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IPSAS Adoption in African countries: Talking or walking the talk

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Abstract

Research Question: How has the diffusion of IPSAS in the African region been influenced by contextual factors, external pressures, and the current status of adoption and implementation across African countries?

Motivation: Africa seems to be the region where these standards have been most widely adopted. This region was at the forefront of the adoption of these standards. We have therefore chosen to plot the diffusion curve of these standards, for subsequent analysis.

Idea: This paper examines the various phases of the IPSAS dissemination process in developing countries, particularly in the African region.

Data: The data are secondary data collected from Studies published by professional accounting bodies such as IFAC and ACCA, as well as publications by international organizations (IMF and World Bank) were also taken into account.

Tools: a qualitative method, in line with that conducted by Polzer *et al.* (2020), based on a literature search using the internet search on "Google" and "Google Scholar". The keywords inserted included "IPSAS and developing countries" and "IPSAS and emerging economies". The references of each resource were used to identify additional resources.

Findings: IPSAS adoption in Africa takes many forms, it is indeed a priority for most of these countries. However, the diversity of implementation plans, and the absence of a centralized, coordinated approach, has made monitoring and forecasting progress rather difficult.

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Contribution: This research contributes to the IPSAS adoption research by examining the dissemination of these norms in African region. This article examines the diffusion and adoption of IPSAS (International Public Sector Accounting Standards) in the African region. We constructed the diffusion curve of these standards to ensure their successful dissemination. Additionally, we conducted an assessment between the announcement of the adoption decision and the actual implementation of these standards.

Keywords: IPSAS adoption, IPSAS diffusion, innovation, public sector, African region.

JEL codes: M410.

1. Introduction

IPSAS are useful for improving governance and accountability in the public sector (Manes-Rossi *et al.*, 2016). Migration to these standards helps strengthen the public sector by reducing the effect of sovereign debt and fiscal crises undermining its sustainability (Christiaens *et al.*, 2015; Manes-Rossi *et al.*, 2015). Against this backdrop, developing countries have attempted to modernize their accounting systems, initially by moving to accrual accounting and then by adopting IPSAS.

This reform of public accounting in these developing countries is essentially inspired by the "best accounting practices" of Western countries (Polzer *et al.*, 2020). Their adoption has been seen as essential not only for good governance and accountability, but also for economic growth (ACCA, 2017).

However, the difficulties associated with their implementation have been recognized (Bakre *et al.*, 2017; Hopper *et al.*, 2017; Lassou, 2017), and their relevance has been questioned (Hepworth, 2017). Indeed, several studies argue that IPSAS are unsuitable for the specific contexts of developing countries (Polzer *et al.*, 2020). This leads us to question the progress of IPSAS implementation in those countries declaring their adoption. In other words, whether the countries declaring adoption of IPSAS are really implementing them. Thus, we propose to study the diffusion of IPSAS in developing countries.

Polzer *et al.*, (2020) argue that IPSAS adoption is largely driven from outside the country, and that effective implementation and results are often disappointing, except for Anglo-Saxon countries. The authors explain this by the fact that IPSAS privileges the interests of international financial organizations (e.g., the World Bank and the IMF), and by the fact that political decision-makers and standard-setting bodies (e.g., the Organisation for Economic Cooperation and Development (OECD), the International Federation of Accountants (IFAC) and the European Commission), as well as professional accounting firms and associations (e.g., the European

Standards Association, the Association of Chartered Certified Accountants (ACCA), overlook country-specific factors relating to the social and cultural context, as well as their genuine accounting needs.

Africa seems to be the region where these standards have been most widely adopted. This region was at the forefront of the adoption of these standards. We have therefore chosen to plot the diffusion curve of these standards, for subsequent analysis using a theoretical framework that combines neo-institutional theory (Meyer & Rowan, 1977; DiMaggio & Powell, 1983) and diffusion theory (Rogers, 2003; Abrahamson, 1991).

The aim of this paper is to explore the context in which IPSAS diffused in the African region. We study the various pressures exerted on this region and we examine the current state of IPSAS adoption and implementation in African countries. Our study shows that the adoption of IPSAS in Africa is closely tied to political and economic reforms initiated since the 1980s. Despite this strong foundation, challenges such as lack of political support, insufficient capacity, and incompatible public finance systems hinder implementation. The gap between decision-making and execution highlights the complexity of aligning national policies with international standards. Tailored strategies, including capacity-building and pilot programs, are essential for managing this transition successfully.

