for the score	Explanation for the change
	2008	2012		
(i) Scope of the audit (including compliance with the audit standards)	D	C	The entities of the central government that account for at least 50% of total expenditures are audited annually and the reports focus on significant issues.	The Audit Office's resources were reinforced starting in 2010.
(ii) The reports are submitted in a timely manner to the parliament for auditing	D	A	The latest audit report for the 2009 financial statements was submitted to the National Assembly less than one month from receipt by the Audit Office.	The Audit Office implemented a fast-track procedure.
(iii) Evidence that the recommendations made by the auditors are followed	D	D	There is little evidence of a reply or following the recommendations.	No change.

171. **The 2008 PEFA observed that the Chambre des comptes was operating at a reduced rate and that the delay in auditing the financial statements was greater than two years.** The higher score reflects an increase in the Office's audits, primarily in the judicial review of the General Treasurer's end-year treasury account.

(i) Scope of audit (including compliance with audit standards).

(As of the last fiscal year audited)

172. **The scope of jurisdiction (entities and operations) is very broad.** The entities and operations that it audits cover all public finances up to the projects and the entities raise funds from the public or use national and international support.

173. **Its authority for auditing as established in the organic budget laws and the Audit Office is broad.** The Office exercises judicial review of the accounting officers and administrative control over the payment authorization officers of the general and local government budgets. More generally, it is responsible for overseeing the “*proper use of public funds.*” It is not explicitly in charge of *certifying* sets of public financial statements. For the industrial and commercial public enterprises and companies with government equity, the Office has a mission of “*auditing*” accounts.

174. **However, according to the Audit Office, the scope of judicial review, as established in the organic laws, is restricted with regard to revenue by statutory provisions that limit the scope on a de facto basis.** The Office deemed that it was unable to carry out the judicial review of government revenue. It considers that Law 2000-23 of December 20, 2000 on the budget law for fiscal year 2001 completely transferred the collection of income and other taxes and fees from the accounting officers in the Treasury solely to the accounting officers of the Directorate General of Taxes. Since that date, the Treasurer General, and then the Receiver General, after he took office, are not designated public accounting officers. However, the accounting officers from the DGI and the DGD who collect tax and customs revenue directly are not held accountable to the Office. Thus, it indicated to the Minister of Finance on an interim basis “*that it is necessary to take measures so that the Office will be able to effectively exercise its supervision of public revenue for the government by making the Receiver General of the Treasury a designated public accounting officer of collection operations.*”

Judicial work.

175. **The audit of the end-year treasury accounts has been lagging.** The Audit Office received the end-year treasury accounts from the Treasurer General for 2007, 2008, and 2009. There was a judicial review of the 2007 end-year treasury account from the Treasurer General and a final decision was rendered on August 31, 2011. The 2008 account is in final judgment, and the interim decision was submitted to the Office of the Prosecutor and to ACCT. The 2009 account is currently being reviewed.

176. **For the first audits, the Office demonstrated that it had mastered the auditing techniques and the judgment of an audit office.** The usual standards set in the case law of audit offices (in particular offices with a debit balance regime that excludes taking into account damage and the accountant’s fault) have been implemented properly.

177. **The report on the budget review law is very short and very descriptive (Box 4).** Obviously, it is contingent on the information the executive gives to the Assembly. However, the Office had the opportunity to use the available data to move beyond the findings it made in the report.

Box 4. Report on the 2007 budget review law

The report is very short, very descriptive, and very general. It does not address consumptions by ministry. It addresses expenditures by title. There is very little detail on revenue. It provides no economic analysis and is limited to findings. Rightly so, it critiques the management of the budget authorizations (in particular decrees for advances to build certain social infrastructure under the President of the Republic's special program). It also critiques the procedure for payment without prior authorization (for a total amount of CFAF 96.7 billion in stock (account 470) and of which, for fiscal year 2007, 38.9 billion was not adjusted. Furthermore, it contains notes that the Office considers that there is reason to precisely regulate the DPSOP procedure.

Scope of the audit

178. **The entities of the central government that account for at least 50% of total expenditures are audited annually and the reports focus on significant issues.** The Chambre des comptes, which had few resources, did little work. It was legally dissolved on July 2, 2007, yet the Office was not yet operational. It did not produce a public report. The final decision for the government accounts for fiscal years 1999 to 2007 that determines the starting balance and establishes the line items of the accounts was submitted by the Office (p. 11 of the 2010-2011 general public report). The Office had to review a number of items (the first section took an inventory of the general end-year treasury account documents from 2002 to 2007, while the second section reviewed 45 items and the third reviewed 64). In December 2012, the Office completed the review of the drafts of the budget review law and of the 2008 and 2009 end-year treasury accounts. The Office has no activity indicator (for example, the set of financial assets currently under supervision, or projected to be under supervision). However, the audits that were performed dealt with at least 50 percent of total expenditures, as Table 23 below shows. This table summarizes its main activities and the corresponding amounts in CFAF during the period as they are shown in the 2010-2011 general public report.

Table 23: Principal Activities of the Audit Office

Activities	Judicial		Administrative supervision		Report on the budget review law		Public enterprises and government-owned companies	
		Amount (billions of CFAF unless indicated otherwise)		Amount (billions of CFAF unless indicated otherwise)		Amount (billions of CFAF unless indicated otherwise)		Amount (billions of CFAF unless indicated otherwise)
2010–11	2007 end-year treasury account of the Treasurer General Urban Community of Niamey 4 rural communes	462.2 3.7 (tax revenue and investment) Falme: 43.9 million Dan Kassari: 20.6 million Harikanassou: 16.8 million N'Gourti: 0.21 million	Niamey Urban Community 4 rural communes One GAA (Niger Office of Food Crops) Distribution of the use of mining revenue given to the communes of the regions of Agadez and Tillabéri	3.7 (tax revenue and investment) Falme: 43.9 million Dan Kassari: 20.6 million Harikanassou: 16.8 million N'Gourti: 0.21 million 1.5	Report on the 2007 budget review law	488.5	Société Nigérienne des produits pétroliers (SONIDEP) Société nigérienne d'électricité Société de patrimoine des mines du Niger (SOPAMIN)	121.9 45.6 60.2
2012 (in progress or completed)	Budget revenue of extractive industries Audit of the 2008 and 2009 end-year treasury accounts (completed)		4 urban communes (Niamey IV and V), Arlit and N'Guigmi 7 rural communes				Société de patrimoine des mines du Niger (SOPAMIN) Audit of the Supply Clearinghouse for Inputs of Agricultural Equipment (CAIMA) Audit of RINI	
Scope	35 government accounting officers (took office in 2010) 3 senior accounting officers under court jurisdiction		266 local governments		1 per year		41 public enterprises and government-owned companies	

Box 5. Status of accounts submitted to the Audit Office

35 public accounting officers took their oaths before the Audit Office.
 Treasurer General's end-year treasury account: The accounts for 2008 and 2009 were produced
 Number of entities audited by the 3rd section of the Audit Office: 41 public enterprises and government-owned companies, 56 political parties, 1,000 NGOs and 300 projects and programs.
 Commune administrative accounts from 2005 to 2009: 61 out of 255 communes submitted accounts
 Accounts of political parties for 2009 and 2010: 32 parties
 The accounts of local governments come only from the communes.
 The GAAs do not submit their accounts to the Audit Office.

(ii) Timely submission of audit reports to parliament

(Based on the last report submitted to the National Assembly)

179. **The last audit report for the financial statements was submitted to the National Assembly less than one month after the Audit Office received the statements.** The Office received the 2007 draft budget review law on March 2, 2009 and prepared its report on the execution of the 2007 budget law that was submitted to the National Assembly on September 7, 2011, which was 16 months after the draft was received. However, the reports for fiscal years 2008 and 2009 were submitted on November 22, 2012 to the Audit Office, which submitted them to the National Assembly on December 7 and 11, 2012; this was less than one month after the deadline for review and processing, which makes this a fast-track procedure.

(iii) Evidence of following the recommendations

180. **There is little evidence of a reply or follow-up.** The Office makes recommendations in its reports and always sends summaries to the ministers of the entities that are audited. In that case, it asks the ministries to appoint a focal point in charge of following up on the action taken based on its report. The Office has not implemented any system for routinely monitoring recommendations. In its public report, the Office indicates that:

- The October 11, 2011 summary to the Minister of Finance on the judicial review of [...] [sic]
- The Treasury General had received no reply [the reply arrived after the public report was to be submitted];
- There were no replies to the interim request sent to the Minister of the Interior on August 18, 2011 to the rural commune of Falmey, to the commune of Dankassi dated August 24, 2011, or the Urban Community of Niamey (July 21);
- There were no replies to the letters to the deputy administrator of the rural commune of Falmey and Harikanassou, to the chairperson of the City Council of Niamey, or to the mayor of the rural commune of N'Gourti.

181. **There was no improvement in the situation compared to the 2008 PEFA.** The Chambre des Comptes did not keep a list of recommendations and only monitored whether or not the agencies followed them through successive reviews of the end-year treasury accounts of the government accounts and the report on the budget review law.

PI-27. Legislative scrutiny of the annual budget law

182. This indicator evaluates the extent to which the legislative authorities scrutinize the draft budget law with all the necessary rigor so that the authority vested in them is exercised effectively, and so that the credibility of the government that is accountable to the electorate for its actions will not be undermined.

Score

PI-27. (Scoring methodology: M1)	2008 Score	2012 Score	Rationale for the score	Explanation for the change
(i)	C	B	Legislative scrutiny applies to budget policies and aggregates as well as detailed estimates of expenditures and revenue.	The improvement is from the scrutiny of budget policies.
(ii)	B	B	The procedures for scrutinizing the draft budget law are clear, specific and well formulated in the Constitution, the organic budget law, and in the charter of the National Assembly.	No change.
(iii)	B	A.	The National Assembly has sufficient time to scrutinize the budget.	The executive meets the deadline for submitting draft budgets. The previous PEFA was based on the actual scrutiny deadline and not on the start of the time period.
(iv)	C	A	There are clear rules on changes to the budget during the fiscal year and they are observed.	Better monitoring of the procedures.

