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FOCUS ON LOCAL GOVERNMENTS: Looking at the Public Expendi

Tracking of the government budget is very important. It is the projects are financed and how the funds generated are utilised

Budgets of all councils will be consolidated and submitted to the Ministry of Finance (MoF) and the Ministry of Planning, Economy and Empowerment (MPEE) for incorporation in the government plan and budget.

It is the intention of the Government of Tanzania through its development partners to make all citizens aware of how resources are allocated to different services, who is involved in budgeting and the role that citizens play in the budget process.

Participants from various media houses in the country, who last week wended up their five-day workshop on Public Expenditure Tracking Systems (PETS), stressed civic education and objective reporting on PETS.

PETS is under the Millennium Development Goals (MDGs) component of building organisations capacity and network for good governance and advocacy (MCA-Bonga).

Understanding local government budgets is very important for both non-governmental organisations and the Government. Tracking of the government budget is very important. It is the responsibility of every citizen to understand how Government projects are financed and how the funds generated are utilised to reduce poverty in the country.

A budget is a statement of an organisation's programmes in monetary terms, listing in detail the cost of each programme, which the management uses in both planning and implementing various policies.

The budget not only serves as a detailed plan of a new strategy in action but also shows through pro-forma financial statements the expected impact on the organisation's financial position.

Budgets can be categorised as personal budgets, family budgets, company budgets, national budgets, local government budgets and so on. However, in budget tracking, we are interested in the national and local government budgets.

More important is to understand the budget process and budgetary control. Broadly speaking, local governments prepare two types of plans and budgets - development and recurrent. For development plans and budgets, a number of steps are required to be followed in the planning and budgeting process depending on requirements and guidelines provided by funding sources. Often financiers require councils to prepare plans and budgets according to the guidelines they provide. Plans and budgets for recurrent activities are usually developed by Head of Departments at the Council level. The recurrent budget covers personnel emoluments (PE) and other charges (OC). For example, the head of department of Agriculture and Livestock Development department is charged with the responsibility of preparing the budget for PE and OC for his/her department.

Various departmental budgets for PE and OC are then submitted to the District Treasurer for consolidation and onward transmission. The preparation of recurrent budgets is required to be performed in accordance with the planning and budgeting guidelines provided by PMO-RALG. These Guidelines provide information on the types of sources for various sectors for recurrent budgets. Much of the government funds are currently being sent to LGAs through recurrent sectoral block grants namely education, health, roads, water, agriculture and local administration.

They require the councils to split the PE and OC themselves in line with their priorities. Recent studies indicate that the lower level Gov-

ernment (village and wards) and other stakeholders are not consulted in as far as preparations of the recurrent are concerned. However, councillors review and approve this budget in their capacity as overseers.

While the sectoral grants are meant to be used to cover the PE and OC of sectors, the general block grant is intended to be used mainly to fund administration of councils and cover non-priority sector national services. It is also intended to be used to provide equalising funds to allow those councils with low revenue potential to provide local services. This is an unconditional grant. However, it is required to be used in accordance with LGA budget processes and financial regulations.

Most of fund providers for development activities usually require councils to follow participatory planning methodologies.

The planning and budgeting cycle is as follows:

Month
Activity

September

Evaluation of LGA performance in previous year for submission to PMO-RALG

December

PMO-RALG publishes Capital Grant and Capacity Building Grant allocations under LGSP (indicative Planning Figures - IPF) for the coming year, along with 'guidelines.'

December-January

LGAs prepare draft plans and budgets and notify ward development committees (WDC) and village committees (VCs) about guidelines and figures (50 per cent of IPF to be distributed to wards and villages)

February

Villages prepare development plans and budgets facilitated by ward and district facilitators.