This research makes a significant contribution to the study of the adoption of International Public Sector Accounting Standards (IPSAS) by examining their dissemination within the African region. In a context where transparency and financial accountability are increasingly demanded in the public sector, the adoption of IPSAS becomes essential for improving public resource management. This research enriches the literature on IPSAS adoption in Africa by providing an overview of the challenges and opportunities related to their dissemination. It also highlights the importance of a systematic and contextualized approach to facilitate the successful adoption of international accounting standards.

In section 2, we present the theoretical framework of our analysis and show how different theories can be combined to enhance our knowledge of public-sector accounting reforms. Section 3 will be devoted to the methodology. Section 4 examines the dissemination of IPSAS in the African region, through an analysis of documents and a synthesis of previous research. Section 5 discusses the findings. Section 6 concludes.

2. Theoretical framework

Research on public sector accounting reforms is largely based on neo-institutional theory, while emphasizing the influence of external institutional factors (Polzer *et al.*, 2020). Indeed, several researchers have analyzed the types of pressure exerted on governments that have driven the adoption of IPSAS (Modell, 2013; Modell *et al.*, 2017). On the other hand, diffusion theory makes it possible to explore the challenges that IPSAS may have encountered in the process of their implementation and during their propagation in various contexts. Recent studies have expanded on these frameworks to include the role of digital transformation and sustainability in accounting reforms (Benito *et al.*, 2021; Brusca & Martínez, 2022).

According to neo-institutional theory, the organization engages with its external environment, particularly in its day-to-day operations, to ensure its success and survival (Meyer & Rowan, 1977). External pressures relating to the environment in which the organization operates can take different forms, ranging from coercive to normative and mimetic, depending on the organization's position and influence, the knowledge available and the availability of resources (DiMaggio & Powell, 1983). Indeed, while coercive pressure is linked to state intervention and excessive dependence on external resources, mimetic pressure concerns the imitation of other successful organizations, particularly in a context of environmental, regulatory and technical uncertainties. Normative pressures, however, are more subtle, as they emanate from the profession and academia (DiMaggio & Powell, 1983).

The dissemination of IPSAS in developing countries is often linked to coercive pressures (Adhikari *et al.*, 2013). In addition, accounting firms represent important intermediaries in this dissemination practice in developed countries, as well as that of developing countries (Jackson & Lapsley, 2003).

Recent research highlights the role of international financial institutions not only as coercive actors but as collaborative facilitators in the transition to global standards (Papi & Zorzi, 2023). These institutions are now working more closely with local governments to ensure smoother adoption and better alignment with local needs.

2.1 Neo-institutional theory in public sector accounting reforms

Neo-institutional theory has been widely used to analyse the dynamics of public sector accounting reforms, in particular to understand the influence of external institutional pressures on organizations. Meyer and Rowan (1977) argue that organizations engage with their external environment to ensure their legitimacy, success and survival. This interaction is particularly relevant in the public sector, where reforms are often driven by the need to conform to global standards and practices.

Coercive pressures are among the main drivers of IPSAS adoption, particularly in developing countries. These pressures often emanate from international organizations such as the International Monetary Fund (IMF) and the World Bank, which tie financial aid or debt relief to the adoption of international standards such as IPSAS (Adhikari *et al.*, 2013). For example, many African countries have adopted IPSAS under the influence of these organizations, as they are seen as a means of improving financial transparency and attracting foreign investment.

Mimetic pressures arise when organizations imitate effective models or practices adopted by others, particularly in situations of uncertainty. In the context of IPSAS, this could involve governments adopting standards because other countries, particularly those perceived as leaders in public sector management, have done so. Modell (2013) highlights how countries in transition or those facing significant economic challenges often look to more stable economies as models for reform, leading to the mimetic adoption of accounting standards.

Standard-setting pressures come from professional bodies and academic institutions that advocate certain standards as best practice. In many cases, accounting professionals trained or influenced by Western accounting practices play a crucial role in promoting the adoption of IPSAS in their countries. DiMaggio and Powell (1983) emphasize the role of education and professionalization in the dissemination of standards aligned with global standards, as evidenced by the push for IPSAS by professional accounting organizations in both developed and developing countries.

