

BRIEF REPORT OF THE 7:30 BREAKFAST DEBATE –July 26th
2013

The New Budget Cycle in Tanzania: Has it provided more space for stakeholders to engage?

Tanzania has recently adopted a new budget cycle that will enable approval of the Government plan and budget by the Parliament before the end of each financial year. In this regard, the plan and budget preparation and scrutinisation processes will be done Independent Departments and Executive Agencies (MDAs); Regional Secretariats (RSs); and Local Government Authorities (LGAs) will prepare and submit their budget estimates for scrutinization by March. The Parliamentary Sectorial Standing Committees will spend more time to scrutinize and endorse plans and budgets during the month of April to enable the Ministry of Finance (MoF) to consolidate and publish budget books for presentation to Parliament for debate and approval. According to the new cycle, the discussion and approval of plans and budgets will be concluded by Parliament by the end of June 2013 and budget implementation effectively begins on July. In the same vein, Ministers will prepare and present their ministerial policy statements to Parliament by July of each year to enable the general public to hear broad sectorial policy objectives, plans and programme to be implemented.

How has this work for the financial year 2013/14? Has it provided enough time for citizens, ministries and other stakeholders to engage?

This is why Policy Forum dedicated its July 2013 debate on the issue of the new budget cycle, the debate is titled: **The New Budget Cycle in Tanzania: Has it provided more space for stakeholders to engage?**

The debate had two presentations which were made by: The main presentations will be made by Honorable. Joelson Mpina (MP) and Nicholas Lekule, Manager of Policy Analysis at Policy Forum.

The Debate was facilitated by Ms. Nuru Ngailo from the Policy Forum Secretariat.

Honorable Mpina said that according to the recent Open Budget Index survey (OBI-2012) which assessed whether the central government in each country surveyed avails the 8 key budget documents to the public, data showed that Tanzania scored 47 out of 100 below Kenya 57 and Uganda 51. He said, that the government provides the public with only some information on the national budget and financial activities during the financial year, posing a challenge for citizens to participate fully to hold the government accountable for management of public funds. Mpina illustrated by giving the example of the Mid-Year Review and End-Year Report not being produced in our country.

On the changes to the budget cycle, he said that before the financial year 2013/2014 the national budget was debated and approved by the parliament before discussion of the Ministerial 'votes'. With the new budget cycle, however, MPs debate and approve the Ministerial votes before the passing the national budget. This, he stressed, provides room for the MPs and other stakeholders to advice and make necessary changes on the proposed budget accordingly.

He profoundly praised the establishment of the parliamentary budget committee which gives the parliament the chance to scrutinize and examine carefully the proposed budget and hence make changes before it is tabled in the house. Previously, the Executive's budget office and other government officials dominated the budgeting process and there was no room for the changes. **The establishment of the parliamentary budget committee has provided a link between the parliament, CSOs and the other stakeholders in the budgeting process, he said.**

Furthermore, he said that the changes in the parliamentary regulations of 2013 allow the debate and approval of the national budget before 30th June of every financial year, allowing government to immediately begin implementation of the approved budget on the 1st July. Before these changes, MPs and government officials were busy debating the budget up till August. The budget approval by the legislature was made during June through to August, hence the budget implementation started at the middle of September, meaning a delay of commencement on budget execution.

He concluded by saying that despite the changes made in Tanzania Budget Cycle, there are still some challenges affecting the budgeting process as a whole including the lack of a Parliamentary Budget Office (PBO). The proposed independent Parliamentary Budget Office would have technical capacity to analyze the budget and to help

parliamentarians and other stakeholders to better understand what are otherwise complex technical documents, once established. This would help increase credibility, promote transparency, provide elaborate options for spending cuts and promote accountability.

Issues surrounding the Parliamentary Budget Office were elaborated in detail by the second presenter, Mr. Nicholas Lekule, the Manager of Policy Analysis at Policy Forum who discussed the role of the PBO in enhancing the budgetary oversight function. He mentioned the typical roles of the PBO as being scrutiny and analysis of the budget and provision of related information to the Budget Committee and other financial select committees of the National Assembly. He gave examples of countries like Kenya and Uganda which have established a PBO in their respective countries and how they have benefited. This included Budget Committees being fully supported, the improved involvement of parliament in the budget process through enhanced MPs' analytical capacity. Overall, he said, the quality of debates in the house improved and the oversight function of Parliament was strongly felt.

He concluded by saying that there is a great need to establish an independent PBO in our country which would respond to parliamentary committees requests and not individual MPs to avoid the risk of partisan politics.

Plenary Discussion and comments

- Have the changes in the budget timeframe affected anything?
- How can other stakeholders like CBO's and NGO's be involved in the budget process?
- What is the opinion of the MP on the establishment of the Parliamentary Budget Office in Tanzania?
- Can the second presenter tell us more about the draft PBO Bill?
- What are the improvements so far on the establishment of PBO?
- What are the challenges of PBO?
- After approval of the budget can we really say that the budget is being owned by the people?
- Awareness is needed in these issues?
- Limited capacity of the MPs to amend the proposals
- Is the education qualification suitable and realistic in enabling MP's to scrutinize and analyze the budget?
- The PBO is not only going to benefit MPs but other stakeholders including CSO's and CBO's

- PBO will also analyze policies so some of the policy issues can be addressed by the same
- CSO's are doing advocacy in pushing the PBO bill recently
- In Tanzania we have so many information such as reports produced but the only issue is that people don't have the tendency to read them.
- Education background is one of the factors influencing capacity of MP's to analyze issues
- The budget committees can be used to link other stakeholders such as CSO's, CBO's and individuals to cooperate in scrutinizing the budget.
- We have a problem with laws and regulations
- Just having a committee is not enough, there is a great need of a PBO to help in analyzing and scrutinizing of budget
- Stakeholders need to push for this and also tax exemptions which should be removed.
- How do we as citizens help MPs to be MPs?
- Raising education qualification is non sense, it will not change anything as our parliament at the moment is not altogether uneducated
- Some of the limitations such as the budget ceilings prevents the parliament from performing some of the widely expectations of the citizens
- Citizens should not expect much from the new budget cycle compared to what they have been getting

Ms. Nuru Ngailo closed the discussion and welcomed again participants to the next 7:30 Breakfast Debate

policy forum