

# How Open is the Budget Process in Tanzania?

## Findings from an International Study

This brief summarizes the findings of the Open Budget Questionnaire, an international survey of budget transparency involving 59 countries, including Tanzania. The survey was conducted by HakiElimu in Tanzania and the overall research was coordinated by the International Budget Project (IBP).

### Why this study?

The national budget is a country's single most important policy document. It determines public income, spending, access to social services such as education, healthcare and water, and overall quality of life. Public access to budget information is therefore essential to assess government responsiveness to citizens' needs and the informed participation of citizens in the budget process. The Open Budget Questionnaire is an international comparative survey that offers an independent perspective on central government budget transparency.

### Methodology

The survey was developed by the International Budget Project (IBP), and administered in 59 countries by researchers from academic institutions or non-governmental organizations (NGOs) in each country. Results were then rigorously checked by peer reviewers and IBP staff.

The survey focused on budget transparency at the Central Government level only, primarily drawing from 2005/06 budget year information.

The survey consisted of 122 multiple-choice questions designed to measure the openness of the budget process around the world, using guidelines developed by multilateral organizations. The survey also included questions related to the performance and structure of the legislature and the external auditing body.

Countries were ranked by their responses to questions related to the public availability of budget information. This formed the basis of the Open Budget Index 2006.

In Tanzania, the survey was carried out by Aika Kirei and Rakesh Rajani of HakiElimu, with support from Geir Sundet of PADCO/REPOA and Jacqueline Schmidt, an intern. It was subsequently reviewed by independent experts.

### Key Findings

Access to budget information is a significant challenge for the majority of countries surveyed. Tanzania fared in the middle range, with a score of 48% on the Open Budget Index, thus giving the country a ranking of 25 out of 59 countries surveyed. Table 1 shows how the studied countries surveyed performed.

<b>Extensive Information</b>	France New Zealand	Slovenia South Africa	U.K. U.S.A.
<b>Significant Information</b>	Botswana Brazil Czech Republic	Norway Peru Poland Romania	South Korea Sweden
<b>Some Information</b>	Bulgaria Colombia Costa Rica Croatia Ghana Guatemala India Indonesia	Jordan Kazakhstan Kenya Malawi Mexico Namibia Pakistan Papua New Guinea	Philippines Russia Sri Lanka <b>Tanzania</b> Turkey
<b>Minimal Information</b>	Albania Algeria Argentina Azerbaijan Bangladesh	Cameroon Ecuador El Salvador Georgia Honduras	Nepal Uganda Zambia
<b>Scant/No Information</b>	Angola Bolivia Burkina Faso Chad	Egypt Mongolia Morocco Nicaragua	Nigeria Vietnam

In Africa, Tanzania was one of the top performers. Out of the 17 African countries surveyed, Tanzania tied for 4th place with Kenya, as shown in Table 2 (see overleaf).

Some of the other key findings from the survey are presented below.

**Accessibility:** Tanzania produces 8 of the 11 documents important to the budget process, and all are online. However, it does not produce a 'Citizen's Budget', a Mid-year Review or Year-End Report. Access is a problem – documents such as Budget Guidelines and Enacted Budget are difficult to follow, produced in English only, and few copies are printed.

Table 2: Open Budget Index - Africa

No	Country	%age Score
1	South Africa	85
2	Botswana	65
3	Namibia	51
4*	Kenya	48
4*	Tanzania	48
6	Ghana	42
7	Malawi	41
8	Zambia	37
9	Uganda	31
10	Cameroon	29
11	Algeria	28
12	Nigeria	20
13	Morocco	19
14	Egypt	18
15	Burkina Faso	11
16	Chad	5
17	Angola	4

The Ministry of Finance's website ([www.mof.go.tz](http://www.mof.go.tz)) provides comprehensive narrative and quantitative information on tax rates and fees, as well as informative budget summaries (i.e. budget speeches). However, it does not provide a simplified version of the budget or an informative glossary of terms in the budget. The right to access public information (Article 18 of the Tanzanian Constitution) has not been codified into law.

**Comprehensiveness:** The main budget books provide limited information on the Government's fiscal activities. For example, there is no information on tax expenditures, extra-budgetary funds, or overall spending on national security or military intelligence. There is limited information on Government transfers to public corporations and on financial & non-financial assets held.

**Impact of the Budget:** While several reforms have been made to improve the link between policies and budgets, the budget does not demonstrably reflect stated policy goals in a manner that is easy to follow. Performance indicators (progress made against targets) for expenditure programs are not presented in the budget books.

**Parliamentary Approval:** Parliament receives the budget less than six weeks before start of budget year, instead of recommended three months. It also does not have the authority to amend the budget. Although Article 99 of the Tanzanian Constitution allows Parliament to reduce expenditure or the tax burden (but only when authorized by the executive), the Parliamentary Standing Orders appear to prohibit Parliament from amending the budget unless specifically authorized. Furthermore, the

public and media do not have easy access to Parliamentary committee hearings and their reports are not released to the public.

**Controller and Auditor General (CAG):** The CAG audits all expenditures and regularly releases reports to the public, which include an executive summary. However, the CAG is not fully independent from the Executive and his office is a department of the Central Government. As such, the budget of the CAG is determined by the Executive. The Executive may also remove the CAG without the final consent of the judiciary or legislative. Significantly, there appears to be no report on actions taken by the Executive to address audit recommendations.

### Conclusion & Recommendations

The survey shows that Tanzania ranks in the top half of countries world-wide in terms of budget transparency, and is one of the most open in Africa. However, there is room for improvement. To increase public participation in the budget process, Government should address the shortcomings outlined above. Civil society can help with this process. The following initiatives may be particularly worthwhile:

- All pre- and post-budget documents should be simultaneously published in English and Kiswahili
- Budget information should be made available in time, online as well as at public libraries and at all district offices.
- A 'Citizen's Budget' including summaries of key information should be released with or immediately following the proposed budget
- Performance indicators of progress made against targets should be incorporated into the budget.
- Parliament should receive the budget at least three months prior to the start of the budget year.
- The office of the CAG should be given greater independence from the Executive, in order to enhance its accountability functions.
- Actions taken by the Executive to address audit recommendations should be reported in public annually.

*This brief was prepared by Ruth Carlitz and edited by Rakesh Rajani.*