March

WDC approves plan

Village assembly meets to approve plan

WDC consolidates village plans and submits to LGA

District writes final district development plan

April

District reviews district development plan and sends to regional advisory committee

RAC makes recommendations LGA presents a plan to the full council meeting for approval (the council can refuse to incorporate RAC recommendations but cannot cancel WDC approved projects for which IPF funds are available)

May

LGA presents adopted plan to PMO-RALG and MoF

June

Parliament approves national budget

July-August

MoF release funds to LGA LGA provides printed notification of allocated funds and projects approved to wards and villages

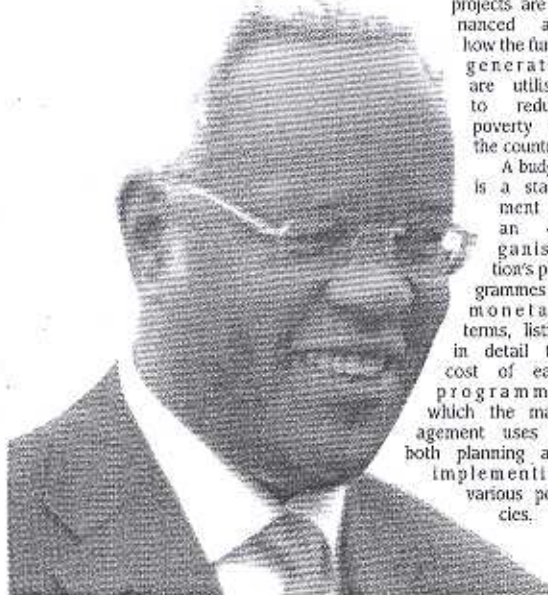
August

LGAs begin implementing plans

Generally speaking, the primary responsibility of the council director as the chief executive officer of the council is to supervise preparations of the plan and budget that show detailed costs of the planned activities to be implemented and also services to be delivered to the people.

Heads of department, following a participatory planning process from the grassroots to the district level submit proposals of the projects and estimates of the costs for delivery of services to the relevant council committee meeting in which stakeholders and the civil society organisations operating in the council's area of jurisdiction should participate.

The draft plan and budget developed from this process will be submitted to the regional secretariat.



Prime Minister Edward Lowassa

significance of ture Tracking

responsibility of every citizen to understand how Government
 o reduce poverty in the country

The regional secretariat will scrutinise the draft plan and budget to ensure that regulations, policies, government guidelines and directives have been adhered to. The secretariat will then give advice and comments in writing to the council director who will, through the management team of the council, rectify the draft planned budget as appropriate and submit to the finance committee, which is charged with the responsibility of monitoring the finances of the council.

The draft plan and budget, incorporating amendments required by the finance committee, will be submitted and discussed at the full council. All issues that require successful implementation of the plan

and budget should be completed in time, for instance, amendment of bylaws, preparations of new bylaws etc.

Council directors are required to publicise the date of the meeting of the council that will approve the plan and budget in order to facilitate attendance to those who want to listen to the intentions and targets of the council for the following year.

The approved plan and budget will be posted to public places of council offices and extracts of the plan and budget will also be posted to public places.

Budgets of all councils will be consolidated and submitted to the Ministry of Finance (MoF) and the Ministry of Planning, Economy and

Empowerment (MPEE) for incorporation in the government plan and budget.

Despite the importance of the local government finance system in Tanzania, no single central government agency or institution has a comprehensive mandate over the management of local government fiscal affairs.

On the one hand, in accordance with the Public Finance Act (2001), the Minister of Finance is responsible for co-ordinating inter-governmental fiscal relations. On the other hand, according to the Local Government Finances Act (1982), the Prime Minister's Office - Regional Administration and Local Government (PMO-RALG) is the one responsible for ensuring the

proper management of finances of the local government authorities.

In carrying out a budget analysis or budget tracking work, the following principles should be taken into consideration:

- Equitable resource sharing: resource available at the district should be shared equitably among all the areas depending on the needs of the area
- Ensure cooperation in resource allocation
- There should be budgetary transparency
- Budgetary priorities should clearly be specified and detailed
- Ensure efficiency and effectiveness of spending versus government's publicly stated priorities and assess whether these priorities are reflected in the amount of money government has allocated to the different sectors
- The approach to the budget analysis should be from a pro-poor perspective, that is CSOs should try to assess whether the budget promotes government's pro-poor policies
- Always focus at spending on health, social welfare and education. It is also important to note that elected leaders and appointed officials are for all citizens.

For this reason citizens are entitled to receive information from them in order to assess how well they are being served.

This relationship is provided in the country's mother law, the Constitution.

In conclusion, it is worthwhile to express gratitude to the United States Government's Millennium Challenge Corporation (MCC) through the United States Agency for International Development (USAID) and other donors for having facilitated the journalists' training on PETS and other good governance issues in Tanzania.

