# Note: Improving PFM digital transparency in African finance ministries



by John Leonardo

### Introduction

This note provides an introduction to our "Improving PFM digital transparency in African finance ministries" presentation which is also available as a video. Transparency of public finances is a key element of a public financial management (PFM) system enabling public scrutiny of government actions and intentions. Transparency of public finances is achieved by providing information on PFM which is comprehensive, consistent, and accessible to users.

Ministries of Finance (MoFs) play a leading role in promoting transparency of public finances. The World Bank's September 2020 report "Enhancing Government Effectiveness and Transparency — The Fight Against Corruption" has highlighted the importance of ensuring greater transparency in government operations.

Transparency is an important factor in African public financial management (PFM) in view of historically relatively weak PFM in many African countries, including transparency activities, and relatively poor recent progress in curbing corruption.

## PFM digital transparency

In a PFM context, digital transparency can be defined as the process of providing PFM related information using digital platforms such as websites and social media; for example, Facebook, Twitter and YouTube. PFM digital transparency should be an important part of African MoFs' digital government strategies.

Currently African MoFs employ PFM digital transparency practices using a range of platforms such as websites and social media (Facebook, Twitter, WhatsApp, YouTube, LinkedIn). They publish a range of PFM and related material on the latter platforms.

#### Current PFM digital transparency trends analysis

We have examined MoF website, Facebook and Twitter use to obtain an understanding of Africa MoFs' current use of digital platforms.

The following statistics are presented and reviewed in the presentation:

- Country internet usage
- MoF website visits during May/July 2020 and projected annualised visits for 2020
- Domestic and non-resident visits to MoF websites
- Country Facebook usage
- MoF Facebook page follower numbers
- Country Twitter usage
- MoF Twitter follower numbers

We have also examined penetration levels for MoF website users, Facebook and Twitter followers to demonstrate the level of usage of these digital platforms. In addition, we have identified correlations that may exist between digital platform use and leading economic and governance indicators including those relating to e-government.

#### Some key findings

Some of our key findings from our analysis are as follows:

- Six of the twenty-five MoFs with Facebook pages had higher Facebook follower numbers than estimated 2020 MoF visits to the respective websites demonstrating the role that MoF Facebook pages can play in boosting PFM transparency
- MoF social media content approaches differ quite markedly with MoFs generally publishing a wider range of material on their Facebook pages compared with the material included in tweets on Twitter.
- African MoF social media activity is helping to raise awareness about African MoFs' PFM activities. Some African MoFs have generated considerable interest in their activities using social media.
- The proportion of non-domestic visitors to MoF websites varies considerably demonstrating how digital structures enable reach to the diaspora and other international stakeholders
- Use of digital communication mechanisms to strengthen African MoFs' operational capacity and support PFM reform plans have to date been limited prior to the onset of COVID-19

 African MOFs overall progress to date in the use of digital platforms to promote transparency has been relatively modest

#### Recommendations

We recommend African MoFs should take advantage of the opportunities provided by digital platforms to improve their PFM digital transparency by:

- Addressing identified PEFA transparency gaps which will result in more PFM material being published
- Establishing Facebook pages if these are not already in place
- Posting a variety of PFM related information on Facebook pages to increase community interaction and promote transparency
- Preparing PFM digital transparency action plans to improve PFM digital transparency performance and support PFM reform activities.

We have also outlined the nature of the tasks that should be included in PFM digital transparency action plans.

Regional analyses of trends in key PFM digital transparency indicators for all 45 African finance ministries are available

for:

Central Africa

East Africa

North Africa

Southern Africa

West Africa

# Rebalancing Britain — shaping the future



by David Fellows (1)

Governments like to deal with issues one at a time. It makes the narrative easier to handle. The problem for the current Government is that it faces a landscape of interconnected challenges. As a result, the big picture is getting lost.

The opposition, political and media, are playing a fairly simple game. They cry 'chaos' at practically every decision made by Government. In practice people seem to understand the difficulties of holding an unbending line when faced with a non-compliant world. The background noise, however, tends to create distractions from the big picture.

# The three key challenges

I refer to the need for Government to focus on three critical challenges: Brexit, the economic and social effects of C-19, and their 'levelling-up' commitment. They are immense, complex, interrelated and unavoidable. The consequent fiscal implications and overseas trade negotiations add to the burden of this core subject matter. Knee jerk reactions by Government seeking to restore the status quo in London supply worrying evidence of the big picture getting lost.

C-19 has accelerated the extent of online home working that has been taking root over the past decade, relieving many administrative staff from the daily commuter grind. For many this is an irreversible process benefiting employer and employee. Office space is, therefore, becoming less necessary together with commuter transport and other office-related services. In addition, the trend to online shopping is being reinforced reducing demand for local transport. It seems inevitable that redundant shops and offices will be replaced

by apartments. The absence of tourism compounds the reduction in city centre footfall. There is greater general acceptance of change than the government seems to appreciate.

EU nations will stick together to save themselves (the Euro, the carnage to the Mediterranean economies, the perilous position of German manufacturing). Despite a trade deal being in their best interests it has become clear that they have little scope for division over Brexit. Doing a deal in name only was tried and failed miserably. Apart from side matters of common interest, such as air traffic and security, it must be assumed that nothing else is available. Put it to the test. End the negotiations now, claim bad faith, refuse to pay, give businesses and the public extra time to ready themselves. Government may now be preparing to do this.

To-date 'levelling —up every part of the UK', as referred to in the Conservative manifesto 2019, has been little more than a slogan attached to haphazard regional spending. The manifesto acknowledges that the regions feel abandoned. I suggest that this is now more important than short-term GDP considerations and that yesterday's substantial gainers must make way to some extent.

Levelling-up should form the central plank of these three issues. Economic activity must be more widely distributed. Brexit offers greater freedom to act. The impetus in online working resulting from C-19 has made us more flexible in geography and life style. Why not give a clear commitment to stimulate the UK economy in the regions by: reshoring production; incentivising investment and HQ co-location; regionalising government departments; creating a regional development bank; encouraging regional remote working. Government departments must be harassed into buying British

with a substantial proportion of orders going to SMEs, including start-ups. Such policies should be directed at high value manufactures, administration, consultancy and food. Business must be fully engaged.

This agenda must be supported by reform of the spatial planning system and dysfunctional house building sector. It would be too easy to assume the status quo and attempt to build more housing in London to satisfy demand that would, in practice, compound the skewed nature of opportunity within the country and heighten the problems of life within the capital, particularly for the less wealthy. Policy must be consistent.

#### Future domestic issues

Of course there are other related issues requiring attention: NHS management and the reform of social care; the allocation of responsibilities within the state schooling system given the decreasing role of local education authorities and the inadequacy of further education with respect to vocational development; the modernisation of the Civil Service and Cabinet Government; and devolution within the UK. All of these issues and more are important to the nation's development but they are subservient to the preparation of an initial response to the three critical challenges.

#### Time to explain the plan

It is time for the Government to present that response at a credible level of detail. The PM must explain his intentions and his reasoning convincingly both to the people as a whole

and to his parliamentary colleagues. It must be a bold yet feasible plan. This is a time for public engagement, for shaping the future.

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