Box 6. Dates for the Dissolution and Seating of the National Assembly:

- Dissolution May 26, 2009;
- Took office again on November 25, 2009;
- An Advisory Board serves as a legislative body during the transition after the February 18, 2010 coup d'état;
- 7th Republic: November 25, 2010
- Took office again on March 30, 2011.

*(i) Scope of legislative scrutiny**(Fiscal year 2011)*

183. **Legislative scrutiny addresses the budget policies and aggregates as well as the detailed estimates of expenditures and revenue.** The National Assembly does not debate general budget policies, the government's financial situation, or the execution of the current budget law. The Assembly begins its work only upon receipt of the draft budget law that the Ministry of Finance submits in early October. Progress was made compared to the 2008 PEFA (Note C), since at that time the legislative scrutiny applied only to the details of expenditures and revenue, but only at a stage when the detailed proposals were finalized with no scrutiny of budget policies.

*(ii) Extent to which the procedures are well established and observed**(Fiscal year 2011)*

184. **The scrutiny of the draft is well organized.** The procedures for scrutinizing the draft budget law are clear, specific and well formulated in the Constitution, the organic budget law, and in the charter of the National Assembly, amended by Resolution 005/AN of June 21, 2011 and by Resolution 0011/AN of May 21, 2012.

185. **Legislative scrutiny applies to budget policies and aggregates as well as detailed estimates of expenditures and revenue.** The Minister of Finance submits the draft—essentially the statement of purpose—in the plenary session with no debate (around mid-October). Next, in the week that follows, he submits the draft to the Finance and Budget Committee (CFB) over a period of about five or six hours and delves into detail on the draft, including the scrutiny of revenue, expenditures and public policies. The seven standing general committees review the draft (they specialize according to major public policy area) for about three weeks; they make proposals for amendments in compliance with the principles of the organic budget laws (the net expenses of the government in the draft budget cannot be increased). The CFB scrutinizes the portion of the draft law that pertains to the Ministry of Finance. The committees take the testimony of the ministers, their associates, the directors general, and when they deem it necessary, private-sector representatives, including employers, operators, unions and the Chamber of Commerce, and of civil society leaders. The Finance and Budget Committee analyzes the draft budget with the Minister of Finance, his associates and the directors general of the Ministry. Each committee drafts a report. After this work, the CFB deliberates in plenary session, conducts the arbitration and drafts a summary report that comprises the report of the Finance and Budget Committee. The Chair of the Finance and Budget Committee submits the report to the Minister of Finance. The plenary session debate lasts three days. The session is public and broadcast over the radio. The amendments are debated, but the budget law that is enacted is largely the same as the draft the government submits and that is submitted to parliament for a vote.

(iii) The National Assembly has sufficient time to scrutinize the draft budget in order to prepare detailed estimates and, if applicable, budget aggregates at the start of the budget preparation process (time allocated in practice in all stages)

(Fiscal year 2011)

186. **The National Assembly has sufficient time to scrutinize the budget.** Although the rules that set the amount of time given to the Assembly to scrutinize the draft budget law are complex and not transparent, in any case they do give the Assembly 60 days to deliberate on the draft. Article 58 of the organic law provides that the draft law shall be submitted to the bureau of the National Assembly no later than the opening day of the budget session, which begins in the first week of October and may not exceed 60 days. If the draft law is submitted on time, the Assembly has 60 days to scrutinize it. If it fails to do so, the provisions of the draft budget law may be implemented by order, and the Assembly is asked to ratify it within 15 days in a special session; if the Assembly does not vote by the end of this special session, the budget is definitively implemented by order. Article 114 of the Constitution provides that the two-month period begins on the date the draft is submitted, and not on the opening date of the session, and sets a final deadline of December 31. Article 58 of the 2012 organic budget law confirms this unconditionality and provides that only that the draft budget law must be adopted no later than the closing date of the budget session if it was submitted on time to the bureau of the National Assembly. It is only if the draft budget law is not enacted before the fiscal year begins that the government is authorized to continue to collect taxes and use the rule of provisional twelfths. This analysis shows that if the draft is not submitted at the beginning of the budget session so that parliament would have two months to scrutinize it, parliament nonetheless has two months to scrutinize it after the date it is submitted; and, as of the beginning of the next fiscal year, the government may commit expenditures and collect revenue on a provisional or estimated basis.

Box 7. Dates that Budget Laws Were Enacted

2008: December 10, 2007; 1st amending law: June 2, 2008;
 2009: November 24, 2008 (Law 2008-48 of November 24, 2008);
 2010: Order 009-26 of November 6, 2009;
 2011: Order 2011-01 of January 6, 2011 on the budget law for fiscal year 2011; amended May 22, 2011, October 31, 2011 and December 15, 2011;
 2012: Law 2011-46 of December 14, 2011, adopted on December 2, 2011; Amended on: May 24, August 1 and October 30, 2012.

187. **For 2012, the 2012 draft budget law was submitted to the National Assembly on October 24, 2011.** The Finance Committee took the testimony of the Minister of Finance on October 26. The committee met from October 26 to November 28 to review the draft. The budget law was adopted on December 4, 2012.

188. **The score shows progress** (from a B to an A), as the previous PEFA was based on actual scrutiny time and not the starting date of the period.

(iv) Rules that govern the amendments made in the budget during the fiscal year without ex-ante approval by parliament

189. **Clear rules exist and are observed in terms of amending the budget during the fiscal year.** The 2003 organic public finance law provided for amendments by decree for wire and other transfers within the same chapter with no change in service in the first case and with no change in type in the second case (Article 15), up to the limit of ten percent of allocations. The decree for initiating funds either for accidental expenditures or in the case of a disaster or emergency must be made with the approval of the National Assembly, and this approval must be compliant if the amendments affect budget balance for reasons of urgent necessity in the national interest. These rules are observed, and the government uses these amendments either by an amending law or by wire or other transfer. The 2012 organic public finance law provides for similar rules before programs are implemented. These rules are observed, because the margins of reallocation they provide for are not used, since the executive regularly amends the original budget law during the year by way of amending decisions (supplementary budget or amended budget laws) based on the same procedures as for the original laws.

190. **Major progress has been made since the last PEFA.** The supplementary budget laws for 2004 and 2005 showed that the procedures provided for in the organic budget law were not observed. At that time, even the 2008 PEFA noted that since 2007, the procedures were being followed more closely.

PI-28. Legislative scrutiny of external audit reports

191. **This indicator evaluates how the legislative branch plays its key role of rigorously scrutinizing budget execution.**

Score

PI-28. (M1 scoring method)	2008 Score	2012 Score	Rationale for the score	Explanation for the change
(i)	A	D	Either the National Assembly does not scrutinize the audit reports or it generally takes more than 12 months.	The deterioration is due to the late start of the work of the National Assembly that took office in mid-2011.
(ii) Extent of hearings on key findings undertaken by the legislature	C	D	The National Assembly does not hold in-depth hearings on the key findings of Audit Office reports	Change in the scoring method
(iii) Issuance of recommendations of measures by parliament and implementation by the executive branch	C	B	The Finance Committee issues recommendations to the government for the draft laws it is asked to review in terms of their substance, and evidence exists that some are implemented	Follow-up on the recommendations began with the start of this term of office

(i) Meeting deadlines for legislative scrutiny of audit reports (for reports received in the last three years)

192. **Either the National Assembly does not scrutinize the audit reports or it generally takes more than 12 months.** The Audit Office submitted the 2007 budget review law to the National Assembly on September 7, 2011 and the 2008 and 2009 supplementary laws that were received on December 7 and 11, 2012 were adopted on December 13, 2012 in a special session. The 2010-2011 public report of the Audit Office, adopted on March 13, 2012 (the first of its

kind), has yet to be scrutinized. Parliament has not requested a review or audit from the Audit Office as it is authorized to do under Article 141 of the Constitution and under the organic law on the Audit Office, which places the Office “equidistant” from the legislative and executive branches according to the established system. Parliament carries out parliamentary review missions (there was one mission on mining resources) and sets up ad hoc commissions. A deterioration in the situation was observed, and in fact the 2008 PEFA noted that the draft budget review law was usually received during the budget session and scrutinized during a special session held after the regular session was over, and hence, within three months of receipt.

(ii) Extent of hearings on key findings held by the legislature (as of the last 12 months).

The National Assembly does not hold in-depth hearings on the key findings of Audit Office reports. The Audit Office submitted the 2010-2011 annual report to the National Assembly. However, no testimony of the officers of the audited entities was taken. The situation remained the same as in the 2008 PEFA assessment, and only the testimony of Ministry of Finance officials was taken (the deterioration of the score is due to a change in the scoring method).

(iii) Issuance of recommendations of measures by parliament and implementation by the executive branch

(Situation during the last 12 months)

193. **The Finance Committee makes recommendations to the government for the draft laws it is asked to scrutinize in terms of substance, and evidence exists that some of the recommendations are implemented.** The Finance and Budget Committee prepares a compendium that was submitted. This compendium contains 22 recommendations termed “general orders,” some of which are very broad in scope, and six recommendations called “specific orders.” As of this term of office, these recommendations have been followed and evidence exists that the executive is implementing some of them. Progress has been made since 2008. The PEFA, in its report to the National Assembly, already showed that the Finance Committee was making recommendations to the executive branch, although there were few monitoring mechanisms.