Diffusion theory, on the other hand, enables us to understand the reform process, since it describes it in terms of six steps: “preconditions”, “knowledge of reform innovations”, “persuasion”, “decision”, “implementation” and “confirmation” (Rogers, 2003, as extended by Ezzamel *et al.*, 2014). The first four stages are largely related to neo-institutional theory, since they are linked to the interactions of organizations with their external environment. Thus, we will try to identify the nature of the pressures exerted on African countries that have adopted the IPSAS framework. Then, to focus on the last two stages, we will attempt to assess the status of IPSAS implementation in African countries.

2.2 Diffusion Theory in Accounting Reforms

Diffusion theory provides a framework for understanding how innovations, such as IPSAS, spread across different contexts. Rogers (2003) identifies six stages in the diffusion process: "preconditions," "knowledge of reform innovations," "persuasion," "decision," "implementation," and "confirmation." This theory is particularly useful in analyzing the challenges faced during the adoption and implementation of IPSAS in various regions.

The early stages of diffusion, including "preconditions" and "knowledge," are closely related to neo-institutional theory, as they involve the organization's interactions with its external environment. In the case of IPSAS, the preconditions often involve the existence of external pressures, such as those from international organizations, which create a favorable environment for the adoption of new accounting standards (Ezzamel *et al.*, 2014).

The "persuasion" stage involves stakeholders within the country being convinced of the benefits of adopting IPSAS. This stage can be challenging, especially in regions where there is skepticism about the relevance of international standards to local contexts. Adhikari *et al.* (2013) show that in many developing countries, while external requirements may lead to the adoption of IPSAS, these standards often remain isolated from actual practices, as local stakeholders are not fully persuaded of their utility.

The later stages of diffusion, "implementation" and "confirmation," are critical for assessing the actual impact of IPSAS adoption. These stages involve the practical application of the standards and the evaluation of their effectiveness. In the African context, challenges such as limited technical expertise, inadequate infrastructure, and resistance to change can hinder the successful implementation of IPSAS. The confirmation stage, where the organization evaluates the outcomes of the adoption, often reveals gaps between the intended benefits of IPSAS and the realities of their implementation (Modell *et al.*, 2017).

3. Methodology

In order to study the various phases of the IPSAS dissemination process in developing countries, particularly in the African region, we opted for a qualitative method, in line with that conducted by Polzer *et al.* (2020), based on a literature search using the internet search on "Google" and "Google Scholar". The keywords inserted included "IPSAS and developing countries" and "IPSAS and emerging economies". In carrying out this search, we noticed that IPSAS is most widely adopted in the African region. The choice of this region was motivated by the fact that it was at the forefront of IPSAS adoption. We then refined our search using other keywords, namely "IPSAS Adoption Africa". The references of each resource were used to identify additional resources. Studies published by professional accounting bodies such as IFAC and ACCA, as well as publications by international organizations (IMF and World Bank) were also taken into account.

4. A look back at the IPSAS dissemination phases in Africa

4.1 Prerequisites for IPSAS adoption

The 1980s are considered a "lost decade" for Africa. Indeed, the African continent suffered many economic crises as a result of several factors: dependence on a limited number of primary products, the burden of external debt, rapid population growth, persistent drought and devastating internal conflicts. In addition, rising oil prices and falling commodity prices have also had a devastating effect on the performance of African economies (Karyeija, 2012).

In response to these crises, a number of programs have been adopted since the 1980s to move Africa towards sustainable development and economic growth, and to establish the basis for the structural transformation and integration of African countries into the global economy (ECA, 2003). We cite a few examples of programs adopted by this region from 1980, based on the report drawn up by the Economic Commission for Africa in 2003.

First, in 1980, African leaders adopted the Lagos Plan of Action. This plan was designed to restructure the economy, focusing on the twin principles of national and collective self-sufficiency and autonomous development. In 1991, the United Nations Plan of Action for African Economic Recovery and Development (UN-PAAERD) was adopted. This is a program aimed primarily at the transformation, integration and diversification of African economies, in order to reduce their vulnerability to external shocks and strengthen them as partners in world trade. Furthermore, in 2000, the United Nations Millennium Declaration was adopted. The priorities set out in the New Partnership for Africa's Development (NEPAD) include good governance, economic growth, resource mobilization, global partnerships, environmental protection, poverty reduction and investment in human resources.

