



GOVERNEMENT
DE LA RÉPUBLIQUE
DU BÉNIN



United Nations
Economic Commission for Africa



High-Level Regional Dialogue on Public Finance Systems in Africa

Modernizing **Accountability** and **Transparency** in Public Finance Systems in Africa

25 - 26
MARCH
2025



COTONOU, BENIN

Concept Note

I - Background

Accountability and transparency in public finance systems are critical components for sustainable development, enhancing efficiency in resource utilization and good governance in Africa. These principles ensure that public resources are managed efficiently, equitably, and in the best interest of the people. Accountability in public finance involves holding public officials responsible for fiscal management and decision-making, ensuring that they act in accordance with established rules and ethical standards. This can be achieved through robust mechanisms such as audits, performance evaluations, and the implementation of anti-corruption measures.

Public financial management (PFM) is a central element of a functioning administration, underlying all government activities. It encompasses the mechanisms through which public resources are collected, allocated, spent, and accounted for. Allocative efficiency, operational efficiency, and overall economic and fiscal stability have historically been the main goals of PFM reforms.

To this end, majority of PFM reforms focus on technical methods to enhance the functionality of the PFM systems, however, recent trends in PFM reforms call for moving beyond technical reforms and paying more attention to transparency, accountability, and public participation in PFM.¹

Public Financial Management in Africa presents a complex and diverse landscape that reflects the continent's varied economic, political, and social contexts. The current state of PFM in Africa is characterized by a mix of traditional and modern approaches, with many countries actively pursuing modernization initiatives. While some nations have made substantial progress in implementing sophisticated financial management systems, others continue to grapple with fundamental challenges in basic PFM functions. According to the World Bank's Public Expenditure and Financial Accountability (PEFA) assessments (2023), approximately 60% of African countries have improved their PFM systems over the past decade, though progress remains uneven.

¹ AFDB, African Economic Outlook 2024, <https://www.afdb.org/en/knowledge/publications/african-economic-outlook>

A key aspect of modern PFM in Africa is the growing adoption of digital solutions, particularly Integrated Financial Management Information Systems (IFMIS). These systems aim to enhance efficiency, transparency, and accountability in public finance operations. However, the implementation of such technologies faces numerous challenges, including infrastructure limitations, capacity constraints, and the need for sustainable funding. Despite these challenges, digital transformation has become a central pillar of PFM reform efforts across the continent as noted by the World Bank Digital Economy for Africa initiative reporting that 75% of African countries have implemented some form of IFMIS. However, the UNDP's Digital Strategy (2023) notes that only 28% of these systems are fully operational and integrated.

The accountability framework in African PFM systems has seen notable improvements in recent years. Many countries have strengthened their internal control mechanisms and enhanced the role of supreme audit institutions. Internal audit functions have evolved from traditional compliance-based approaches to more comprehensive risk-based methodologies. External oversight has also been reinforced through increased parliamentary engagement and greater involvement of civil society organizations in the budget process.

Transparency initiatives have gained significant momentum across Africa, with many countries adopting open budget practices and implementing

mechanisms for greater public access to financial information. The Open Budget Survey (2023) shows that African countries' average transparency score has improved from 29/100 in 2012 to 38/100 in 2023. However, this still falls below the global average of 45/100. However, the publication of citizen budgets, fiscal reports, and public debt information has become more common, though the quality and regularity of such disclosures vary considerably. Participatory budgeting initiatives have emerged in several countries, allowing citizens to have a more direct voice in public financial decisions.

Revenue management remains a critical component of PFM in Africa, with countries implementing various reforms to enhance domestic resource mobilization. These efforts include the modernization of tax administration systems, the adoption of digital payment platforms, and improved coordination among revenue-collecting agencies. However, many nations continue to face challenges in achieving optimal revenue collection and reducing dependence on external funding. Revenue management efficiency shows notable variations, with IMF data (2023) indicating that tax-to-GDP ratios range from below 10% in some countries to over 25% in others. The IMF's Regional Economic Outlook for Sub-Saharan Africa highlights that strengthening revenue administration could potentially increase tax revenues by 3-5% of GDP in many African countries.

The budget process across African countries has evolved to incorporate more sophisticated approaches, including medium-term expenditure frameworks and program-based budgeting. These developments aim to improve the strategic allocation of resources and strengthen the link between planning and budgeting. However, budget credibility remains a concern in many countries, with significant variations between planned and actual expenditures.