G. Donor Practices

D-1. Predictability of direct budget support

194. **This indicator measures the degree of predictability of direct budget support.** To this end, this indicator has two components: (i) the first measures the annual deviation of actual budget support from the forecast provided by the donors at least six weeks prior to submitting budget proposals to the National Assembly; and (ii) the second component measures in-year timeliness of donor disbursements (compliance with aggregate quarterly estimates). This indicator is measured for fiscal years 2009, 2010 and 2011.

Score

D-1. (M1 scoring method) Components	2008 Score		2012 Score		Rationale for the score	Explanation for the change
(i)	C		D		During the three fiscal years 2009, 2010 and 2011, actual budget aid was more than 15 percent less than the projection in the original budget law	Poor absorption capacities
(ii)	D		D	D+	Quarterly disbursement projections for budget aid flows are prepared, but delays in actual disbursements were greater than 50 percent in 2009 and 2010	No change

(i) Annual deviation of actual budget support from the forecast provided by the donors at least six weeks prior to submitting budget proposals to the National Assembly (or equivalent approving body).

195. **During the three fiscal years 2009, 2010 and 2011, actual budget aid was more than 15 percent below the projection in the original budget law (Table 24).** The corresponding score is a D, which is a step back compared to the previous PEFA assessment. In 2009, only ten percent of direct budget aid expected was paid, largely due to the political instability. In 2010 and 2011, one third of direct budget aid was disbursed due to the country's poor absorption capacities (delays in submitting financing requests) or occasional conditionalities that were small in number relative to the country's capacities.

Table 24. Direct planned and actual budget aid
(in billions of CFA francs)

	2009	2010	2011
Amount projected in the budget law	58.8	70.9	100.7
Amount disbursed	5.9	47.2	67.1
Difference in absolute value	52.9	23.7	33.6
Difference in relative value	90%	33%	33%

Source: Original budget law and TOFE

(ii) In-year timeliness of donor disbursements (compliance with aggregate quarterly estimates)

196. **Quarterly disbursement projections for budget aid flows are prepared, but delays in actual disbursements were greater than 50 percent in 2009 and 2010 (Table 25).** The corresponding score was unchanged compared to the previous assessment. The current assessment is based on replies from the principal donors that provide more than 80 percent of direct budget aid. Direct budget aid became more predictable beginning in 2011 when a new civilian government took office in 2011. Unpredictable direct budget aid continues to be, for example, for the European Union, floating tranches, the disbursement of which is linked to implementing certain sectoral reforms. To ensure greater predictability of direct budget aid, since 2011 the donors that provide direct budget aid coordinate their work using a consultation framework that deals with matters of public finance. This donor consultation framework has a joint matrix on conditionalities which, when observed, generates the projected disbursements.

Table 25: Matrix of results of calculations for the components of Indicator D-1

Year	D-1 component (i)	D-1 component (ii)
	Annual deviation of actual budget support provided and the projections	Quarterly weighted disbursement delays for direct budget aid
2009	90.0%	-100.0%
2010	33.4%	-86.4%
2011	33.4%	-32.1%

D-2. Financial information provided by donors for budgeting and reporting on project aid and program aid and for preparing the appropriate reports

197. **This indicator measures the degree to which donors submit reports for budgeting project aid and program aid.** This indicator consists of two dimensions: (i) the first looks at the completeness and timeliness of budget estimates by donors for projections of project support; and (ii) the second dimension evaluates the frequency and coverage of reporting by donors on actual donor flows for project support. The assessment for this indicator is for fiscal year 2011.

Score

D-2. (scoring methodology: M1) Component	2008 Score		2012 Score		Rationale for the score	Explanation for the change
(i)	B		B		At least 50 percent of donors (including the five largest) provide information on project and program aid projections at stages consistent with the government's budget calendar.	No change.
(ii)	C	C+	D	D+	Donors do not submit quarterly reports on disbursements made; in most cases, they are submitted by ministry or by operational area, but are not disaggregated in order to be broken down by the economic categories of the government budget.	The objective components of the 2008 assessment were not submitted, so that it is likely that this was overestimated.

(i) Completeness and timeliness of budget estimates by donors for projections of project support.

198. **At least 50 percent of donors (including the five largest) provide information on project and program aid projections at stages consistent with the government's budget calendar.** According to the recent report on development cooperation, the five largest donors that provide project aid and program aid were as follows during the 2009-2010 period in descending order: European Union, World Bank, France, UNICEF and China. Except for direct management projects and programs, for the 2011 budget the donors submitted projections on project aid and program aid to the Ministry of Planning in May and June 2010, and did so as part of the annual review of the government three-year investment program. The first year of the Government Investment Program is the same as for the public investment budget.

(ii) Frequency and coverage of reporting by donors on actual donor flows for project support.

199. **The donors do not provide quarterly reports on disbursements for projects listed in the budget.** Based on the replies to the questionnaire from the donors, the donors that prepare disbursement reports do so quarterly or twice a year for internal use and do not submit them to the administration. Communication with the administration takes place during the annual reviews of the Government Investment Program. The 2008 PEFA assessment indicated that the principal donors (the EU and AfD) accounted for at least 51 percent of estimated disbursements that submit monthly reports on the outturns, but objective components of this assessment were not available.

200. **In most cases, the reports the donors prepare are submitted by ministry or by functional area, but are not disaggregated so that they can be broken down by the economic categories of the government budget.** All disbursements for project aid and program aid are reported with an aggregate amount under Title V on the investments of the ministry concerned.

D-3. Proportion of aid that is managed by use of national procedures

201. This indicator examines the proportion of aid that is managed by use of national procedures. This proportion is measured as the average of the percentage of funds from donors that use national systems for each of the four areas: (i) procurement; (ii) the expenditure chain; and (iii) auditing; and (iv) reporting. The measurement of this indicator is for fiscal year 2011.

Score

D-3. (M1 scoring method) Component	2008 Score	Score 2012	Rationale for the score	Explanation for the change
	D	D	The use of national procedures continues to be low, as it was in the previous assessment	No change

202. **The use of national procedures continues to be low, as it was in the previous assessment.** The project aid and program aid provided by certain multilateral donors is executed in accordance with the procurement procedure. However, overall, based on the answers to the questionnaire that was submitted to the donors, less than 50 percent of the aid provided is managed using national public financial management systems. This supports the results of the recent UNDP development cooperation report, published in late December 2011. The surveys identified 47 parallel project aid and program aid management units in 2010.

IV. GOVERNMENT REFORM PROCESS

A. Description of recent and ongoing reforms

203. **In December 2011 the government adopted a Public Financial Management Reform Program (PRGFP) for the period from 2011 to 2014.** The PRGFP was prepared based on the 2009 study of the Public Expenditure Management and Financial Accountability Review (PEMFAR II is the English acronym) under the aegis of the World Bank and recommendations from donors as part of technical assistance missions. This program consists of action items to correct the persistent weaknesses identified in the PEMFAR II study, and includes ten pillars as follows: Pillar 1 Modernize the legal framework and transpose the community provisions; Pillar 2 Improve resource mobilization; Pillar 3 Improve the preparation of the government budget; Pillar 4 Improve budget execution procedures; Pillar 5 Improve accounting and financial reporting; Pillar 6 Improve information systems; Pillar 7 Strengthen the scrutiny and transparency of public finances; Pillar 8 Improve cash and debt management; Pillar 9 Procurement and procurement management systems; and Pillar 10 Carry out the reform of public finances. Each of these pillars covers a certain number of individual action items (one to four per pillar).

204. **Work is underway on the action items in the PRGFP as part of the effort to make the public financial management system effective.** The objective of the PRGFP is to reform the legal and statutory framework to make it consistent with the 2009 WAEMU directives. To this end, it uses to advantage the progress made in the multiyear programming tools to prepare a budget strategy paper and initiate budget policy debates in the National Assembly. In terms of predictability and scrutiny of budget execution, the PRGF proposes the following: (i) begin a process of streamlining the tax and customs exemption systems and make them coherent; (ii) improve tax audit programming and execution procedures and implement a network of accounting officers for the financial agencies; (iii) revamp the budget regulation system; (iv) streamline internal control and make it efficient; (v) develop an interface between the IT system for the budget and the system for the Treasury, and link the decentralized budgetary authorization offices to the central system; and (vi) reinstate the single treasury account and improve the conditions for providing funds to pay expenses. The objective of the PRGFP is to improve the effectiveness of internal and external audits by strengthening the resources of the Directorate General of Financial Control and of the Office of the Inspector General of Finance on the one hand, and of the Audit Office on the other hand, and by implementing a procedure for monitoring the recommendations of the DGIF. Finally, another objective of the PRGFP is to improve financial reporting, to make it more regular and to shorten the time frames for re-publishing the end-year treasury accounts and the budget review law.

B. Institutional factors supporting reform planning and implementation

205. **The public financial management reforms are a major concern for the political authorities.** The different successive governments reaffirmed the importance of more effective management of public finances in order to satisfactorily implement the poverty reduction strategies. The PDES reaffirms the political commitment and adherence of the political authorities to the public financial management reforms. Thus, the PDES selected three of the 86 priority programs in the PDES entitled: (i) Public Financial Management Reform; (ii) Strengthening the Effectiveness of the Audit Office; and (iii) Strengthening the Scrutiny of the National Assembly. Moreover, the government considered preparing a comprehensive program to strengthen national capacities. The donors agreed to incorporate their technical cooperation programs into the overall capacity building program and to make them consistent with all other support.

206. **The steering committee, chaired by the Minister of Finance, implements the public financial management reform program.** The key activities that have been completed were detailed in the previous section. This limited progress was made possible due to the revision of the institutional framework for implementing public finance reforms by establishing a steering committee chaired by the Minister of Finance and a technical committee under the stewardship of the Secretary General of the Ministry of Finance. The steering committee for the reforms includes donors. Periodic monitoring reports are prepared with support from a local consultant funded by the European Union, which serves as the lead

for the consultation framework for donors that work in the area of public finances, recently expanded to include macroeconomic management issues. This framework coordinates donor projects.

