A Handbook

on Budget Oversight

for Members of the National Assembly

of Tanzania
The purpose of this handbook is to assemble, in a single source and a user-friendly format, relevant information for the effective functioning of lawmakers in the area of budget oversight. It is intended to be a reference material for MPs who are new to the public budgeting process. It is a product of the Africa Parliamentary Strengthening Program (APSP) for Budget Oversight.

The Africa Parliamentary Strengthening Program (APSP) for Budget Oversight is a Parliamentary Centre program designed to increase the capacity and authority of select African parliaments (Benin, Ghana, Kenya, Senegal, Tanzania, Uganda, and Zambia) in the budget process. Implicit in the program design is the goal of increased communication between the selected parliaments and citizens in order to improve parliamentary accountability towards citizens in the budget process.

This program which is being managed by the Centre's Africa Program aims to develop a cadre of resource persons to support the needs of African parliaments in the budget process. It is the expectation of the Centre that the APSP will ultimately lead to the achievement of improved poverty reduction in select partner countries through strengthened parliaments with regard to the budget process.

To address issues of poverty reduction using the national budget as a tool, the APSP seeks to develop and disseminate information on the national budget in APSP partner countries while researching into ways by which citizens can participate in the budget process. The program particularly focuses on enhancing the capacity of Members of Parliament as well as that of parliamentary staff and committees, through publications and learning aids designed to improve on parliamentary oversight capacity. This handbook on budget oversight for Members of Parliament is one such tool to assist MPs of the National Assembly of Tanzania to appreciate the enormous responsibility they bear in the area of effective, efficient, and economic mobilization in the application of national resources to national development.

Celebrating its 45th year of existence in 2013, the Parliamentary Centre is one of the leading and longest serving non-governmental non-partisan organizations dedicated to the strengthening of parliamentary democracy around the world.

Democratic systems and good governance rely on strong and vibrant legislatures that will voice the interests of the people and hold governments to account. The Parliamentary Centre's mission is to support legislatures in their lawmaking, oversight and representative roles to better serve the people they represent.

Since 2004, the Parliamentary Centre has established a Regional Africa Office based in Accra, Ghana, which serves as a training facility, a drop-in Resource Centre, a contact point for activities of the Africa Parliamentarians Poverty Reduction Network (APRN), a Secretariat for the Africa Parliamentary Network against Corruption (APNAC) and a host centre for a number of projects. Since 1999, the Parliamentary Centre has worked with over 31 African Parliaments, implementing almost 50 projects that are as diverse as the continent itself.

As we seek to contribute our quota to reducing poverty in Africa, we acknowledge the continued sponsorship of the Canadian International Development Agency (CIDA) for the APSP, the participation of all the partner parliaments and their staff in our programs, and also for their wonderful support.

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List of Figures

Figure 1: MPs’ Environment of Budget Accountability ................................................................. 10
Figure 2: Stages of the Budget Cycle in Tanzania ...................................................................... 21
Figure 3: Dimensions of PFM System Performance ................................................................. 23
Figure 4: Petroleum Sector Governance Framework ............................................................. 31
Figure 5: The Extractives Value Chain ..................................................................................... 31

List of Tables

Table 1: The Budget Calendar and Processes in Tanzania ......................................................... 19
Table 2: Stages in the Budget Cycle, Financial Management, and Governance .................. 22
Table 3 The Good Governance Checklist ............................................................................... 30
Table 4: A Typology of Climate Change Policies by Level of National Income ................. 38

List of Boxes

Box 1: Proposed Indicators for Tracking Progress towards MDG Goal 3 ......................... 26
Box 2: What do Petroleum and Mineral Resources mean to You as a Tanzanian? ........... 30
Box 3: Model Processes for Enhancing Government Accountability for Climate Change  35
1. Introduction and Purpose

In many democratic dispensations, Parliament has the constitutional powers for authorizing Government to raise and spend public money and also has a responsibility, on behalf of the citizenry, to hold Government to account for this spending. It may be argued that this function of Parliament is at the core of democracy and parliamentary systems as many consider that the public is more interested in the amount of money taken from them in taxation and the way this money is subsequently spent by the government. Incidentally, because many MPs come to Parliament from such diverse backgrounds, they may not necessarily be familiar with the budget process. Thus, the purpose of this handbook is to assemble, in a single source and a user-friendly format, relevant information for the effective functioning of law makers in the area of national budget. It is also apparent that many experienced MPs also regard the budget process, beyond the legislative stage, as very detached from Parliament, thus often paying very little attention to the oversight of budget implementation. The pages that follow will remind MPs of their role at all stages of the budget cycle and of what they can do to ensure that the budget becomes an effective vehicle for translating policies into tangible goods and services.

