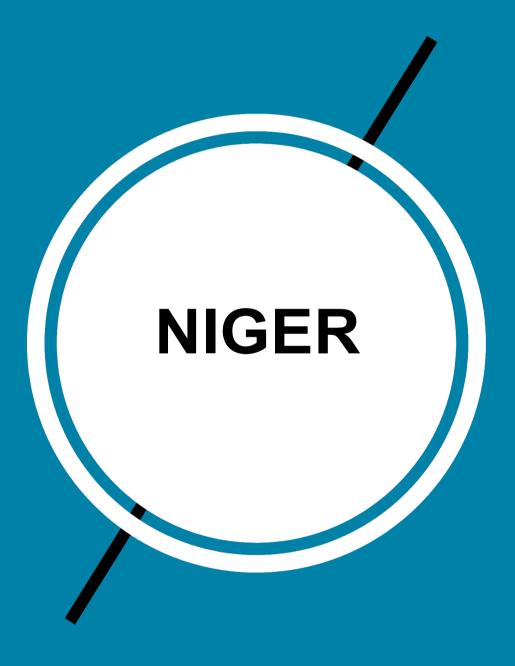
MANAGING COVID FUNDS COUNTRY BRIEF







INTRODUCTION

Although Niger was spared some of the more serious impacts of COVID-19 witnessed elsewhere in the world, the country and the Sahel region at large have not escaped the virus unscathed. The public health and economic challenges caused by the pandemic have been influenced by political instability, internal displacement, and ongoing conflicts with militant groups such as Boko Haram and the Islamic State in West Africa Province. Niger's first case of COVID-19 was confirmed on 19 March 2020, after which then-President Mahamadou Issoufou declared a national state of emergency on 27 March 2020. The government also instituted a curfew in Niamey, limited working hours, a ban on large gatherings, and the closure of Niger's borders. The government created an Interministerial Committee for the Fight against the Covid-19 Pandemic (*le Comité Interministériel de Lutte contre la pandémie à coronavirus Covid-19*) under the leadership of Prime Minister Brigi Rafini (with whom President Issoufou shared executive power) to coordinate the government's response.

These emergency measures affected the livelihoods of ordinary Nigeriens, as restrictions on movement, assembly, and cross-border trade reduced the flow of goods and services. To mitigate against this shock, the central government secured relief from its debt payments to the International Monetary Fund on 13 April 2020 and an additional US\$114.5 million in financing from the fund on 14 April 2020.

The Ministry of Finance released its first rectification of the initial FY 2020 budget in May 2020, pursuant to Niger's 2012 Organic Law on budgets. The impetus for the rectification was threefold: the acquisition of additional resources from the IMF, a decision to introduce tax relief provisions in support of the most severely impacted sectors (such as hospitality and agriculture), and the pandemic's effect on initial macroeconomic projections. The rectification shifted the planned spending by approximately 1.3% of GDP, with additional resources directed towards areas such as public health, social aid, and national security.

Responding in an open and accountable manner to COVID-related relief measures is not merely a way for the government to show its commitment to the well-being of its citizens, but also an important acknowledgement that open budgets have real <u>benefits</u>, from reducing the risks of corruption to ensuring more equitable and effective policy outcomes. In other words, shortcuts and limitations are neither necessary nor inevitable. Even during severe crises, accountability can work if everyone does their part in an open and collaborative manner. In other words, an urgent and speedy response need not come at the expense of accountability.

To this end, civil society partners across 120 countries, including Niger, worked with the International Budget Partnership to undertake a rapid assessment of COVID-19 emergency fiscal policy packages in the period from March to September 2020. This goal of the assessment was to identify how countries can improve during and after the crisis.

This brief explains what we found and what actions Niger's government can take to strengthen accountability now and following the COVID crisis.

KEY FINDINGS

"Limited" to "minimal" transparency and opportunities for citizen engagement, as well as restrained legislative oversight, hampering accountability.

The findings of our assessment in Niger indicate that the overall transparency of its primary COVID response package was limited. In particular, minimal details were provided on its implementation, even as slightly more information was provided to the public on its formulation and introduction. In terms of participation, neither citizens nor civil society organizations were granted opportunities to participate in the formulation or implementation of the package. While Niger's National Assembly was able to vote on the first amending finance law in June 2020, no debate or special COVID-focused committee was convened prior to its passage. Furthermore, an "enabling law" (*Loi d'habilitation*) was approved in July 2020 allowing the executive to make greater use of direct ordinances in response to COVID, making it more difficult to hold the Executive accountable. Our three key findings are as follows:

1. The government failed to adopt key measures to enhance accountability, particularly transparency, in the implementation of its COVID-19 fiscal response and in the procurement of goods and services to address the pandemic.