207. The preparation and implementation of the public financial management reforms have been institutionalized. The preparation and implementation of the public financial management reforms are the responsibility of the Ministry of Finance. Implementation is the responsibility of the Directorate General of Financial Reforms, which includes a Directorate of Financial Reforms that is responsible for this. This is the directorate that receives the most support from the European Union consultant in order to strengthen this directorate's capacities. The public financial management reforms receive budget allocations in the budget laws.

Annex 1. Sources of Information

Indicator	Description of the indicator	Documents analyzed	Entities we met
A. PUBLIC FINANCIAL MANAGEMENT SYSTEM OUTTURNS: Budget credibility			
PI-1	Aggregate expenditure outturn compared to original approved budget	2009, 2010 and 2011 original budget laws Draft budget review laws for 2009, Budget tracking statement for 2010 and 2011 TOFE	Directorate General of the Budget Directorate General of the Treasury and Accounting
PI-2	Composition of expenditure outturn compared to original approved budget	Original budget laws for 2009, 2010 and 2011 Draft budget review laws for 2009, Budget tracking statement for 2010 and 2011 TOFE	Directorate General of the Budget, Directorate General of the Treasury and Accounting
PI-3	Aggregate revenue outturn compared to original approved budget	Original budget laws for 2009, 2010 and 2011 Draft budget review laws for 2009, 2010 and 2011 TOFE	Directorate General of the Budget, Directorate General of the Treasury and Accounting
PI-4	Stock and monitoring of expenditure payment arrears	Statements of outstanding balances payable as of September 30, 2011 and previous and as of June 30, 2012, dated October 13, 2012 (DGTCP/PGT) Statement of outstanding balances payable for fiscal year 2011 and previous, dated August 6, 2012 (DGTCP/PGT) Statements of outstanding balances payable for fiscal years 2010 and 2011, dated October 9, 2012 (DGTCP/PGT) Evaluation table of debt and domestic arrears, dated December 31, 2010 (CAADIE)	DGTCP/PGT CAADIE
B. KEY CROSS-CUTTING ISSUES: Coverage and transparency			
PI-5	Classification of the budget	Decree 2002-197/PRN/MF/E of July 26, 2002 2012 budget and interim execution statements	DGB, ACCT
PI-6	Comprehensiveness of information included in budget documentation	2013 Draft budget law Budget law enacted in 2012	DGB, DGTCP, Audit Office, Finance Committee
PI-7	Extent of unreported operations	Memorandum from the report on updating the survey of the bank accounts of government entities in Niger, no date (DGTCP) Development Cooperation Report	Audit Office, DGB, UNDP
PI-8	Transparency of intergovernmental fiscal relations	Law 2008/38 of July 10, 2008, on the creation of the National Agency for Financing for Sub-national Authorities (ANFICT) 2011 General Code of the Sub-national Authorities Decree 2008/360/PRN/MI/SP/D/ME/F of November 6, 2008 approving the charter of ANFICT.	Local Finance Directorate of the Ministry of the Interior, DGB

Indicator	Description of the indicator	Documents analyzed	Entities we met
		Decision 478/MI/SP/D/AR/DGAT/CL of July 17, 2012 Sets of financial statements produced	
PI-9	Oversight of aggregate fiscal risk from other public sector entities	Decree 2003-178/ PRN/MI/D of July 18, 2003, establishing the conditions under which a region, department, commune or urban community may contract loans	Local Finance Directorate of the Ministry of the Interior, DGB
PI-10	Public access to key fiscal information	INS, Audit Office and ARMP web sites, documentation room of the MF Documentation Directorate	Audit Office, ARMP, GGCMP, Civil society
C. BUDGET CYCLE			
C(i) Policy-based budgeting			
PI-11	Orderliness and participation in the annual budget process	Decree 2003-243/PRN/MF/E of September 30, 2003 establishing the schedule for the budget preparation procedure; Letters of preparation for the draft budget laws Letter from the Prime Minister on budget policies	DGB, Directorate General of Planning, Ministry of Education, Ministry of Health, 3N Commission;
PI-12	Multi-year perspective in fiscal planning, expenditure policy and budgeting	PDES DGP Comprehensive and Sectoral MTEFs Public Debt Strategy Paper	DGB, Directorate General of Planning, Ministry of Education, Ministry of Health, 3N Commission; Directorate of the Debt
C (ii) Predictability and control in budget execution			
PI-13	Transparency of taxpayer obligations and liabilities	<ul style="list-style-type: none"> - Tax and government property arrangement in the Republic of Niger. Volumes I and II Ed. 1999 - 2012 General Tax Code. - Decision 114/ME/F/CCRI/DGI of May 6, 2009, on the organization of the central and deconcentrated entities of the DGI and on the establishment of the duties of unit heads. - Customs Code (Law 61-17 of May 31, 1961 on the customs system of the Republic of Niger. (Subsequent amendments and regulatory texts) - WAEMU Customs Code (Rule 09/CM/WAEMU, November 26, 2001). - Decree 2005-228/MF/F of September 13, 2005, establishing the duties and organization of the Directorate General of Customs. - Decree 2011-248/PRN/MF of April 8, 2011, establishing an inspection and control program for imports in the Republic of Niger. - Circular letter 0077/DGD/DRRI of September 19, 2012 on the customs escort. - Statistical statement of administrative and judicial proceedings in tax matters for 2010, 2011 and the first six months of 2012. 	DGI: Directorate of Legislation, Disputes and International Relations. DGD

Indicator	Description of the indicator	Documents analyzed	Entities we met
PI-14	Effectiveness of measures for taxpayer registration and tax assessment	<ul style="list-style-type: none"> - Decision 00257/MFE/DGI of 29/7/2002 establishing the procedures for assigning and using the NIF. - Decision 0250/MF/DGI of April 30, 1997 on the establishment of the tax identification number. - Statistical statement on the breakdown of taxpayers by tax system and regional directorate. - Statistical statement of NIFs for fiscal years 2009, 2010 and 2011. - Decision of March 3, 2011 establishing the conditions of authorization for customs declarations. 	DGI DGD
PI-15	Effectiveness in collection of tax and customs payments	<ul style="list-style-type: none"> - Statistical statement of acceptances in 2010, 2011 and 2012 (September 26, 2012) of the Directorate of Large Enterprises (DGE) - Acceptances and collections in 2011 by the DGE. - Outstanding amounts to be collected in 2011 and collections as of September 2, 2012 by the Directorate of Small and Medium-Sized Enterprises. - Statement of DGI revenue from 2007 to 2012 (end-August 2012) - Statement of DGI outstanding amounts to be collected as of September 26, 2012. - Statement of outstanding amounts to be collected from tax audit revenue as of December 31, 2011. - Statement of outstanding amounts to be collected from the tax audit revenue agency as of October 15, 2012. - Summary of customs revenue by budget heading. - Status of customs revenue by office and method of payment for 2009, 2010 and 2011. 	DGI DGD Tax Audit Revenue Office
PI-16	Predictability in the availability of funds for commitment of expenditures	<ul style="list-style-type: none"> - 2012 Annual Cash Flow Plan 2012 LFR1 - Annual Cash Flow Plan for the 1st, 2nd and 3rd quarters of 2012, with forecasts and outturns. 	DGB DGTCP
PI-17	Recording and management of cash balances, debt and guarantees	<p>Revised Public Debt Strategy Paper for 2012, no date (CNDP)</p> <p>Report on the external public debt as of end-December 2011 and service and loans contracted in the first half of 2012, no date (DGB/DDP)</p> <p>End-June 2012 twice-yearly report on the external public debt and loan program for the second half of 2012, no date (DGB/DDP)</p> <p>Memorandum to the Minister of Finance on the reinstatement of the single treasury account, dated April 11, 2012 (DGTCP)</p> <p>Memorandum in the report on updating the survey of bank accounts of government entities in Niger, no date (DGTCP)</p> <p>Statement of debts guaranteed by the government in currency units, no date (DGB/DDP)</p> <p>Table of the list of government accounts dated October 15, 2012 (BCEAO)</p> <p>Decree 2010-627/PCSRD/ME/F of August 19, 2010, on the creation, duties and operation of the Autonomous Government Domestic Debt Amortization Center</p> <p>Decision 326 of September 29, 1995, on the duties and organization of the Directorate of Public Debt</p> <p>Decision 0221/ME/F/CAB of August 9, 2007, on the creation, composition and organization of a National Public Debt Management Committee</p>	DGB DGB/DDP DGTCP CAADIE BCEAO