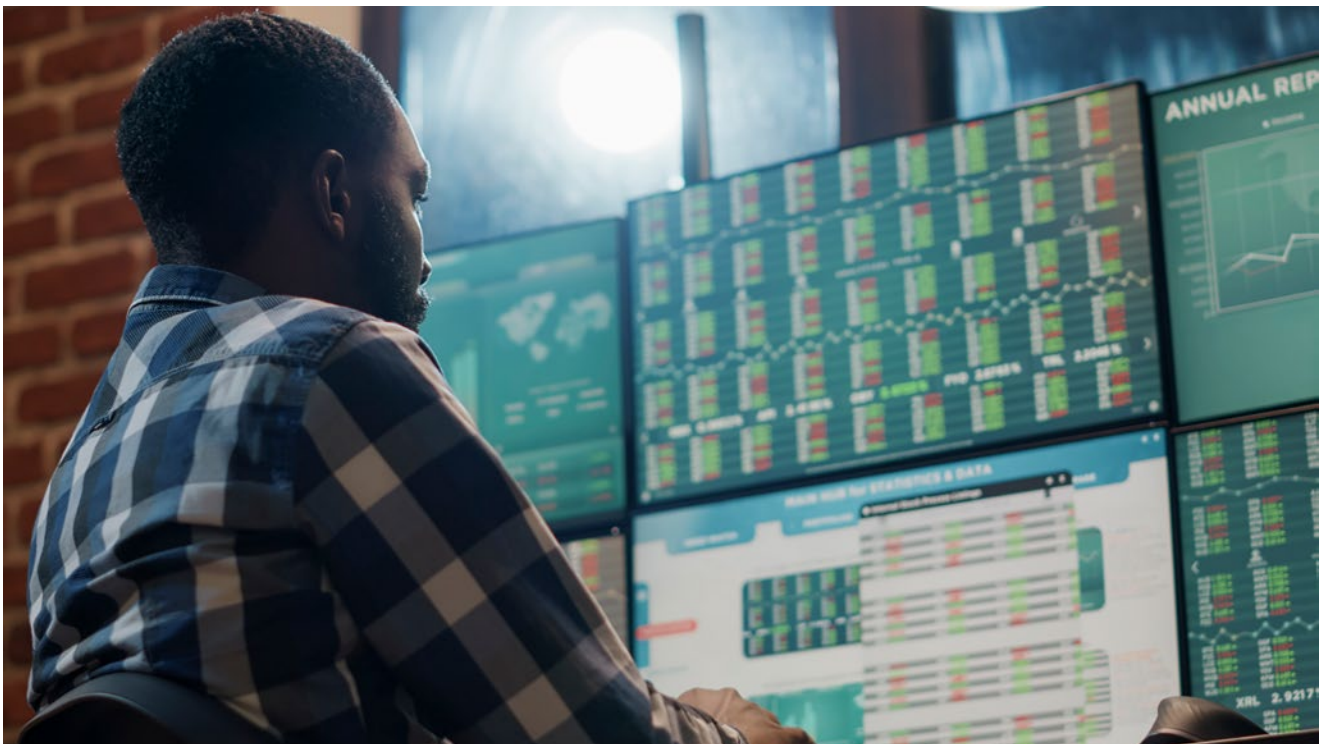
Regional initiatives play an important role in shaping PFM practices across Africa. The African Union's Agenda 2063 and various regional economic communities have established frameworks for PFM reform and harmonization. These initiatives promote the adoption of common standards and facilitate the sharing of best practices among member states.

The impact of external factors on PFM in Africa cannot be understated. Global economic conditions, commodity price fluctuations, and international development partner support

mechanisms. Countries are increasingly focusing on building sustainable capacity, strengthening domestic resource mobilization, and improving the quality of financial reporting. The integration of environmental and social considerations into PFM systems is also gaining prominence, reflecting global trends toward sustainable development.

Success in modernizing PFM systems in Africa will require sustained political commitment, adequate resource allocation, and effective coordination among various stakeholders. While challenges remain, the overall trajectory suggests a gradual but steady movement toward more sophisticated, transparent, and accountable public financial management practices across the continent.

In this context, the Regional Service Center for Africa is organizing a High-Level Regional Dialogue on Public Finance Systems in Africa under the Theme **"Modernizing accountability and transparency in Public Finance Systems for sustainable development in Africa"**. As our continent embraces digital transformation



significantly influence the effectiveness of PFM systems. The COVID-19 pandemic, in particular, has highlighted both the vulnerabilities and the resilience of existing PFM arrangements, prompting many countries to reassess their approaches to emergency financial management. Looking ahead, the future of PFM in Africa points toward greater digitalization, enhanced transparency, and improved accountability

and faces unprecedented challenges in resource management, the need to modernize accountability and transparency mechanisms has never been more pressing. African nations are increasingly recognizing that traditional approaches to PFM must evolve to meet the demands of a rapidly changing global economic environment.