According to Karyeija (2012), the public sector reforms undertaken by African countries during the 1990s were both administrative and political. Indeed, African governments, under pressure from internal and external forces, moved towards liberalization of the political space. As a result, democratic systems with ambitious political, institutional and economic reform programs were put in place, with the aim of changing the role of government and creating an enabling environment for an effective civil service (ECA, 2003). Nevertheless, stronger incentives such as the performance and discipline incentives that exist in a market environment needed to be put in place to improve macroeconomic stability and public service efficiency. Thus, efforts to reform the public sector from the 2000s were largely in line with the New Public Management paradigm (ECA, 2003; Karyeija, 2012). Indeed, donor agencies supporting reforms in developing countries have seen good management of public administrations as a crucial aspect of good governance, with an emphasis on accountability and responsiveness to customer needs (ECA, 2003).

In this respect, the African continent, more than any other region, has been involved in almost half of all public financial management projects since 2000, and received the lion's share of World Bank funding equal to 37% of the total between 1990 and 2006 (World Bank, 2008).

Christiaens *et al.* (2015) claim that most African countries adhere to the cash accounting system and explain this by some institutional factors. According to these authors, the majority of African countries have a bureaucratic and centralized system and as these countries have been heavily colonized, accounting traditions have become weak under the consequent influence of varying traditions (English, French, etc).

In order to make governments more accountable to their citizens, public sector accounting needed to be reformed. Several African countries opted to migrate to accrual accounting from the traditional cash-based system, as they lacked a rigorous accounting framework for the public sector, which probably contributed to the high levels of waste and corruption in some of these countries (Jreisat, 2010).

Consequently, the adoption of accrual accounting in these countries was seen as an important and radical reform of government financial management. In this context, it is expected that government managers will be more accountable by having full knowledge and control of all costs, which will promote effective and efficient decision-making (ECA, 2003).

4.2 Knowledge of IPSAS standards

According to the Association of Chartered Accountants' 2017 report, statements of support for IPSAS have encouraged a trend towards adoption in developing countries, particularly in Africa, South-East Asia and South America. Indeed, in a context where the need for greater financial responsibility on the part of governments has been accentuated by the global financial crisis, financial information drawn up on a cash basis has become insufficient and incapable of preventing sovereign liquidity crises. Then, to attract foreign direct investment, these countries have launched financial management reform programs, including the adoption of accrual accounting as part of a broader framework of reform programs.

As a result, several African countries have expressed the need or intention to formally adopt these standards as part of financial management reform programs to modernize and improve their public financial reporting (Müller-Marqués Berger, 2018). These programs, as well as incentives for IPSAS adoption in Africa, have been funded by donors (ACCA, 2017).

The African Union (AU) has played a key role in the dissemination of IPSAS in the region. Indeed, their adoption was mandated by the Assembly of Heads of State and Government of the African Union in January 2013. Thus, in line with this decision, the African Union implemented IPSAS on an accrual basis in 2014, largely with a grant from the World Bank as part of its support for African Union capacity development (AU, 2018).

The decision to adopt IPSAS is transformative in nature, as it affects all the AU's internal and external stakeholders, and concerns integrated financial, administrative and human resources services. The African Union states that IPSAS compliance will ensure complete, transparent and accurate financial reporting on an annual basis. It should also bring benefits in terms of accountability, transparency, credibility and decision-making (AU, 2018).

Furthermore, regional organizations in Africa are increasingly organized in their approach to driving reform and have made considerable efforts to disseminate their guidance and share experiences. Indeed, public financial management conferences are common on the continent in which IPSAS commonly feature on the agenda even in regions where the pace of adoption has been slower (Müller-Marqués Berger, 2018).

Regional organizations such as the East African Community (EAC) and the West African Economic and Monetary Union (WAEMU) have played an important role in the dissemination of IPSAS in this region.

The adoption of IPSAS by the EAC partner states was decided in 2014, in a workshop on the harmonization of public financial management standards, which included, among other things, the harmonization of accounting standards for the public sector in accordance with IPSAS on an accruals basis. However, the stakeholders from the offices of the Accountants General in the partner states decided that each should develop its own roadmap for implementing IPSAS. Thus, the pace of implementation would not be the same for all partner states.
Finally, UEMOA encouraged the adoption of IPSAS by its member states through directive no. 09/2009/CM/UEMOA on the public sector chart of accounts. This was part of a wider framework of reform in six key areas of public finance management. However, not all members met the original deadline, and progress on accounting reform has been slower than on other public finance management reforms covered by this directive.

