

# **THE NEW BUDGET CYCLE IN TANZANIA: HAS IT PROVIDED MORE SPACE FOR STAKEHOLDERS TO ENGAGE?**

Presentation during Breakfast

Debate at British Council

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# Outline

- What is Budget Cycle?
- Main phases of the Budget Cycle
- Changes in the Budget Cycle
- Space for Stakeholders
- Challenges facing the Budget Cycle
- Conclusion

# What is Budget Cycle?

- The budget process is actually about the annual budget cycle events and activities.
- Essentially it involves the determination of resources and their uses for attainment of government objectives.
- A sound budget serves as a tool for economic and financial management and accountability and also serves as a mechanism for allocating resources among different needs and priorities as well as bringing economic stability and growth.

# Phases of the Budget Cycle

## 1. Budget Formulation

- Formulation of budget policy and resource projections
- Issuance of Planning and Budget Guidelines
- Estimating revenues and expenditure
- Scrutiny of estimates by Parliamentary budget committees and Inter-Ministerial Technical Committee
- Cabinet approval of budget estimates

# Phases of the budget Cycle

## 2. Debating and Approval

- Tabling in Legislature
- Budget speeches presented ('Budget Day')
- Debate in full Parliament
- Budget voted into law

# Phases of the budget Cycle

## 3. Budget Execution

- MDAs prepare action plans (work plans)
- Budget is executed by cash budget system
- Central government releases money to districts
- Services delivered

# Phases of the budget Cycle

## 4. Oversight and Control

- Within-year monitoring
- External audit conducted by Controller and Auditor General
- Audit reports tabled in Parliament and follow-up action taken

# Changes in the Budget Cycle

- Starting from the financial year 2013/2014, some changes have been made in the budget cycle as the timeframe for budgeting changed where the Debating and Approval of the budget starts from April to June instead of May to August.
- Also the debating and approval now start with individual ministries instead of the National budget

# Changes in the Budget Cycle

- The establishment of the parliamentary budget committee: gives the parliament the chance to scrutinize and examine carefully the proposed budget and hence make changes before it's tabled in the house.
- Previously the Executive's budget office and other government officials dominated the budgeting process and there were no room for the changes.

# Changes in the Budget Cycle

- Changes in the parliamentary regulations of 2013 to allow the debate and approval of the national budget is made before 30<sup>th</sup> June of every financial year. This gives the government and the public enough time to implement the approved budgets and commence immediately on the 1<sup>st</sup> July.
- Before these changes, the MPs and government officials were busy debating and approving the budget up to august while the budget implementation commenced on 1<sup>st</sup> July.

# Changes in the budget Cycle

- I would therefore conclude this section by saying that more space has been provided; it remains a challenge on the part of the government to avail stakeholders with necessary budget information so as to be able to make effective use of this space.

# Challenges facing the budget Process

1. Lack of parliamentary Budget office,
2. Delay on release of revenue books,
3. Disbursement and re-allocations of funds,
4. The Controller and Auditor general (CAG) reports,
5. Deficiencies in Procurement Procedures:
6. Dependent budget

# Conclusion

- The new budget cycle provides room for more amendments during budget debate
- For the legislature to be able to provide significant proposals to amend the budget, they need to be well informed
- Access to key budget information and analysis will help the MPs to exercise their oversight role more effectively

I thank you for listening and I wish you all RAMADHAN  
KAREEM

I move accordingly.

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