Recent developments in technology, coupled with growing citizen expectations for transparency, present both opportunities and challenges for African governments. The COVID-19 pandemic has further highlighted the urgent need for robust, flexible, and transparent PFM systems that can respond effectively to crises while maintaining accountability.

This forum brings together policymakers, public finance practitioners, technology experts, civil society organizations, and development partners to explore innovative approaches to modernizing PFM systems across Africa. By leveraging digital solutions, international best practices, and indigenous knowledge, we aim to chart a course toward more transparent, accountable, and efficient public financial management systems that serve the unique needs of African nations.

The timing of this forum is particularly significant as many African countries are implementing ambitious PFM reforms, including the adoption of Integrated Financial Management Information Systems (IFMIS), open budgeting initiatives, and performance-based accountability frameworks. These reforms, while promising, require careful consideration of local contexts, capacity constraints, and technological infrastructure. This forum will examine how governments can leverage emerging technologies like artificial intelligence, blockchain, and real-time reporting systems while addressing critical concerns in cybersecurity, data quality, and system integration. Special attention will be given to building robust internal control systems and promoting international standards harmonization, particularly in debt management and transparency initiatives.



Objectives

This dialogue seeks to create a platform for high-level discussions among policymakers, development partners, and key stakeholders on enhancing the efficiency, transparency, and accountability of public financial management across the continent. By sharing best practices, addressing challenges, and exploring innovative approaches, the dialogue aims to proffer strategies which will in turn strengthen fiscal policies, improve revenue mobilization, ensure the effective and efficient allocation of resources, and ultimately improve accountability and transparency for sustainable development.

By bringing together leaders from governments, international organizations, the private sector, and civil society; the dialogue aims to facilitate a multi-stakeholder approach to governance that is essential for fostering prosperity in Africa.

The objectives of the dialogue include:

Knowledge Exchange and Innovation

- Share cutting-edge practices in digital PFM solutions and their application in African contexts.
- Showcase successful case studies of PFM modernization from across the continent.
- Develop frameworks for enhancing citizen participation and transparency through technology-enabled oversight mechanisms and open budget initiatives.

Capacity Development and Technical Solutions

- Assess practical pathways for implementing integrated digital PFM solutions that balance innovation with security and sustainability in the African context.
- Examine solutions for implementing and maintaining digital PFM platforms in resource-constrained environments.
- Develop frameworks for sustainable technology adoption in PFM.

Policy and Governance Framework

- Formulate recommendations for policy reforms to support PFM modernization.
- Design governance frameworks that balance innovation with accountability.
- Establish guidelines for integrating ESG considerations into PFM systems.

Regional Collaboration and Harmonization

- Create platforms for cross-border learning and resource sharing.
- Develop mechanisms for regional PFM standards and best practices.
- Foster partnerships for joint technological solutions and capacity building.



Objectives

Stakeholder Engagement and Communication

- Design strategies for effective citizen participation in PFM processes.
- Develop frameworks for transparent communication of public financial information.
- Create roadmaps for inclusive stakeholder engagement in PFM reform.

Risk Management and Resilience

- Identify strategies for managing cyber security risks in digital PFM systems.
- Develop frameworks for crisis-responsive PFM systems.
- Establish protocols for maintaining accountability during emergencies.

Performance Measurement and Impact

- Define metrics for measuring the success of PFM modernization initiatives.
- Establish frameworks for monitoring and evaluating reform implementation.
- Create mechanisms for continuous improvement and adaptation.

Combating Illicit Financial Flows in Africa

- Highlight the scale, sources, and mechanisms of IFFs in Africa, and their detrimental effects on economic development and public service delivery.
- Discuss the need for stronger policies, enhanced regional cooperation, and capacity-building for financial intelligence units, tax authorities, and law enforcement to detect, prevent, and recover illicit funds.
- Emphasize the role of digital tools, blockchain, and AI in tracking financial flows, along with the importance of multi-stakeholder collaboration.



II. Expected Outcomes



Enhanced Knowledge and Digital Capability: Participants will gain comprehensive understanding of cutting-edge digital PFM tools, including IFMIS, blockchain applications, and AI-driven oversight mechanisms, along with practical strategies for their implementation within African contexts. This knowledge will directly support evidence-based decision-making for sustainable development initiatives.



Strategic Policy Framework Development: Development of concrete, technology-enabled policy frameworks that align public finance modernization with Financing for Sustainable Development (FfD) goals, while incorporating ESG considerations and climate-responsive budgeting. These frameworks will specifically address Africa's unique challenges and opportunities in the digital age, supporting both the new pact for the future and Agenda 2063 implementation.