4.3 Persuasion for IPSAS

Hughes (2013) points out that in developing countries, the adoption of IPSAS is a very important issue given their ability to improve the quality of financial accountability and governance of governments by providing understandable, relevant, reliable and comparable financial information to different stakeholders (legislative bodies, citizens, media). The author adds that the upstream development of a harmonized accounting policy represents a key step towards strengthening the budget execution process and improving the quality of financial reporting.

Chan (2006) argues that the social value of public accounting, which lies in its contribution to development and poverty reduction, has led donors to take an interest in its improvement by encouraging the adoption of IPSAS. According to the author, these international and multilateral lenders and donors have considered that these standards are useful for public accounting reform in developing countries, and that migration to accrual-based IPSAS guarantees financial integrity. Consequently, international organizations providing financial assistance to developing countries are encouraging them to adopt IPSAS (Chan, 2008).

Similarly, Müller-Marqués Berger (2018) notes that most donors consider IPSAS to be the benchmark enabling developing countries to support their efforts for better governance, in particular, in the allocation of funds received from these institutions. Many intergovernmental/regional organizations such as the Southern African Development Community (SADC), the African Union (AU) and the Economic Community of West African States (ECOWAS), among others, have adopted IPSAS (Müller-Marqués Berger, 2018). In addition, the PricewaterhouseCoopers report in 2015 highlighted that 17 African countries have indicated their intention to move to accrual accounting. Thus, Africa has been at the forefront of IPSAS adoption with several countries intending to formally adopt IPSAS as part of financial management reform programs (UNCTAD, 2018).

The adoption of IPSAS in the African region is part of the reform of the public sector through the introduction of New Public Management principles. The decision to adopt IPSAS can also be explained outside this spirit of rational behavior on the part of African governments. Indeed, as we have described on the basis of previous reports and studies, the initial phases of the process of disseminating the adoption of IPSAS fall largely within the framework of neo-institutional theory, and the decision to adopt IPSAS was taken under coercive as well as normative pressure. As a result, we will show in what follows that the implementation of IPSAS has been more legal than practical, and we will attempt to explain this discrepancy with reference to our theoretical framework.

4.4 Decision, implementation and confirmation

4.4.1 Overview

The table below summarizes the status of IPSAS adoption by countries in the African region.

Table 1. IPSAS in Africa: Adoption status

Country	Adoption status
Benin	Partly adopted (2009)
Botswana	Partly adopted (2010)
Brunei	Not adopted
Burkina Faso	Partly adopted (2009)
Cameroon	Not adopted

Country	Adoption status
Ghana	Partly adopted (2015)
Kenya	Partly adopted (2014)
Lesotho	Partly adopted (2010)
Liberia	Partly adopted (2009)
Madagascar	Partly adopted (2006)
Malawi	Partly adopted (2003)
Mauritius	Partly adopted (2011)
Mozambique	Not adopted
Namibia	Not adopted
Nigeria	Partly adopted (2016)
Rwanda	Partly adopted (2008)
Senegal	Partly adopted (2016)
Sierra Leone	Partly adopted (2016)
South Africa	Partly adopted (2009)
Swaziland	Not adopted
Tanzania	Adopted (2012)
Togo	Not adopted
Uganda	Partly adopted (2013)
Zambia	Partly adopted (2008)
Zimbabwe	Partly adopted (2012)

According to the World Bank, there are 48 countries in the African region. Our study covers only 25 countries, since as we mentioned earlier, our main source of data is the IFAC report, which only takes into account countries with IFAC member organizations.

Of the 25 countries surveyed, only one - Tanzania - has adopted IPSAS. 18 countries have partially adopted status, i.e. 72% of the population. Finally, 6 countries are non-adopting, i.e. 24% of the population. The curve below shows the spread of IPSAS in the African region.

According to the figure above, which shows the curve of IPSAS adoption in the African region, adoption began in 2003 with Malawi. However, from 2004 to 2006, there were no adoptions in the region, hence the discontinuity in the curve. The adoption process restarted in 2006 with Madagascar, to stop again and restart in 2008. From 2012, we find the late majority, a category comprising countries that adopted the international benchmark between 2012 and 2017.

