

## BRIEF REPORT ON THE 7:30 BREAKFAST DEBATE – MARCH 27<sup>TH</sup> 2009

### HOW OPEN IS THE BUDGET PROCESS IN TANZANIA?: FINDINGS OF THE OPEN BUDGET TRANSPARENCY SURVEY 2008.

Development of any country depends on its budget, it is because of this central role that the budget plays in the development process that explains why lately we have discovered that advocacy for more budget transparency and citizen inclusiveness can improve governance and poverty eradication.

Policy Forum dedicated this monthly Debate to the issue of Budget process in Tanzania regarding on the survey findings on transparency conducted in 2008 and the practicality of obtaining budget information at local level in Tanzania, case study Mwanza and Kibaha Municipal. The presentations debate was done by Moses Kulaba of Executive Secretary Agenda Participation 2000 and Member of the Policy Forum Budget Working Group presented on How Much Can Citizens know about their Budget in Tanzania: Findings of the Open Budget Transparency Survey 2008 and Mr. Albanie Marcossy Manager of SAM-Policy forum presented on a look at the practicabilities of obtaining planning and budget information at the local level. Mr. Alex Ruchyahinduru facilitated the debate.

Mr. Kulaba started by giving definition of the open budget The Budget been classically defined as a statement of government's anticipated revenue and expenditure. Traditionally, the budget is a policy document which elaborates how government plans to use its resource to achieve its national vision and aspirations. The release of this OBI findings is timely, because it coincides with the crucial months of the year when the GoT is just finalising with preparation of its budget for this year (2009/2010).

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The Open Budget Index 2008 evaluates the quantity and type of information that government should make available to the public in eight key documents that should be issued during the year. The eight key budget documents are: Pre-Budget Statement, Executive's budget proposal, Citizens Budget, Enacted Budget, In year Budget, Mid year budget, Year End Report and Audit Report.

The methodology of the OBI Survey was based on a detailed questionnaire that is intended to collect comparative data information on the publicly available and other accountable budget practices in 85 countries. Many of the questions focused on the contents and timeliness of the **eight** key documents that government should produce and make publicly available. These eight documents were supposed to be issued according to generally accepted international standards and good practice criteria for public sector financial management as developed inter alia by the IMF, the OECD, INTOSAI and Lima Declaration. In Tanzania, the study process involved us reviewing all publicly available documents on the national budget and public finance. It included following up with responsible MDAs for further information or clarification on the availability of the aforementioned documents.

A total of **85** Countries from all over the world were surveyed during the 2008 study. This was an increase from **59** Countries surveyed in 2006, Out of the **85** Countries, the **United Kingdom** emerged overall most transparent country scoring **88%** out of the possible **100%**, In Africa, **South Africa** was the best performer scoring **87%** while **Botswana** was the second African best performer scoring **62%** out of the possible **100%**, Globally, Sao Tome, Equatorial Guinea, DRC, Sudan and Rwanda were the **least** transparent Countries with each of these scoring **0%** on the OBI Index. Tanzania's score on the OBI index for 2008 is a mere **35%** out of **100%**. In East Africa it was the poorest performer compared to Kenya and Uganda which registered a significant improvement and was the only country which dropped from **46%** in **2006** to a mere **35%** in 2008 representing a decline of **11** points.

This score indicates that the Tanzanian government provides very **MINIMAL** information to the public in its budget documents during the year. This makes it difficult for the public to hold government accountable for its management of the public's money.

The index further indicates that executive proposal provides SOME information to the public but this is limited, implying that citizens do not have comprehensive picture of the government's plan to tax and spend for the next year. Very limited information is provided in regards to the conditions associated with foreign aid, tracking spending, revenue collections and borrowing during the year is difficult. Tanzania publishes In year reports but these are often late and it does not publish a mid year report and making it difficult to track whether expenditure is on course or not.

On his conclusion remark he commented that, Factors that leads Tanzania's decline on the OBI in 2008 is due to Failure to present the Executive proposal to the public before parliamentary approval, Failure to provide to the public the budget guidelines in 2007/2008, Failure to make publicly available the Volume 1: Estimates of Financial Revenues for 2008 and The Ministry of Finance's failure to respond to the questions and clarifications sent to it by the OBI researchers and peer reviewers.