Strengthened Multi-Stakeholder Collaboration: Establishment of structured partnerships and digital collaboration platforms among governments, development partners, civil society organizations, and private sector entities, focused on enhancing PFM transparency and effectiveness through technology integration. This includes specific mechanisms for knowledge sharing, resource mobilization, and joint implementation of digital PFM solutions.



Enhanced Leadership Commitment: Securing concrete commitments from political leaders and decision-makers to implement digital PFM reforms, backed by specific action plans and resource allocations. This includes dedicated support for capacity building in digital skills, cyber security, and change management to ensure successful implementation of modern PFM systems that align with SDGs and Agenda 2063 priorities.



Resilient System Development: Creation of robust frameworks for building resilient, crisis-responsive PFM systems that can effectively manage emergencies while maintaining transparency and accountability through digital solutions and automated controls.



Regional Integration and Standards: Development of harmonized regional approaches to digital PFM implementation, including standardized frameworks for cross-border initiatives, debt management transparency, and shared technology platforms that support African economic integration.

III. Format and Profile of Participants

The High-Level Regional Dialogue on Public Finance Systems in Africa aims to bring together key regional and stakeholders mainly policymakers, public officials, business leaders, private sector, international financial institutions, academia, and civil society representatives from across Africa to deliberate on strategies for strengthening public finance systems and fostering inclusive and sustainable economic development.

The dialogue intends to bring together participants within the region with expertise on topics such as budget planning and Transparency, audit and external Scrutiny, tax policy Analysis and implementation, management of financial flows, debt management, fiscal and policy Framework review, digitalization of public finance system, capacity building and institutional development. These strategic and policy level engagement to enrich the discussions and contribute to policy recommendations which will in turn improve Accountability, Transparency, efficiency, and Integrity, whilst promoting systems thinking and 'whole of government' approach.

The regional dialogue will be structured under seven topics:

Digital Transformation and Innovation in PFM

The digital revolution is fundamentally changing how governments manage public finances. This session explores the integration of Integrated Financial Management Information Systems (IFMIS), real-time reporting, and automated processes in public financial management. We will examine successful implementations of digital payment systems, procurement integration, and AI-driven oversight mechanisms. The discussion will address how African governments can leverage these technologies while managing associated challenges in cybersecurity and system maintenance. We will also explore how artificial intelligence and machine learning are reshaping audit processes and compliance monitoring.

Transparency and Open Budgeting in the Digital Age

This session focuses on how technology is enabling greater transparency in public finance through open budget initiatives and debt management. We will examine innovative approaches to making budget information accessible to citizens, including interactive portals, data visualization tools, and public expenditure tracking systems. The discussion will also cover comprehensive debt reporting mechanisms and cross-creditor coordination, exploring how these tools can enhance public trust and accountability in financial management.

Citizen Engagement and Participatory Approaches

Effective public financial management requires active citizen participation. This session explores modern approaches to engaging citizens in the budgeting process, including digital platforms for participation, community-level consultations, and social audit frameworks. We will examine successful cases of participatory budgeting from across Africa and discuss how technology can enhance citizen involvement in financial decision-making while ensuring inclusivity and accessibility.

Building Resilient Control Systems and Crisis Response

Recent global events including the Covid pandemic have highlighted the importance of resilient PFM systems. This session examines modern approaches to internal controls, including risk-based auditing, continuous monitoring systems, and predictive analytics for fraud detection. We will also discuss emergency spending frameworks, disaster response mechanisms, and strategies for maintaining accountability during crises. The focus will be on building systems that can withstand shocks while maintaining transparency and control.

Standards, Performance, and Accountability

Implementing international standards while maintaining local relevance is crucial for modern PFM. This session explores the adoption of International Public Sector Accounting Standards (IPSAS), performance-based accountability frameworks, and outcome-based budgeting. We will discuss how to develop meaningful KPIs for public spending and implement effective value-for-money auditing systems, while ensuring alignment with both international standards and local needs.

Capacity Building and Change Management for Modern PFM

The success of PFM modernization ultimately depends on human capacity and effective change management. This session addresses the critical challenges of building and maintaining technical expertise in modern PFM systems. We will explore innovative approaches to training and development, strategies for managing resistance to change, and methods for ensuring sustainable knowledge transfer. The discussion will cover both institutional capacity building and individual skill development, with a particular focus on preparing African public finance professionals for the digital age. We will also examine successful models of partnership with academic institutions, professional bodies, and development partners in building lasting PFM capacity.