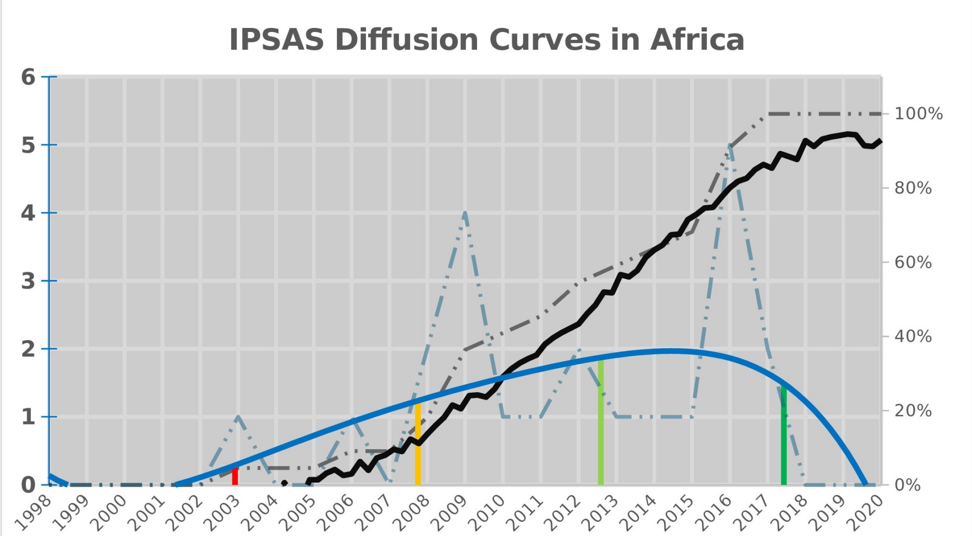

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Table 2. IPSAS in Africa: Innovation category

Categories	Countries
Early Adopters	Madagascar, Malawi
Precocious Majority	Benin, Burkina Faso, Liberia, Mauritius, Rwanda, South Africa, Tanzania, Zambia
Late Majority	Côte d'Ivoire, Ghana, Lesotho, Namibia, Nigeria, Sénégal, Sierra Leone, Togo, Uganda
Late Arrivals	Botswana

This table categorizes countries based on their adoption stage of a certain innovation. Madagascar and Malawi are classified as Innovators, being among the first to adopt. Benin, Burkina Faso, Liberia, Mauritius, Rwanda, South Africa, Tanzania, and Zambia fall under the Early Adopters category, indicating relatively quick adoption after the innovators. The Precocious Majority category includes Côte d'Ivoire, Ghana, Lesotho, Namibia, Nigeria, Senegal, Sierra Leone, Togo, and Uganda, suggesting a significant portion of countries adopting early. Botswana is placed in the Late Majority category, indicating a slower adoption rate compared to the earlier groups.

The factors behind the adoption trend in developing countries are mainly the need for greater transparency and accountability in government financial reporting, especially in the context of the global financial crisis which has reduced the resources available to governments. Nevertheless, African countries have used different approaches in their adoption of IPSAS and are at different stages of adoption insofar as some have just begun, while others have completed the process. Thus, the level of success is also mixed, and could only be assessed by the results of the external audit process.

According to Müller-Marqués Berger (2018), Africa's attitude to IPSAS is characterized by a willingness to adopt them globally without having to adapt or localize them. The author argues that this attitude could undermine the benefits that these standards are likely to deliver if adapted to the specific contexts of each country. It could also force governments to explain deviations from IPSAS objectives in practice.

In addition, many African governments have embarked on an over-ambitious commitment and unrealistic deadlines. Indeed, despite their positive attitude towards IPSAS, some African countries have been ambiguous in their announcements as to whether they intend to adopt IPSAS on a cash or accrual basis. Moreover, most African governments are still using the cash basis of accounting, as they consider cash-based IPSAS to be the first step on the road to accrual-based IPSAS. Furthermore, we believe that it is inappropriate to claim IPSAS compliance if all the requirements have not been met and the transitional requirements have expired. In fact, actual progress between the announcement date and full implementation is slower than the initial reports suggested.

The main barriers to widespread adoption of IPSAS on the continent are lack of political support and inadequate capacity. This may seem contradictory, given the positivity expressed by countries in this region towards IPSAS; however, as with most governments, it's not just the finance ministry that needs convincing. In fact, the implementation of reforms on this magnitude must be regulated by a country's legislature, so that social, political and economic priorities no longer become an obstacle to progress in the reform process. Incompatible or outdated public finance systems, as well as a lack of funding, have also slowed down the IPSAS implementation process in this region (Müller-Marqués Berger, 2018).