The Westminster system, which is the model for many Commonwealth countries including the United Republic of Tanzania, is based on the constitutional convention of the financial initiative of the Crown, which precludes Parliament from seeking to impose taxes or to grant permission for public expenditure unless requested by the government - the principle of 'no taxation without representation'. Therefore, Government presents spending programs to Parliament in order to exercise its mandate and implement set policies. However, since explicit parliamentary approval is constitutionally required for these financial plans proposed by the government, Parliament is vested with the unique opportunity to increase its influence and scrutinize those financial plans proposed by government effectively, in order to deliver value for money to all taxpayers whom they represent.

Incidentally, many citizens and Civil Society Organisations (CSOs) are of the belief that Parliament's influence over government proposals for taxation and expenditure, and priorities within that expenditure, is virtually non-existent. They observe the situation where Parliament is ready to endorse any proposals submitted by Government. Public spending proposals are authorized with minimal scrutiny or debate. Thus, many consider Parliament as little more than a consenting bystander.

1.1 Increasing Parliamentary Influence

It is apparent that there should be more opportunities for parliamentary debate and scrutiny of spending proposals of Government and equally more opportunities to discuss and influence its priorities, so as to ensure greater openness and transparency from ministers about their choices. There is also a strong case to be made for greater public discussion and consultation on governmental choices and priorities and for Parliament to be at the forefront of that process to achieve a greater interaction and dialogue with the government.

In order to assist parliamentarians to appreciate their role in the budget process, this handbook draws the attention of MPs, parliamentary committees and staff of Parliament to their role at all stages of the budgetary process. This little booklet makes it clear to all stakeholders in Parliament (National Assembly) i.e. MPs, their support staff, and parliamentary committees, that Parliament as an institution has a critical role in ensuring effective public sector budgeting and in maximizing the outcome of the use of public finances. Ultimately, MPs have a responsibility to ensure that the budget delivers tangible goods and services to all actors in the national economy.

1.2 Organization of Study

After this introduction, the next section identifies and highlights the powers and the enabling framework provided to Parliament by the Supreme Law of the Tanzania and other Acts regulating public financial management to ensure that the role of Parliament is neither compromised nor downplayed in the process. Indeed, these functions are legitimately situated in the broad functions and powers of Parliament and Members of Parliament as envisaged by the Constitution of the United Republic of Tanzania. The second section of the Handbook outlines the representative function of Parliament and recognizes that political parties are the major machinery for carrying out this representative function. The actions of political party caucuses can significantly affect the outcome of budget legislation, budget implementation, and budget oversight. Thus, the section also highlights what party caucuses can do and what they have to avoid in their attempt to promote the integrity of the national budget process and outcomes.

The third section of the handbook brings to the attention of MPs the detailed budget process in Tanzania. In particular, it aims at helping the MPs to identify the principal actors during each stage of the budget process and also at assisting Parliament to ask the appropriate questions at the right time at all stages of the budget cycle. The importance of crosscutting issues that have been identified by the international public financial management community as critical to efficiency and maximization of returns in the use of public financial resources has been broadly captured in the fourth section which is titled 'Promoting good governance and anti-corruption.' The section ends with the presentation of the African Parliamentarians Network Against Corruption (APNAC) as a forum for MPs determined to make a difference in the drive to ensure the integrity of the budget process and minimize wanton dissipation of public resources through the corrupt practices of officials.

The handbook, in the fifth section, draws attention to the importance of the extractive sector to the economy.
of Tanzania and outlines what role Parliament can play to ensure that the resource flow from the sector is maximized. Closely related to the extractive sector is the environment and section 6 of the handbook outlines the importance of mainstreaming environmental issues, including climate change, into the budget process. To achieve optimal gains, Parliament will have to devise ways of operationalizing the effective participation of citizens in the budget process.