Indicator	Description of the indicator	Documents analyzed	Entities we met
		Decision 0116/MF/DGT/CP of March 27, 2012 on the creation of a working group in the Directorate General of the Treasury and Public Accounting	
PI-18	Effectiveness of payroll controls	<ul style="list-style-type: none"> - Statistical statement on the wage bill broken down according to general status and autonomous status for 2009, 2010 and 2011. - Report on the execution of expenditures in the general government budget in 2009 as of end-June 2010 and end-June 2011. 	Payroll Directorate Pension Directorate Payment Authorization Directorate
PI-19	Competition, transparency, controls and complaint mechanisms in procurement	<p>General statements on procurement for fiscal years 2009, 2010 and 2011, no date (DGCF) Table of distribution of contracts by procurement method: 2009, 2010 and 2011, no date (ARMP) Statement of contracts negotiated directly 2009-2011, no date (DGCMP) Statement of implementation of the 2012-2014 economic and financial program: monitoring report as of end-June 2012, dated August 2012 Law 2011-37 of October 28, 2011, on the general principles, auditing and regulation of government contracts and subcontracting of public service in Niger Decree 2011-686/PRN/PM of Dec. 29, 2011, on the Procurement Code and subcontracting of public service Decree 2011-687/PRN/PM of Dec. 29, 2011, on the duties, composition, organization and procedures for the operation of the Government Procurement Regulatory Agency Decree 2011-688/PRN/PM of Dec. 29, 2011, on the Code of Ethics for Procurement and subcontracting of public service Decree 2008-120/PRN/MEF of May 9, 2008, on the organization and duties of the Directorate General of Procurement Control Decision 0140/CAB/PM/PM/ARMP of June 29, 2012, on the creation, duties and organization of a regional representative office of the Government Procurement Regulatory Agency Decision 0143/CAB/PM/PM/ARMP of June 29, 2012, establishing the thresholds for procurement and the execution of government contracts and subcontracting of public service Decision 0145/CAB/PM/PM/ARMP of June 29, 2012, on the creation, duties, composition-type and operation of the Ad Hoc Commission for Opening Bids and the Evaluation of Bids in Government Contracts and Subcontracting of Public Service Decision 0146/CAB/PM/PM/ARMP of June 29, 2012, establishing time frames for procurement and subcontracting of public service</p>	DGCF DGCMP ARMP
PI-20	Effectiveness of internal controls for non-salary expenditure	<p>Decree 2007- 308/PRN/ME/F of August 16, 2007 on the duties of the financial audit. Decree 2007-307/PRN/ME/F of August 16, 2007 on the duties and organization of the Directorate General of Financial Control. Decision 0088/ME/F/DGCF of March 14, 2008 on the duties of units that are part of the DGCF. Instruction 000549/ME/F/DGB of February 20, 2009 on the procedures for executing government expenditures. List of payment authorization officers, deputy payment authorization officers and secondary payment authorization officers. List of fund administrators. Statements of outstanding amounts payable as of September 30, 2011 and as of June 30, 2012.</p>	Directorate General of Financial Control Payment Authorization Directorate Directorate General of the Treasury and Public Accounting
PI-21	Effectiveness of the	Decree 85-120/PCMS/ of September 12, 1985 on the creation of an Office of the Inspector of Finance and	

Indicator	Description of the indicator	Documents analyzed	Entities we met
	internal audit system	establishing its duties and operation Decree 89-110/PCSON/MF of December 8, 1989 amending and supplementing Decree 85-120/PCMS/ of September 12, 1985 on the creation of an Office of the Inspector of Finance and establishing its duties and operation Decree 95-112/PRN/MF/P of January 15, 1995 on the organization of the Ministry of Finance and Planning Decision 0031/MF/DGIF of January 17, 2012 on the creation of the Committee for Monitoring the Implementations of the Recommendations in the Reports of the Office of the Inspector of Finance 2001 Activity Report of the Directorate General of the Office of the Inspector of Finance. March 2012 Execution statements from missions for the year as of December 31 Decree 97-272/PRN of July 18, 1998 on the duties and operation of the Office of the Government Inspector General Procedure Manual for the Supervision of the Directorate General of the Office of the Inspector of Finance Decision of July 27, 2010 on the organization and operation of the Office of the Inspector General of General Treasury Services (IGST) September to December 2011 activity report and 2012 program of activities of the Office of the Inspector of Treasury Services 2012 progress report from the Office of the Inspector General of Treasury Services May 4, 2012 mission report from the Director of the Office of the Inspector General of Treasury Services on the subcontracting of services in the departmental treasuries Report from the regional treasurers on the DGTCP June 15, 2011 audit mission Terms of reference for a mission to evaluate accounting items	
C (iii) Accounting, recording and financial reporting			
PI-22	Timeliness and regularity of accounts reconciliation		
PI-23	Availability of information on resources received by service delivery units	Annual reports of the School Management Committees [pending] National Health Accounts for fiscal years 2008 and 2009, Ministry of Public Health, WHO, August 2011 Aide-mémoire of the joint review of the health sector for 2011, Ministry of Public Health, Secretariat General, December 2011 Report on the execution of program activities for year 1 of phase 3 of the implementation of the PDDE, Ministry of National Education, Literacy and the Promotion of National Languages, DEP, July 2012 Report on the execution of the 2 nd phase of the PDDE, Ministry of National Education, May 2010 Status report of inspections and educational sectors, 2011-2012	
PI-24	Quality and timeliness of in-year budget reports		
PI-25	Quality and timeliness of annual financial	2010-2011 General Public Report of the Audit Office 2007 Draft budget review law and report of the Audit Office on the execution of the budget law 2008 Draft budget review law	DGTCP DGB Audit Office

Indicator	Description of the indicator	Documents analyzed	Entities we met
	statements	Balances of government accounts as of December 31 from 2008 to 2011	
C (iv) External scrutiny and audit			
PI-26	Scope, nature and follow-up of external audit	Order 2010-05 of March 30, 2010 amending Order 2010-01 of February 22, 2010 on the organization of the central government during the transition period Order 2010-017 of April 15, 2010 establishing the composition, organization, duties and operation of the Audit Office Organic law 2012-08 of March 26, 2012 establishing the duties, composition, organization and operation of the Audit Office 2010-2011 General Public Report of the Audit Office Answers from the Audit Office to the mission questionnaire	Audit Office
PI-27	Legislative scrutiny of the annual budget law	Resolution 0003/AN of April 19, 2011, on the rules of procedure of the National Assembly and its subsequent amending instruments, Republic of Niger, National Assembly, Committee on General and Institutional Affairs. Resolution 003/AN of April 19, 2011 on the rules of procedure of the National Assembly, amended by Resolution 005/AN of June 21, 2011 and by Resolution 0011/AN of May 21, 2012. Report of the Finance and Budget Committee on the draft organic budget law, National Assembly, February 10, 2012. General Report on behalf of the Finance and Budget Committee on the draft budget law for fiscal year 2012. Compendium of recommendations from the Finance and Budget Committee to the government during the scrutiny of the draft laws it is asked to review; implementation follow-up report	Office of the President of the National Assembly Office of the President of the Finance and Budget Committee of the National Assembly
PI-28	Legislative scrutiny of external audit reports		
D. DONOR PRACTICES			
D-1	Predictability of direct budget support	Replies received in October 2012 from the following donors: AECID, AFD, Belgium, Denmark, FAO, the WHO, UNAIDS, the UNDP, and the EU	DGEPE Donors: Germany, World Bank, Denmark, UNDP, SCAC-France, the EU and UNICEF
D-2	Financial information provided by donors for budgeting and reporting on project and program aid		
D-3	Proportion of aid that is managed by use of national procedures		

Annex 2: List of persons we met

LAST AND FIRST NAME	DEPARTMENT/INSTITUTION	TITLE
NATIONAL ASSEMBLY		
Hama Amadou	National Assembly	President
Maihama Gaya	Finance and Budget Committee	Chair
Sabo Boubacar	Secretariat General of the National Assembly	Assistant Secretary General
MOUSSA Saley	National Assembly	Technical Advisor
CENTRAL BANK OF WEST AFRICAN STATES (BCEAO)		
Ango Issa Zango	BCEAO	Authorized agent
Moussa Alhadane	Operations Audit Unit	Comptroller of Operations
Sarma Mamane	Lending Institutions Unit	Unit Head
Mrs. Tiémogo Aminata Alou	Bank Operations Unit	Unit Head
Mrs. Arimi Mamadou Zara Kori	SCCGPI	Unit Head
MOUSSA Amadou		Director headquarters agency
AUDIT OFFICE (CC)		
Nouhou Hamani Mounkaila	First Section	President of the First Section
Hamidou Garba	First Section	Advisor to the First Section
Abdoul Wahab Tari Bako	First Section	Advisor to the First Section
Mamadou Abdoulaye	Secretariat General	Secretary General
OFFICE OF THE INSPECTOR GENERAL (IGE)		
Bamadou Halilou	IGE	Head Government Inspector General
Djingarey Banakoye	IGE	Government Inspector General
Dr. Madougou Moussa	IGE	Government Inspector General
Laouali Tassiou	IGE	Government Inspector General
Farouk Abdoukarim	IGE	Government Inspector General
Sadou Hassame	IGE	Government Inspector General
GOVERNMENT PROCUREMENT REGULATORY AGENCY (ARMP)		
Madou Mahamadou	SE/ARMP	Executive Secretary
Kané Adamou	Directorate of Legal Affairs	Director
Camara Laouali	C/SAF/ARMP	
HIGH COMMISSION FOR THE 3N INITIATIVE FOR SUSTAINABLE FOOD SECURITY AND AGRICULTURAL DEVELOPMENT		
Allahoury Amadou Diallo	High Commission	High Commissioner
Mrs. Issoufou Mariana	Administration and Finance Department	
MINISTRY OF FINANCE (MF)		
Abdou Maidagi	Minister's Cabinet	Cabinet Director
Djibril Hanounou	Secretariat General	Secretary General
Laoulali Amadou Dan Azoumi	Secretariat General	Assistant Secretary General
DIRECTORATE GENERAL OF THE OFFICE OF THE INSPECTOR GENERAL OF FINANCE (DGIF)		
Mrs. Hamissou Mariama Yérma	DGIF	Director General