Also, the adoption of IPSAS in developing countries often requires significant investment in education and training to develop a new range of accounting skills. This is not always possible, particularly in countries where governments have limited resources (Chan, 2006).

4.4.2 Talking and walking the talk: what's the gap?

Studies from various regions provide insights into the adoption of IPSAS. Adhikari and Mellemvick (2010) found that a majority of South Asian countries considered adopting IPSAS, particularly for cash-based accounting, to advance towards accrual accounting. Benito *et al.* (2007) observed mixed levels of compliance with IPSAS among local governments, with an average conformity of 66.04% in valuation methods and 54.42% in information presentation. Bellanca and Vandernoot (2014) noted that most EU member states, except for Austria and Belgium, had not taken steps to adopt IPSAS. Brusca and Martinez (2016) identified European countries like Austria, the Czech Republic, and Spain, along with American nations like Bolivia and Brazil, as having adopted IPSAS at the central government level. Roje *et al.* (2010) highlighted Slovenia's use of both IFRS and Slovenian accounting standards, Croatia's gradual transition to IPSAS, and Bosnia-Herzegovina's mandatory application of IFRS and IPSAS.

We found that the adoption of IPSAS was largely part of public sector reform. International donors have been pushing for this migration to international standards, encouraging countries to adopt them. Regional organizations have also played a decisive role in the process of disseminating IPSAS across the African region. However, the progress of implementation and the impact of this decision on the quality of public finance management are not yet known. Although, in 2018, the African Union states that IPSAS implementation has brought a significant improvement in performance and enhanced the institution's credibility with its stakeholders.

Several researchers have focused on developing countries and tried to explain the gap between the implementation decision and its practical enforcement. Fahmid *et al.,* (2020) argue that international financial authorities, such as the IMF and the World Bank, have adopted a common approach that assumes that management practices and reporting systems such as IPSAS used in developed economies with a long tradition of democracy and governance can simply be transferred to other contexts. Nevertheless, this approach overlooks issues such as the position, needs and degree of participation of populations, implementation problems and power inequalities (Hopper *et al.,* 2012). As a result, the New Public Management financial and accounting policies promoted by international authorities may fail to deliver the expected results in both developed and developing countries (Andrews, 2012; Massey, 2019).

Similarly, Polzer *et al.* (2020) argue that by making decisions about adopting reforms, organizations guarantee their legitimacy and survival without moving on to effective implementation. Consequently, these reform decisions do not lead necessarily to their practical implementation and endorsement, since implementation is considered to be the most challenging and problematic phase of the diffusion trajectory (Rogers, 2003). This is also illustrated by a range of failed accounting reforms in developing countries (Hopper *et al.,* 2017).

Moreover, the fact that decisions about reforms do not necessarily lead to their implementation in practice and confirmation lies at the heart of diffusion theory (Polzer *et al.,* 2020). In this context, previous work based on diffusion theory, has shown that reform implementation is determined by at least three different contextual factors: the complexity of reforms, the commitment of adopters, and the consistency of reforms with adopters' values (Adhikari *et al.,* 2013; Ezzamel *et al.,* 2014; Jackson and Lapsley, 2003).

In this respect, it is "naive" to expect the results of adopting a modern accounting system in "remote" areas to produce better governance, when most of the people in such areas have limited access to education and modern technologies (Fahmid *et al.,* 2020). Indeed, in these territories, not only people do not understand accounting information, but they also have minimal knowledge of the modern developed world and no access to it.

The adoption of IPSAS-compliant accrual accounting or other systems used by developing countries has been achieved without taking into account the major institutional and structural problems facing these countries. These policies also neglect local democracy and are concerned only with strengthening the economic and political positions of multinational and international financial authorities over developing countries (Narula and Dunning, 2000). As a result, public sector accounting reforms in developing countries often fail to achieve their objectives (Hopper *et al.,* 2012).

To remedy these shortcomings, which stem from the "monoculture" approach adopted by international donors, a better, more practical and more effective approach is needed to ensure that the new systems are useful and implemented effectively and efficiently in emerging economies. International donors and financial authorities recognize that their top-down approach of imposing "best practice" on developing countries has had limited impact (Sarker, 2006).