Combating Illicit Financial Flows (IFFs)

There is an urgent need for stronger regulatory frameworks, enhanced cross-border cooperation, and improved capacity for financial oversight to curb revenue losses that undermine sustainable development. Experts' discussions will emphasize the critical role of governments, financial institutions, and civil society in tackling tax evasion, money laundering, and illicit trade. Discussions will focus on strengthening transparency mechanisms, leveraging technology for financial tracking, and fostering international collaboration to close loopholes that facilitate IFFs. The session underscores that addressing these challenges is essential for enhancing domestic resource mobilization and achieving Africa's development goals.

Each session will include case studies from African countries, interactive discussions, and practical workshops focused on implementation strategies. The sessions are designed to provide both theoretical understanding and practical tools for modernizing PFM systems in the African context.

IV. Venue and Date

The Two-day Regional Dialogue will take place in **Cotonou, Benin**, with specific details to be confirmed based on logistical considerations. The proposed dates are **25 – 26 March 2025**.



V. Modality of the Forum

The event will be a Hybrid format organized by the UNDP Regional Service Center for Africa in collaboration with the UNDP Benin Country Office, Government of Benin, United Nations Economic Commission for Africa (UNECA) and African Development Bank (AfDB). A registration link will be created and provided for online participants. Interpretation will be available in French, English and Portuguese. The event is expected to have about 80 participants in attendance.

Each session is designed to foster interactive discussions, with a mix of case studies, expert insights, and collaborative problem-solving to ensure that participants leave with actionable insights and strategies to strengthen public finance systems in Africa. These sessions aim to create a strong foundation for improving accountability, transparency, and efficiency in public financial management, aligned with the continent’s sustainable development goals.





AGENDA

DAY 1 | 25 MARCH

Transparency

08:00 – 09:00 Arrival/Registration

Responsible Persons:

UNDP Regional Service Centre for Africa (RSCA) and UNDP Benin

09:00 – 09:45

Opening Session

- **Titus Osundina**
UNDP Benin Resident Representative

Welcome remarks

- **Mme Aminatou Saar**
UN Resident Coordinator, Bénin
- **Dr Eric Kehinde Ogunleye**
Director, African Development Institute, African Development Bank Group.
- **H. E. M. Romuald Wadagni**
Minister of State, Minister of Economy and Finance in charge of Cooperation - Benin (Host Country)

09:45 – 10:00

Tea Break/Group Photo

10:00 – 12:00

Session 1: Understanding Key Governance Trends, Challenges and Opportunities in the Management of Public Finances in Africa.

This session provides an overview of governance trends and their impact on PFM systems in Africa.

Outcomes

- A shared understanding of current governance trends and challenges.
- Actionable insights for improving governance practices in PFM.

DAY 2 | 26 MARCH

Accountability

08:30 – 10:00

Session 5: Digital Transformation and Innovation in PFM

Moderator:
TBC

Explore successful implementations of digital payment systems, procurement integration, and AI-driven oversight mechanisms. The discussion will address how African governments can leverage these technologies while managing associated challenges in cybersecurity and system maintenance. We will also explore how artificial intelligence and machine learning are reshaping audit processes and compliance monitoring.

10:00 – 10:20

Coffee Break

10:20 – 11:50

Session 6: Innovative Tax Policy and Tax Administration in the ODA declining era

Moderator:
TBC

Explore the role of tax policy and administration in achieving sustainable development goals (SDGs) and ensure resilience in the ODA declining era.

11:50 – 13:20

Session 7: Combating Illicit Financial Flows in Africa – From policy to actions

Moderator:
TBC

Map innovative strategies that defeat illicit financial flows (IFFs) and their impact on African economies. The session will also enable participants to further understand existing regional mechanisms and explore opportunities to adhere and enhance collaboration.

13:20 – 14:20

Lunch Break

14:20 – 16:00

Session 8: Capacity Building and Change Management for Modern PFM

Moderator:
TBC

The session will allow participants to explore innovative approaches to capacity building for transparency, accountability and debt management for development acceleration at local and national levels as well as sustainable knowledge transfer both for institutional capacity building and individual skill development.

16:00 – 16:30

Adoption of final recommendations

— UNDP

16:30 – 17:30

Closing Remarks

**Moderator:
TBC**

- **Titus Osundina**
UNDP Benin Resident Representative
- **Dr Eric Kehinde Ogunleye**
Director, African Development Institute, African Development Bank Group.
- **H. E. M. Romuald Wadagni**
Minister of State, Minister of Economy and Finance in charge of Cooperation - Benin (Host Country)

End of High-Level Regional Dialogue



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