Oumarou Diambeidou	DGIF	Inspector
Zakari Maman Sani	DGIF	IT Specialist
DIRECTORATE GENERAL OF FINANCIAL CONTROL (DGCF)		
Omar Mamane Chaffar	DGCF	Acting DGCF/MF
Mrs. Sahabi Gambina Garba	DGCF	Financial Comptroller
DIRECTORATE GENERAL OF THE BUDGET (DGB)		
Salmanou Aga	Directorate General of the Budget	Director General
Soungouli Rakiétou	Directorate General of the Budget	Assistant Director General
Djibo Maïssa Diouf	Budget Directorate	Director
Sita Seyni	Directorate of the Public Debt (DDP)	Director
Yahaya Amadou	DDP	Head, Research Unit
Idi Dan Kari	DDP	Head, External Debt Unit
Diallo Boubacar Seydou	Directorate of Financial IT (DIF)	Head, IT Operation and Production Unit
Sani Azindimou	DIF	Head, Division of Studies, Development, Information and Training
Mrs. Bassirou Mariama Isssaka	Directorate of Payment Authorization, Verification and Discharge (DOVA)	Director
Boubacar Saley	DOVA	
Moumouni Karimou	Directorate of Pensions	Director
Seydou Adamou	DES/Budget	
Boureima Idrissa	Payroll Directorate (DS)	Director
Gado Abdou	DS	Chief, Studies and Monitoring Directorate
DIRECTORATE GENERAL OF THE TREASURY AND GOVERNMENT ACCOUNTING (DGTCP)		
Nouhou Abarchi	DGTCP	Assistant Director General
Issoufou Abdoul Laye	General Treasury Pay Office (PGT)	General Treasury Pay Officer
Wali Hamidou	Central Treasury Accounting Agency (ACCT)	First Authorized agent ACCT
Attama Ibrahim Boureima	General Treasury Revenue Office (RGT)	Receiver general of the Treasury
Dan-Mairo Idi	RGT	Authorized agent of the Treasury Receiver General
Idrissa Oumarou	Directorate of Human Resources and General Means	Director
Mrs. Souleymane Gambo	Directorate of Studies and Accounting and Financial Regulation	Director
Mrs. Lagou Kandine Diali	Directorate of the Office of the General Inspector of Services (IGST)	Treasury Inspector
DIRECTORATE GENERAL OF FINANCIAL REFORMS (DGRF)		
Hamza Mayata	Directorate of Financial Reforms (DRF)	Director
Marankan Baaré	Directorate of Currency, Credit and Savings (DMCE)	Director
Mrs. Ander Hadizatou	DRF	Coordinator, financial reforms
Ibrahim Harouna	DRF	Economist

Dogari Bassirou	DRF	Macroeconomist
Issoufou Maman	DRF	Statistician
Mamane Ibrahim		Freelance independent public finance consultant
DIRECTORATE GENERAL OF TAXES (DGI)		
Mahamane Mal. Ousmane	Directorate of Large Enterprises (DGE)	Director
Mahamadou Harouna	Directorate of Tax Audit and Reviews	Director
Assane D. N'DIAYE	Direction of Legislation, Disputes and International Relations	Director
Boubacar Coulibaly	Directorate of Tax Audit and Reviews	Director of Human and Financial Resources
Mrs. Migjinyaoua Aissa	DGE	Director of Accounting and Studies
Abdel-Kassoum Adamou Souley	DCE	DCE/SI
Zennou Mousse Bay	DGI	Chief, Public Relations Services
Cyprien Abdoulaye	DGI	Chief, Taxpayer Registration Services (SIC/DGI)
Ismail Fody Mahaman	Tax Audit Revenue Collection	Interim Receiver, Tax Audit
DIRECTORATE GENERAL OF PROCUREMENT (DGCMP)		
Mrs. Rabo Fatchima Amadou	DGCMP	Director General
Idrissa Azoumi Halidou	DGCMP/DIS	Counseling Support Officer
Moussa Aliou	DGCMP/DCR	Acting DGMP/DCR
Ahdiouffo	DGCMP	
Hassone Boubacar	DGCMP	
Bori Wassiri	DGCMP	IT Specialist
Mrs. Ali Fatouma	ARMP	Director Info-Monitoring-Evaluation
DIRECTORATE GENERAL OF CUSTOMS (DGD)		
Mahamadou Madi Mayaki	DGD	Director General
Abdou Yoba	DGD	Assistant Director General
Alexis Papazian	DGD	Technical Advisor
Labo Mamane Souley		Advisor
Mrs. Kader Hadiza	DGD	Assistant Senior Inspector to the Head of the "Niamey Route" Customs Office
MINISTRY OF PLANNING, LAND USE AND COMMUNITY DEVELOPMENT		
Ouaqouaq Abdelilah	Minister's Cabinet	Technical Advisor to the Minister
DIRECTORATE GENERAL OF PLANNING (DGP)		
Seydou Yayé	Directorate General of Planning	Director General
Oumarou Ousmane	Directorate of Programs and Planning	Director
Mrs. Falalou Fatima Ousseini	Directorate of Economic Analysis and Reforms	Head of the Macroeconomic Framework Department
Abdou Konfari Mahaman	Directorate of Development Cooperation	
MINISTRY OF THE CIVIL SERVICE		
Moumouni Djibdji	Ministry of the Civil Service	Director General
Oumarrou Bagourmé	Ministry of the Civil Service	Director of Studies
Alzouma Adamou	Ministry of the Civil Service	IT Specialist
MINISTRY OF THE INTERIOR		

Mrs. Nomao Ramatou	Directorate General of Local Governments	Director of Local Governments
Garba Moussa Abdoukader	Directorate of Studies and Programming	
MINISTRY OF PUBLIC HEALTH (MSP)		
Illa Djibrilla	Directorate of Financial Resources and Equipment (DRFM)	Acting Director
Oumarou Ousmane	Directorate of Studies and Programming (DEP)	Director
Mrs. Soumana Mariama	DRFM	Chief, Accounting and Finance Division
Azizi Ibrahim		Chief, Ministry Accounting Division
MINISTRY OF NATIONAL EDUCATION, LITERACY AND THE PROMOTION OF NATIONAL LANGUAGES		
Yaou Seini	Directorate of Financial Resources and Equipment (DRFM)	Director
Daouda Abdourahamane	Directorate of Studies and Programming	Director
CIVIL SOCIETY ORGANIZATIONS		
Vanheukelom Toon	International Budget Partnership (IBP)	Copayment Authorization Officer Africa
Mounkaila Aïchatou	Alternatives Espaces Citoyens (AEC)	Member of the AEC Board of Directors
Moussa Tchangari	Alternatives Espaces Citoyens (AEC)	AEC Secretary General
Boukar Hassane	Alternatives Espaces Citoyens (AEC)	Technical Expert, Alternatives, Espaces Citoyens (AEC)
TECHNICAL AND FINANCIAL PARTNERS		
Bedenbecker Thomas	German Cooperation GIZ	
Niang Ousmane	UNICEF	
Hadizatou Samna Gado	UNICEF	UNICEF Expert
Briac Deffobis	European Union	EU Economist
Rafael, Aguirre Unceta	European Union	Chief, EU Cooperation Operations
Henrik Westerby	Danish Cooperation	Development Advisor
Abdoulahi Garba	World Bank	Economist
Papazian Alexis	DGD	Advisor
Ali Madai	UNDP	Economist
Bonneau Laurent	French Embassy Cooperation and Cultural Action Department	Advisor

Annex 3: Analysis of Indicators PI-1 and PI-2

Tableau 2	<i>en millions de FCFA sauf indication contraire</i>					
Données pour l'exercice =	2009					
Section administrative	prévu	réalisé	budget ajusté	différence	valeur absolue	pourcentage
MINISTERE DES AFFAIRES ETRANGERES ET DE LA COOPERAT	7,110,708.0	5,998,014.8	5,904,772.4	93,242.4	93,242.4	1.6%
MINISTERE DE LA DEFENSE NATIONALE	31,416,812.0	25,026,348.2	26,088,699.3	-1,062,351.1	1,062,351.1	4.1%
MINISTERE DE LA JUSTICE, GARDE DES SCEAUX	4,397,163.2	4,659,036.8	3,651,429.3	1,007,607.4	1,007,607.4	27.6%
MINISTERE DE L'INTERIEUR, DE LA SECURITE PUBLIQUE ET DE	18,460,331.0	18,030,554.0	15,329,563.8	2,700,990.1	2,700,990.1	17.6%
MINISTERE DE L'ECONOMIE ET DES FINANCES	146,218,959.1	120,395,255.2	121,421,055.1	-1,025,799.9	1,025,799.9	0.8%
MINISTERE DU DEVELOPPEMENT AGRICOLE	5,943,357.3	5,670,658.1	4,935,397.7	735,260.4	735,260.4	14.9%
MINISTERE DE L'ELEVAGE ET DES INDUSTRIES ANIMALES	5,859,673.7	4,145,542.0	4,865,906.4	-720,364.4	720,364.4	14.8%
MINISTERE DE L'EQUIPEMENT	28,279,665.0	11,726,160.1	23,483,594.6	-11,757,434.5	11,757,434.5	50.1%
MINISTERE DES MINES ET DE L'ENERGIE	25,891,869.0	24,348,139.1	21,500,755.2	2,847,383.9	2,847,383.9	13.2%
MINISTERE DE L'ENVIRONNEMENT ET DE LA LUTTE CONT	2,871,688.0	5,020,323.3	2,384,666.0	2,635,657.3	2,635,657.3	110.5%
MINISTERE DE L'EDUCATION NATIONALE	81,618,464.1	72,048,003.8	67,776,436.6	4,271,567.2	4,271,567.2	6.3%
MINISTERE DE L'HYDRAULIQUE	7,508,081.8	5,012,854.8	6,234,753.8	-1,221,899.0	1,221,899.0	19.6%
MINISTERE DE LA SANTE PUBLIQUE	39,676,010.2	35,902,520.6	32,947,184.5	2,955,336.1	2,955,336.1	9.0%
MINISTERE DE L'URBANISME, DE L'HABITAT ET DU CADAS	6,674,769.0	3,850,962.2	5,542,766.1	-1,691,804.0	1,691,804.0	30.5%
MINISTERE DES TRANSPORTS ET DE L'AVIATION CIVILE	1,994,930.0	910,704.2	1,656,601.2	-745,897.0	745,897.0	37.4%
MINISTERE DE LA FONCTION PUBLIQUE ET DU TRAVAIL	1,132,680.0	902,793.0	940,583.9	-37,790.9	37,790.9	3.3%
MINISTERE DE LA FORMATION PROFESSIONNELLE ET TE	2,202,379.7	2,091,703.5	1,828,868.6	262,834.9	262,834.9	11.9%
MINISTERE DE LA JEUNESSE ET DES SPORTS	1,887,722.0	1,866,416.0	1,567,575.1	298,840.9	298,840.9	15.8%
MINISTERE DE LA COMMUNICATION, PORTE PAROLE DU	3,002,402.0	2,328,445.1	2,493,211.7	-164,766.6	164,766.6	5.5%
MINISTERE DE L'AMENAGEMENT DU TERRITOIRE ET DU D	878,968.0	263,751.5	729,900.0	-466,148.5	466,148.5	53.0%
21 (= total des reliquats)	60,893,600.2	51,651,927.3	50,566,391.9	1,085,535.4	1,085,535.4	1.8%
Dépense allouée	483,920,233.3	401,850,113.4	401,850,113.4	0.0	37,788,512.0	
Imprévus	1,180,770.6	857,524.4				
Dépense totale	485,101,003.9	402,707,637.8				
Variation globale (PI-1)						17.0%
Décomposition de la variation (PI-2)						9.4%
Affectation proportionnelle des imprévus budgétés						0.2%