2. The Functions of Members of Parliament

This section focuses on the powers and the enabling framework provided to Parliament by the Supreme Law of the Tanzania and other Acts regulating public financial management, including the role of Parliament in ensuring the budget is not just a piece of legislation but a real instrument that works for the good of all economic agents in the economy.

In a recent study by Economic Commission for Africa (ECA) it was argued that even though there are cogent economic arguments for limiting parliamentary involvement in the budget process from a governance perspective, parliamentary involvement aims to promote sound public financial management and poverty reduction; and these are good reasons Parliaments must be involved in the budgetary processes as such involvement serves to encourage participation, transparency, accountability, and national ownership of the budget (ECA, 2007).

ECA (2007) again argues that redesigned legislative powers put Parliaments in a better position to demand accountability from a wide range of stakeholders, to whom they also are accountable. By its ‘power of the purse,’ Parliament can directly hold the Executive to account for budget allocation, and insist that these allocations be congruent with policy objectives (poverty reduction, gender equity, economic justice, etc.). Should there be discordance between budgets and policy priorities, Parliaments have to reject the former. Similarly, when they have strong support from supreme audit institutions (SAIs) and external stakeholders, they can monitor budget implementation, conduct impact assessments, and carry out audits as part of their oversight functions.

Additionally, Parliaments can demand accountability from the private sector and from public and parastatal institutions, on behalf of and in the interests of the general public. In turn, they are accountable to interest groups and subject to media scrutiny, in support of open democracy and transparency. Members of Parliament (MPs) are also expected to be accountable to their own constituencies and political parties even though the study acknowledges that MPs must be careful to get the balance right as to where their allegiance tilts since political party interests and those of the general public do not always coincide.

ECA (2007) concluded that Parliaments will have to prove their worth by demonstrating capability to rise above individual interests and party loyalties and represent the aggregated interest of the people and the country as a whole. To ensure their effective participation in deep economic and budgetary debates and policymaking, they need to upgrade their skills constantly. This is the challenge for the National Assembly.

2.1 MPs’ Budget Accountability Model

The cited ECA study espoused a MPs’ budget accountability model which we also found useful and therefore, reproduce below. The model explains the various ways in which Parliaments can influence budgets. The model captured in Figure 1 is reproduced and adapted from Sabourin (1999). Direct solid arrows towards MPs illustrate how an MP can demand accountability from Government and other bodies, in a direct manner. The dotted arrows towards MPs identify the reporting channels to Parliament that are not necessarily direct. Similarly, outward arrows show to which entities MPs are answerable directly or indirectly. The diagram’s top half portrays the entities to which the MP is answerable while the bottom half shows from which bodies MPs can demand accountability.

The top right quadrant illustrates that “the ultimate accountability of an elected representative is found in the ballot box”. To reach the ballot box, an MP should first join to a political party. Depending on the country’s electoral system, the arrow can be thicker towards a geographical constituency (the case for Constituency MPs of the National Assembly) in a direct election system, or thicker towards a political party in a party list system (the case for Women MPs). These options could have a significant impact on the effectiveness of MPs in budgetary processes.

The ‘lines of business’ in the model refer to the MPs’ activities. These activities are exercised in the Chamber or Assembly itself, by their acting principally as legislators. An MP also has duties in a parliamentary committee that studies a bill or investigates an issue placed before the committee, engages in partisan activities for the party, or works for the constituency that she/he represents. Guided by this model, MPs can influence a budget process in its entirety. Some ways in which this could be achieved are summarized in the next paragraphs.

2.2 Representational Function

The Constitution of the United Republic of Tanzania of 1977 is clear about the representational function of the National Assembly. Particularly, Article 63(2) specifies that the National Assembly “shall be the principal organ of the United Republic which shall have authority on behalf of the people,...” and prescribes the procedure for election of Members of Parliament representing Constituencies in Articles 76-77. The challenge of the National Assembly is
to ensure that the number of seats in the Assembly shall not be so low as to make the citizen-MP ratio too high to compromise meaningful constituent relations. It is often said that in a representative democracy, the prime duty of each legislator is to represent her/his constituents. When a community, or a collection of communities, delegates a fellow citizen to represent its views and interests in the National Assembly, the elected representative is expected to represent the views and interests of the whole constituency, including those constituents who may not have voted to elect that particular Member of Parliament.