Transparency in budget and policy implementation provides a way for the public to understand how the government's priorities have been executed and what has been achieved in concrete terms. In Niger, a lack of public reporting on the implementation of the stimulus packages and related policy initiatives – such as a new <u>Solidarity Fund</u> – made it challenging to hold authorities in Niamey accountable. Some information on updated macroeconomic and budget projections, policy initiatives, and intended beneficiaries was provided in the introduction of the first amending finance law; however, overall transparency of the government's initial pandemic response was limited.

The public health crisis forced the government to authorize emergency procurement procedures to quickly avail of services from private contractors. In April 2020, Niger's Executive announced a decree allowing it to enter into procurement contracts with suppliers via direct agreement; however, rather than providing background information on its rationale for this decision, or how procurement actions would be included under this emergency authorization, the decree itself was not even published online. Only slightly more information was made available on actual procurement; meanwhile, an August 2020 communiqué from the Council of Ministers announced a provisional contract for respirators for COVID patients in intensive care, but no comprehensive details were published on formal contracts, suppliers, delivery of goods and services, or payments.

Emergency procurement procedures like these should remain transparent, particularly as the risks of irregularities are heightened when the government awards contracts to service providers on an expedited basis. Approaches to address this risk should include, for example, clear criteria on the use of emergency procurement and an accessible system to enable contracts to be tracked effectively, openly, and in a timely manner.

KEY FINDINGS

2. Decision-making on the formulation and implementation of Niger's COVID response package did not solicit input from the general public.

There was no citizen participation in the formulation and implementation of the emergency measures, thereby excluding the public from having a voice in decisions on priority-setting during the pandemic and depriving the government of contributions that could have greatly improved the effectiveness of its actions.

Unfortunately, this finding aligns with a broader pattern in Niger whereby citizens and civil society have no formal opportunity to participate in and influence the annual budget cycle at the national level. The most recent <u>results</u> from the 2019 Open Budget Survey found that no concrete mechanisms were in place as of the end of 2018 to provide everyday Nigeriens the ability to take part in the formulation, monitoring, or auditing of the central budget.

3. The Nigerien General Assembly had a circumscribed role in overseeing the government's fiscal response to COVID.

While the General Assembly was able to hold a vote on the proposed first amending finance law in June 2020, no formal debate on the package was conducted in advance and lawmakers had only limited time to review the document. In addition, no specialized committee was established to focus on the COVID response, nor were existing committees granted new powers to review the amending finance law in greater detail, limiting legislative input during the emergency. Shortly thereafter, in July 2020, Enabling Law 2020-030 was approved by the Assembly, which granted the government greater power to tackle COVID via executive ordinances. While the ordinances were due to be ratified after the fact by bills tabled in the Assembly, the Enabling Law nevertheless reduced the level of influence and oversight exercised by legislators. Finally, during implementation of Niger's COVID response packages, members of the National Assembly received only occasional testimony from ministerial representatives on the execution of policies to counter the pandemic, and no formal reports were provided for review.

RECOMMENDATIONS

Accountability beyond the crisis

Improving the practices observed in the module findings will remain important even as Niger eventually moves beyond the COVID crisis. Achieving sufficient levels of transparency, participation, and oversight over the long term is crucial both for accountability and to ensure that public resources are used effectively and equitably. The 2019 OBS found that there was significant room for improvement in Niger, as the government published significantly less information on the central budget cycle than many of its regional neighbors, while also failing to provide formal mechanisms for the public to participate in the process.

Based on our findings, we believe it is imperative to address the accountability shortcomings of COVID-19 fiscal responses, both during the crisis and beyond.

In light of this, we call on the government to work with civil society to take the following steps:

<u>Recommendation 1</u>: Act now to strengthen transparency and accountability in ongoing responses to the COVID-19 crisis.

- Provide reports to the National Assembly on a regular basis with current information on the execution of COVID fiscal response policies, including comparisons to initial expenditure projections.
- Disclose all details on procurement contracts linked to COVID emergency spending, and in <u>open formats</u> wherever possible.
- The Ministry of Finance should take steps to publish additional information on the sources of financing for Niger's fiscal response to the pandemic, including its use of an extrabudgetary <u>Solidarity Fund</u>.

<u>Recommendation 2</u>: Introduce concrete mechanisms to allow the general public to participate in monitoring the execution of COVID-related fiscal responses.

- Civil society and ordinary citizens alike should be given the opportunity to engage with the government on the execution of COVID relief policies, as well as with relevant legislative and Supreme Audit Institution (SAI) actors.
- To make these participation mechanisms more beneficial and responsive to the needs of everyday Nigeriens, the Executive, Legislature, and SAI should provide the public with detailed information on both the intended goals and structure of the engagement, as well as substantive feedback on the interaction after the fact. In addition, explicit steps should be taken to ensure that Nigerien society at large is able and willing to access these mechanisms, including marginalized or underrepresented populations.