Tableau 3						
Données pour l'exercice =		2010				
Chapitre administratif ou fonctionnel	prévu	réalisé	budget ajusté	différence	valeur absolue	pourcentage
MINISTERE DES ENSEIGNEMENTS SECONDAIRE, SUPER	34,409,259.7	36,199,331.0	28,074,615.6	8,124,715.4	8,124,715.4	28.9%
MINISTERE DE LA COMMUNICATION, DES NOUVELLES TE	3,473,070.1	2,736,191.5	2,833,688.0	-97,496.5	97,496.5	3.4%
MINISTERE DE LA JEUNESSE ET DES SPORTS	6,811,273.8	2,390,884.9	5,557,338.2	-3,166,453.3	3,166,453.3	57.0%
MINISTERE DE LA FORMATION PROFESSIONNELLE ET DE	2,288,695.8	2,002,748.2	1,867,353.6	135,394.6	135,394.6	7.3%
MINISTERE DES AFFAIRES ETRANGERES, DE L'INTEGRA	6,931,196.8	6,276,851.1	5,655,183.7	621,667.4	621,667.4	11.0%
MINISTERE DE LA DEFENSE NATIONALE	26,718,147.4	33,128,931.3	21,799,414.6	11,329,516.7	11,329,516.7	52.0%
MINISTERE DE LA JUSTICE ET DES DROITS DE L'HOMME,	4,062,700.5	4,832,052.4	3,314,769.2	1,517,283.2	1,517,283.2	45.8%
MINISTERE DE L'INTERIEUR, DE LA SECURITE, DE LA DEC	23,280,227.9	21,007,593.6	18,994,406.0	2,013,187.6	2,013,187.6	10.6%
MINISTERE DE L'ECONOMIE ET DES FINANCES	130,775,226.3	116,410,565.7	106,699,889.3	9,710,676.3	9,710,676.3	9.1%
MINISTERE DU COMMERCE, DE L'INDUSTRIE ET DE LA PR	1,078,308.3	1,022,267.9	879,794.9	142,473.0	142,473.0	16.2%
MINISTERE DE L'AGRICULTURE ET DE L'ELEVAGE	12,840,596.5	9,236,755.7	10,476,680.2	-1,239,924.5	1,239,924.5	11.8%
MINISTERE DE L'ELEVAGE ET DES INDUSTRIES ANIMALE	7,826,496.7	0.0	6,385,661.5	-6,385,661.5	6,385,661.5	100.0%
MINISTERE DE L'EQUIPEMENT	22,977,580.0	11,803,850.0	18,747,474.7	-6,943,624.7	6,943,624.7	37.0%
MINISTERE DES MINES ET DE L'ENERGIE	1,761,978.6	1,202,669.3	1,437,603.5	-234,934.1	234,934.1	16.3%
MINISTERE DE L'ENVIRONNEMENT ET DE LA LUTTE CONT	2,983,542.3	0.0	2,434,280.9	-2,434,280.9	2,434,280.9	81.6%
MINISTERE DE L'EDUCATION NATIONALE	80,335,739.1	65,448,977.9	65,546,164.3	-97,186.4	97,186.4	0.1%
MINISTERE DE L'EAU, DE L'ENVIRONNEMENT ET DE LA L	6,197,351.6	6,610,577.4	5,056,437.3	1,554,140.1	1,554,140.1	25.1%
MINISTERE DE LA PROMOTION DE LA FEMME ET DE LA F	5,791,407.4	0.0	4,725,226.2	-4,725,226.2	4,725,226.2	81.6%
MINISTERE DE LA SANTE PUBLIQUE	38,981,671.1	28,383,210.2	31,805,259.4	-3,422,049.2	3,422,049.2	8.8%
MINISTERE DE L'AMENAGEMENT DU TERRITOIRE ET DU D	922,748.9	0.0	752,873.6	-752,873.6	752,873.6	81.6%
21 (= total des reliquats)	31,991,758.3	20,452,825.8	26,102,169.1	-5,649,343.4	5,649,343.4	17.7%
Dépense allouée	452,438,977.2	369,146,283.8	369,146,283.8	0.0	70,298,108.8	
Imprévus	1,262,055.1	0.0				
Dépense totale	453,701,032.3	369,146,283.8				
Variation globale (PI-1)						18.6%
Décomposition de la variation (PI-2)						19.0%
Affectation proportionnelle des imprévus budgétés						0.0%

Tableau 4						
Données pour l'exercice =		2011				
Chapitre administratif ou fonctionnel	prévu	réalisé	budget ajusté	différence	valeur absolue	pourcentage
MINISTERE DES ENSEIGNEMENTS SECONDAIRE, SUPER	44,806,673.5	44,164,417.8	37,414,404.2	6,750,013.6	6,750,013.6	18.0%
MINISTERE DE LA COMMUNICATION, DES NOUVELLES TE	4,965,711.5	4,457,762.5	4,146,461.3	311,301.3	311,301.3	7.5%
MINISTERE DE LA JEUNESSE ET DES SPORTS	2,660,919.5	2,803,779.6	2,221,917.2	581,862.4	581,862.4	26.2%
MINISTERE DE LA FORMATION PROFESSIONNELLE ET DE	5,925,787.5	3,850,310.6	4,948,142.6	-1,097,832.0	1,097,832.0	22.2%
MINISTERE DES AFFAIRES ETRANGERES, DE L'INTEGRA	13,361,708.6	8,752,523.4	11,157,274.7	-2,404,751.4	2,404,751.4	21.6%
MINISTERE DE LA DEFENSE NATIONALE	42,454,124.1	39,612,258.7	35,449,981.7	4,162,277.0	4,162,277.0	11.7%
MINISTERE DE LA JUSTICE ET DES DROITS DE L'HOMME,	4,900,636.5	5,784,949.1	4,092,122.5	1,692,826.7	1,692,826.7	41.4%
MINISTERE DE L'INTERIEUR, DE LA SECURITE, DE LA DEC	30,627,791.7	27,709,562.7	25,574,774.6	2,134,788.1	2,134,788.1	8.3%
MINISTERE DE LA FONCTION PUBLIQUE ET DU TRAVAIL	1,333,553.3	1,259,373.7	1,113,541.7	145,832.0	145,832.0	13.1%
MINISTERE DE L'ECONOMIE ET DES FINANCES	314,594,245.9	236,547,640.1	262,692,035.2	-26,144,395.1	26,144,395.1	10.0%
MINISTERE DU COMMERCE, DE L'INDUSTRIE ET DE LA PF	1,386,696.9	1,269,605.0	1,157,917.6	111,687.4	111,687.4	9.6%
MINISTERE DES TRANSPORTS, DU TOURISME ET DE L'AR	1,144,179.2	553,185.2	955,410.8	-402,225.6	402,225.6	42.1%
MINISTERE DE L'AGRICULTURE ET DE L'ELEVAGE	15,000,412.3	16,485,558.6	12,525,622.7	3,959,935.9	3,959,935.9	31.6%
MINISTERE DE L'EQUIPEMENT	26,911,886.2	14,715,141.3	22,471,924.5	-7,756,783.2	7,756,783.2	34.5%
MINISTERE DES MINES ET DE L'ENERGIE	2,951,790.3	2,423,075.9	2,464,799.7	-41,723.8	41,723.8	1.4%
MINISTERE DE L'EDUCATION NATIONALE	95,398,587.3	79,425,653.4	79,659,591.3	-233,937.9	233,937.9	0.2%
MINISTERE DE L'EAU, DE L'ENVIRONNEMENT ET DE LA L	19,208,423.1	21,285,756.7	16,039,389.8	5,246,366.9	5,246,366.9	27.3%
MINISTERE DE LA SANTE PUBLIQUE	47,021,447.1	40,539,337.6	39,263,781.2	1,275,556.4	1,275,556.4	2.7%
MINISTERE DE L'URBANISME, DE L'HABITAT ET DE L'AMEI	3,561,402.4	1,218,235.2	2,973,837.1	-1,755,601.8	1,755,601.8	49.3%
MINISTERE DE LA POPULATION, DE LA PROMOTION DE L	1,277,283.8	1,314,883.8	1,066,555.7	248,328.1	248,328.1	19.4%
21 (= total des reliquats)	23,989,938.9	33,248,519.5	20,032,044.3	13,216,475.1	13,216,475.1	55.1%
Dépense allouée	703,483,199.7	587,421,530.5	587,421,530.5	0.0	79,674,501.6	
Imprévus	393,354.0	0.0				
Dépense totale	703876553.7	587421530.5				
Variation globale (PI-1)						16.5%
Décomposition de la variation (PI-2)						13.6%
Affectation proportionnelle des imprévus budgétés						0.0%