5. Discussion

This section presents critical recommendations and considerations to ensure the effective adoption of International Public Sector Accounting Standards (IPSAS) in developing countries. These insights highlight both the success factors and potential pitfalls of implementing New Public Management practices in resource-constrained contexts.

5.1 Stakeholder Engagement and Commitment

Continuous stakeholder engagement and commitment is a key success factor for IPSAS adoption. The successful implementation of IPSAS requires ongoing knowledge sharing, education, and dedication from critical stakeholders, including politicians, government auditors, ministries, and local authorities (Fernandez & Rainey, 2006). Citizen representation and involvement is also essential to foster public accountability and transparency (Roberts, 2009).

5.2 Adequate Financial and Human Resources

Successful public sector reforms, such as IPSAS adoption, necessitate sufficient financial support and human capital. Developing countries often lack the resources to adequately train staff, provide necessary technology, and build the required infrastructure for effective implementation (Al-Noaimi *et al.*, 2022). Securing adequate funding is a critical precursor for IPSAS adoption to yield intended benefits.

5.3 Strengthening Institutional Capacity

Developing countries must prioritize strengthening the institutional power of the state to maintain government authority, legislate effectively, and hold officials accountable (Polzer *et al.*, 2020). Robust institutions are a prerequisite for IPSAS to function as intended and drive transparency and accountability in public financial management.

5.4 Simplifying Reporting Requirements

IPSAS-based reporting systems, while robust, can be overly complex for widespread use in developing countries with limited education and technical expertise (Ball, 2012). Simplifying reporting requirements to align with local contexts is essential for IPSAS to be accessible and effective across all levels of government.

Unless these factors are carefully considered, the potential benefits of IPSAS adoption will be constrained. Successful examples of accrual accounting or IPSAS implementation in developed countries must be understood within the context of their unique social, political, and economic environments. Developing countries must design tailored strategies that account for their specific circumstances to realize the full value of IPSAS.

6. Conclusion

The adoption of International Public Sector Accounting Standards (IPSAS) in Africa is a complex process that is intricately linked to the broader political and economic reforms undertaken on the continent since the 1980s. These reforms, aimed at addressing governance issues, economic crises, and political instability, have laid the groundwork for structural transformation and integration into the global economy.

Programs such as the Lagos Plan of Action, UN-PAAERD (United Nations Program of Action for the Economic Recovery and Development of Africa), and the Millennium Declaration have been instrumental in creating an environment conducive to the adoption of IPSAS. These initiatives underscore the importance of aligning accounting reforms with broader developmental strategies, as noted by Jochimsen and Nuscheler (2011), who emphasize the interdependence of institutional reforms and economic policies. Despite the foundational support provided by these reforms, the actual implementation of IPSAS faces numerous challenges.

Key issues include a lack of political support, insufficient capacity, and incompatible public finance systems. While there is a positive attitude towards IPSAS in many African countries, aligning national policies and practices with the standards remains problematic. The complexities of this process are highlighted by the gap between decision-making and implementation, reflecting the difficulties inherent in diffusion theory when applied to accounting reforms (Rogers, 2003).

This gap reveals the need for a more nuanced understanding of how reforms are adapted and implemented in varying political and economic contexts. For practitioners, these findings underscore the necessity of addressing the specific challenges faced by African countries in IPSAS adoption. Practitioners must advocate for tailored strategies that account for local conditions, including capacity-building initiatives and political advocacy to secure the necessary support. Additionally, implementing phased approaches and pilot programs could help manage the transition effectively. Standard setters should consider providing more context-specific guidance and support to help countries navigate the complexities of IPSAS implementation. This includes offering resources and tools designed to address the unique challenges faced by developing countries, as suggested by Heald and Georgiou (2011).

This study is limited by its focus on theoretical and macro-level factors influencing IPSAS adoption. Future research should explore the micro-level factors, such as the role of individual actors and specific institutional dynamics, in more detail.

Additionally, comparative studies across different regions and countries could provide a deeper understanding of how local contexts influence the success of IPSAS adoption. Further research could also investigate the impact of political and economic instability on the effectiveness of accounting reforms and explore strategies for mitigating these effects. By expanding the scope of inquiry, researchers can contribute to a more comprehensive understanding of the factors that drive or hinder IPSAS implementation in diverse settings. In conclusion, the IPSAS adoption journey in Africa reflects both the aspirations and challenges of public sector reform in the region. Although progress has been made, overcoming existing obstacles and ensuring effective implementation will require continued effort and adaptation.

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