It is also good to recognise the role PACT Tanzania in partnership with the Media Institute of Southern Africa Tanzania chapter (MISA-Tan) played in the implementation of the training and enhancement of transparency and good governance in Tanzania.

Tabora meets secondary education targets - VP

By Penzi Nyamungumi, Tabora

VICE President, Dr Ali Mohammed Shein, has applauded Tabora Region residents for successfully enrolling to Form One all pupils who passed last year's Standard Seven National Examinations.

Dr Shein expressed his delight yesterday when addressing an open meeting at the Chemchem grounds in Tabora town during his four-day official tour in the region.

He told the residents that both regional and Tabora districts reports were quite impressive as the pupils who qualified but were not lucky in the first selection were now able to join Form One after the second selection. These will start their studies in April.

The reports showed that 14,001 pupils passed out of 20,772 who sat the National Examinations. Among those who passed, only 6,426 pupils (46.9 per cent) secured Form One places early this year.

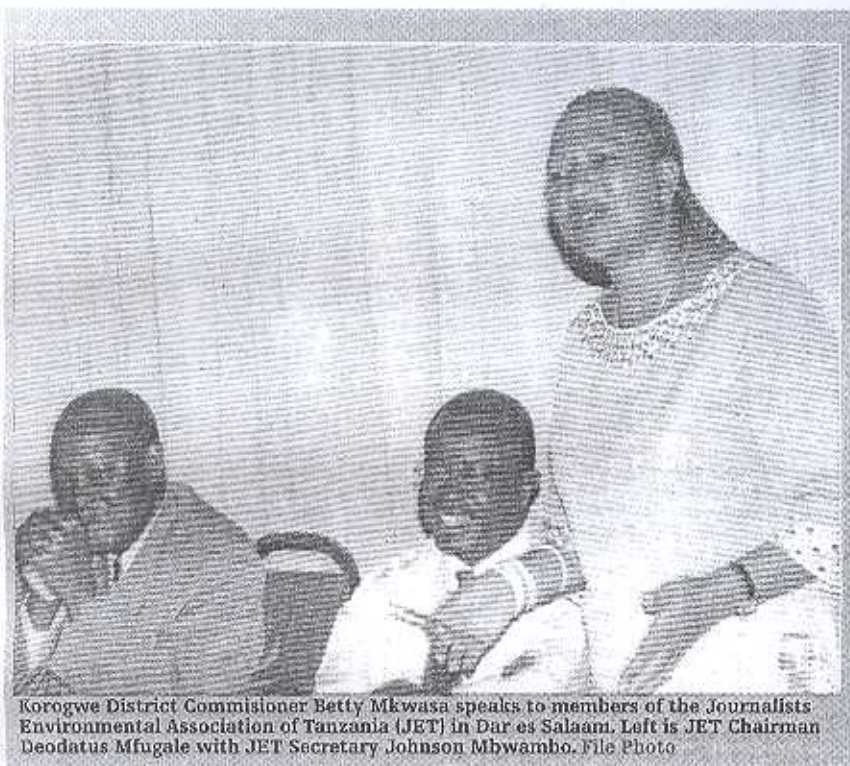
The region targeted building 55 new schools and expanding some of the old schools to meet the demand of enrolling 7,575 (54.1 per cent) who were left out, hence meeting the 100 per cent enrolment.

Dr Shein noted that building of new schools part of the ruling party's manifesto for 2005-2010 which gives guidelines on how to improve education in the country.

"These developments are in the CCM manifesto. We promised to further education and we are doing just that. We promised to improve primary and secondary education and we are keeping our promise," Dr Shein said.

During the tour, the Vice President opened Cheyo Secondary School in Tabora district, where he donated Sh2 million in support of the efforts to further education goals.

Today he is expected to proceed with his tour to Urambo where, among other things, he will visit the Sagara-Igogala game reserve to see the areas from where intruders were recently evicted.



Korogwe District Commissioner Betty Mkwasa speaks to members of the Journalists Environmental Association of Tanzania (JET) in Dar es Salaam. Left is JET Chairman Deodatus Mfugale with JET Secretary Johnson Mbwambo. File Photo