Annex 4: Summary and comparative table of performance indicators by component in 2008 and 2012

Indicator	Component	2008 Score		2012 Score	
PI-1: Aggregate expenditure outturn compared to original approved budget	The difference between total primary expenditure outturn and primary expenditures originally provided for in the budget (in other words, less expenditures for debt service and for financing projects using external assistance).	C		D	
PI-2: Composition of expenditure outturn compared to original approved budget	(i) Extent of discrepancies in the composition of expenditures over the last three years, excluding estimated appropriations.	A		C	C+
	(ii) Average of amount of expenditures actually charged to the contingency reserve over the last three years	No score		A	
PI-3: Aggregate revenue outturn compared to original approved budget	Internal revenue outturn compared to domestic revenue in the original approved budget	D		D	
PI-4: Stock and monitoring of expenditure payment arrears	(i) Stock of expenditure payment arrears (expressed as a percentage of total expenditure outturn for the corresponding fiscal year) and any recent change in the stock	D	D+	D▲	D+
	(ii) Availability of data for monitoring the stock of expenditure payment arrears	B		B	
PI-5: Classification of the budget	Classification system used to prepare and execute the government budget and for reporting	C		C	
PI-6: Comprehensiveness of information included in budget documentation	(i) Portion of information mentioned below most recently in the budget documentation issued by the central government (to be made part of the assessment, the information required for each criterion must be completed)	D		C	
PI-7: Extent of unreported government operations	(i) Level of extrabudgetary expenditures (other than donor-financed projects) that are not included in the budget reports	A	B+	A	B+
	(ii) Information on revenue/expenditures for donor-financed projects that is included in the budget reports	B		B	
PI-8: Transparency of intergovernmental fiscal relations	(i) Transparent systems based on rules of horizontal allocation between the decentralized agencies of unconditional and conditional transfers from the central government. (This allocation is included in the budget and allocation outturn).	D	D+	D▲	D
	(ii) Timely disclosure of reliable information by the central government to the decentralized agencies for their budget allocations for the coming fiscal year	No score		Not applicable	
	(iii) Extent to which the consolidated fiscal information (for at least revenue and expenditures) is collected and reported at the general administration level according to the sectoral categories	C		D	

Indicator	Component	2008 Score		2012 Score	
PI-9: Oversight of aggregate fiscal risk from other public sector entities	(i) Extent of oversight exercised by the central government over the autonomous public agencies and public enterprises	C	C+	C	C+
	(ii) Extent of central government control over the fiscal situation of the decentralized agencies	A		A	
PI-10: Public access to key fiscal information	(i) Number of criteria below on public access to information that are completed (so that it can be included in the assessment, the criterion on access to information, as specified, must be completely met)	C		C	
PI-11: Orderliness and participation in the annual budget process	(i) There is a set budget calendar and it is observed	D	C+	C	C+
	(ii) Clarity/comprehensiveness of directives and involvement of political leaders in the budget proposal preparation process (budget circular or other document)	C		C	
	(iii) Approval of the budget by the legislative authorities or any body that serves in a similar capacity (over the last three years)	A		B	
PI-12: Multiyear perspective in fiscal planning, expenditure policy and budgeting	(i) Preparation of multiyear budget forecasts and functional allocations of public funds	C	C	C	B
	(ii) Extent and frequency of debt sustainability analysis	B		A	
	(iii) Existence of sectoral strategies, along with multiyear statements of the costs of operating and investment expenditures	C		B	
	(iv) Links between investment budgets and medium-term expenditure forecasts	D		C	
PI-13: Transparency of taxpayer obligations and liabilities	(i) Clarity and comprehensiveness of tax and customs obligations	B	C+	B	C+
	(ii) Taxpayer access to information on tax and customs obligations and related administrative procedures	C		C	
	(iii) Existence and operation of a system to appeal decisions of the tax agency and customs	C		C	
PI-14: Effectiveness of measures for taxpayer registration and assessment of tax, fees and customs duties	(i) Control of the taxpayer registration system	C	C	C	C
	(ii) Effectiveness of penalties for cases of noncompliance with registration and filing obligations	C		C	
	(iii) Planning and monitoring of tax audit and fraud investigation programs	C		C	
PI-15: Effectiveness in collection of tax and customs payments	(i) The collection rate for gross arrears of taxes and fees, calculated as a percentage of tax arrears when the fiscal year begins, that were collected during the given fiscal year (average of the last two fiscal years)	No score	D+	D	D+
	(ii) Effectiveness of transfer into the treasury account of the amounts of taxes, fees and customs duties collected by the tax agency and customs	B		C	
	(iii) Frequency of the full reconciliation of assessment accounts, collections, arrears files and amounts the Treasury receives	D		D	

Indicator	Component	2008 Score		2012 Score	
PI-16: Predictability in the availability of funds for commitment of expenditures	(i) Degree of predictability and monitoring of cash flow	A	C+	B	B
	(ii) Reliability and frequency of periodic information provided in-year to the MDA on expenditure commitment ceilings	C		B	
	(iii) Frequency and transparency of adjustments to budget allocations, the decision for which is made at a hierarchical level above the heads of the MDAs.	C		B	
PI-17: Recording and management of cash balances, debt and guarantees	(i) Quality of recording data on the debt and related reporting	D	D+	C	C
	(ii) Statement of central government cash balances consolidation	B		C	
	(iii) Mechanism for contracting loans and granting guarantees	D		C	
PI-18: Effectiveness of payroll controls	(i) Degree of integration and reconciliation of data on the status of payroll and the personnel database	B	D+	C	C
	(ii) Timely changes made to the personnel database and payroll statement	C		C	
	(iii) Internal controls of changes made to the personnel database and payroll statement	A		C	
	(iv) Existence of measures to audit the payroll statement to show the defects in the internal control system and/or ghost workers.	D		C	
PI-19: Procurement: transparency, competition, value for money and mechanism for filing complaints	(i) Promote transparency, completeness and competition through the statutory and regulatory framework	Not comparable	B	A	B+
	(ii) Use of competitive procurement methods			B	
	(iii) Public access to complete, reliable and timely procurement information			B	
	(iv) Existence of an independent administrative body in charge of investigating procurement complaints			A	
PI-20: Effectiveness of internal controls for nonwage expenditure	(i) Effectiveness of controls for expenditure commitments	B	C+	B	C+
	(ii) Completeness, relevance and clarity of the other internal control rules/procedures	C		C	
	(iii) Degree of compliance with the transaction processing and recording rules	C		C	
PI-21: Effectiveness of internal audit	(i) Coverage and quality of internal control	C	C	C	C
	(ii) Frequency and dissemination of reports	C		C	
	(iii) Measurement of how the responsible authorities treat the findings of the internal audit	C		C	
PI-22: Timeliness and regularity of accounts reconciliation	(i) Regularity of bank account conciliation	D	D	D	D
	(ii) Regularity of reconciliation and adjustment of suspense and prepayment accounts	D		D	

Indicator	Component	2008 Score		2012 Score	
PI-23 Availability of information on resources received by primary service delivery units	Collection and processing of information that provides evidence that the resources are in fact collected (in cash and in kind) by most front-line service delivery units (focusing on primary schools and primary health care centers) compared to all the resources allocated to the sector(s), regardless of the level of administration responsible for managing and financing these units	D		C	
PI-24 Quality and timeliness of in-year budget reports	Extent of reports in terms of coverage and consistency with the budget projections	B	D+	B	C+
	Timely issuance of reports	D		A	
	Quality of information	C		C	
PI-25 Quality and timeliness of annual financial statements	Completeness of financial statements	C	C+	C	D+
	Timely submission of financial statements	C		D	
	Accounting standards used	A		C	
PI-26 Scope, nature and follow-up of external audit	(i) Extent of audit performed (including compliance with the audit standards)	D	D	C	D+
	(ii) Timely submission of audit reports to parliament	D		A	
	(iii) Evidence that the recommendations made by the auditors are followed	D		D	
PI-27 Legislative scrutiny of the annual budget law	(i) Extent of scrutiny by the parliament	C	C+	B	B+
	(ii) Extent to which parliamentary procedures are established and observed	B		B	
	(iii) Sufficiency of time allocated to parliament to scrutinize the draft budget in terms of detailed estimates and, if so, the budget aggregates at the beginning of the budget preparation process (time allocated in practice for all the stages)	B		A.	
	(iv) Rules that govern in-year budget changes by the executive without prior legislative approval	C		A	
PI-28 Legislative scrutiny of external audit reports	(i) Meeting deadlines for scrutinizing audit reports by the parliament (for the reports received over the last three years)	A	C+	D	D+
	(ii) Extent of hearings conducted by parliament on the key findings	C		D	
	(iii) Recommendations made on measures by parliament and follow-up by the executive	C		B	
D-1 Predictability of direct budget support	(i) Annual discrepancy between actual budget support and the projections submitted by the donors at least six weeks before the draft budgets are submitted to parliament (or another equivalent approving institution).	C	D+	D	D

Indicator	Component	2008 Score		2012 Score	
	(ii) Meeting in-year donor disbursement deadlines (compliance with overall quarterly forecasts)	D		D	
D-2 Financial information provided by donors for budgeting and reporting on project and program aid and for preparing the relevant reports	(i) Complete statement and meeting deadlines for donor submission of budget projections in support of projects	B	C+	B	D+
	(ii) Frequency and scope of donor reports on real flows in support of the projects	C		D	
D-3 Proportion of aid that is managed by use of national procedures	Total proportion of the funds paid to the central government for aid that is managed by use of national procedures	D		D	