He further recommended that, government should Disseminate budget information through understandable methods and mediums, departments Increase transparency on aid flows and avoid Off Budgets as this clutters the transparency of the budget process and CSO's Use OBI findings for advocacy on budget transparency and specific issues of interest in the budget and Produce and disseminate simplified popular versions of key budget documents.

The second presentation was from Mr. Marcossy, he started aslo by providing a brief understanding of what is Social Accountability in which It describes a relationship between power holders and those affected by their actions. It consists of two elements that is Answerability—making power-holders explain their actions and inactions and Enforceability – punishing poor or criminal performance in the face of a demanding society. These two elements can be described in shorthand as "soft" and "hard" accountability. Their collective application through the different and synergistic options of Social Auditing, Public Expenditure Tracking Systems (PETS), Participatory Performance Appraisal (PPA) and related follow-ups constitute Social Accountability.

Further more Social Accountability is about RIGHT to progressive realization of socio-economic well-being, RIGHT to information about decisions and actions taken by public bodies on our behalf to achieve this, RIGHT to obtain explanations and justifications for these decisions and actions, RIGHT to give feedback and RIGHT to have that feedback taken seriously

On case study of Mwanza Municipal, availability and access to information is very problematic since most of the information are not available and sometime no access to those available one, those which are not available at all are like Needs Analysis Report, Citizen's Guide to the Budget Process, Service Level agreements/Customer service charters and PAC and LAAC Reports on the NAO Audits and those which have no access to be like Citizen's Guide to the Budget Process, Quarterly expenditure reports and National Budget Books some of the available documents are like Strategic Plan and/or MTEF, Approved Budgets (APB, Project Budgets) and NAO Audit report.

However With the little information found in Mwanza Municipal, the following are the findings: The available information is not complete, the missing information that is supposed to give some clarifications is held 'confidential', the little 'confidential' information we get provided more details of misuse than clarifications and there are more questions than answers. However With the little information found in Mwanza Municipal, the following are the findings: The available information is not complete, the missing information that is supposed to give some clarifications is held 'confidential', the little 'confidential' information we get provided more details of misuse than clarifications and there are more questions than answers.

The seemingly priority areas received less allocations those are, Health= 1%, Education = 7%, Infrastructure = 9%, Agriculture, L/stock= 3% and Town Planning =4% while Development Budget still below 40% and more than 25% of the Budget allocated for running the City Treasurers office.

The tax collected from the fish market during 2006/7 amounts to Tshs42, 221,000/= on average per month according to the tax collection agent contracted by MCC but fishermen claim to pay more that 52mil each month. Despite being a major contributor, the Mwaloni Fish Market Association has never been involved in Ward and District level **planning and execution** processes of development of the MCC since its inception in 2000. The fish market also generates other external economic benefits from businesses developed to service the fishing industry.

On his conclusion remark he commented that, there is Poor financial documentation and file storage, poor state of the Internal Audit, incompetent, No serious willingness to capacitate. The Council does not take seriously the Concerns of her people (CAG, 2007).

#### **Comments and Questions from Plenary Discussion:**

Table 1:-

- How do you measure the interest of people to budget process
- How do you measure the public availability of infoemation

Table 2:-

- What factors does hinder the access to information
- We need to use MEDIA to publicize those findings for the public awareness

Table 3:-

- Why the oversight bodies are not accountable for their duties so as to hold the government also accountable to people

Table 4:-

- The problem is not only Mwanza municipal, we need to question where does the money collected by Dar es Salaam municipal spent for. Because most of the development project are done by central government.

#### **Respond to the Comments and Responds:**

- Those documents by laws are the one which need to available this mighty be found in public offices, library, public notice board ect.
- The interest of people to budget process can be measured on hoe do people are participated in budget debate platform-most of the time people are more interested.

Mr. Alex Ruchyahinduru from policy forum closed the discussion and welcomed the participants to the other next month brake fast debate.