The MP, elected to represent any Constituency, must work in such a manner as to provide citizens the opportunity to convey their views, interests, and needs throughout the life of the Parliament. MPs must therefore ensure that there exists a meaningful opportunity for citizens to interact with their representative. There must exist, for instance, resources sufficient to allow MPs to travel periodically to their constituencies to hear from their constituents, and to participate in the Local Government budgeting process.

The National Assembly must necessarily provide all MPs with sufficient resources to enable them to discharge their constituency responsibilities effectively. Beyond facilitating travel to and from their constituencies, the body politic (i.e. the nation) must provide MPs with sufficient personnel, communication resources, constituency office premises, and financial resources to facilitate effective interaction between the MP and those she/he represents. It is therefore important that the National Assembly put in place a system of reimbursement and allowances that does not only discriminate in favour of the hierarchical structures in the Assembly but also takes account of the location and terrain which MPs must cover to function effectively.

Although the resources allocated to MPs may be constrained by the size of the national budget and the level of economic development, it is important that MPs have sufficient resources to enable them to meet their constitutional responsibilities. Accordingly, MPs and their staff must look beyond the provisions of the Constituency Development Fund and explore the possibility of accessing development assistance in the performance of their representational function.

In performing their representational function, members of the National Assembly must be able to collaborate with Non-Governmental Organizations (NGOs) and civil society groups to provide for the ever-expanding needs of the citizenry in their constituencies as the provisions in the national budget may not always meet all the needs of the people they represent.

Source: Sabourin, 1999

Figure 1: MPs' Environment of Budget Accountability
2.3 Lawmaking Function

Article 64 of The Constitution of the United Republic of Tanzania of 1977 vests the legislative power in relation to Union Matters and also in relation to all matters concerning Mainland Tanzania in Parliament (National Assembly) while vesting legislative powers relating to all matters which are not Union Matters in Tanzania/Zanzibar in the House of Representatives. It is thus expected that Parliament, i.e. the National Assembly will, as is general practice, be required to give approval or otherwise to the passage of all legislation, including budgets.

It is a basic principle in any representative democracy that all legislation requires the consent of the people through their representatives in the National Assembly. This basic principle means that all bills shall require the consent of the legislature before they can be signed into law. This is the prime function of the legislature enshrined in the Constitution, a source from which most of its powers and functions emanate. This principled power is explicitly endorsed by inter-parliamentary associations, such as the Commonwealth Parliamentary Association (CPA), which attest to the “legislature’s primary responsibility for law making.”

As an extension of this lawmaking function, the CPA has recommended that it is ideal for Parliaments to give approval to major international treaties, conventions, and trade agreements in light of the CPA’s Commonwealth Principles on the Accountability of and the Relationship between the Three Branches of Government, which states that “Parliament should, where relevant, be given the opportunity to consider international instruments or regional conventions agreed to by governments.” Thus, Article 63 (2e) of the Constitution of the United Republic of Tanzania of 1977 gives authority to the National Assembly to “deliberate upon and ratify all treaties and agreements to which the United Republic is a party and the provisions of which require ratification.”

The fundamental legislative powers of the National Assembly notwithstanding, the source of the lawmaking function in the budgetary process is the Financial and Budgetary Powers as contained in Articles 137-140 of the Constitution. In sum, the Constitution confers the power of approval of the proposed national budget on the National Assembly. This power of approval is consistent with the principle of democratic governance that the citizens, through their parliamentary representatives, decide upon their sources of revenue and the ways in which that revenue will be spent. It is an essential corresponding feature of a representative democracy that the legislature has the “power of the purse.”

In addition to legislative and oversight power, the power over public funds as stipulated in the Appropriation Act and also the constitutionally required scrutiny of sectorial budget, including detailed analysis and the consideration of public input to relevant Parliamentary Committees at the committee stage of the Appropriations Bill, give the National Assembly considerable influence in the budget process.

Indeed the budget is one of the most important pieces of legislation that comes before the National Assembly. The Assembly is therefore duty-bound to ensure that it has a reasonable period of time to review the proposed budget. It is the right of the National Assembly to consider, amend, and approve the budget, if it is taken as any ordinary legislation. But there are limitations to these amendment powers as shown in Article 99 of the Constitution detailing the procedure for legislation in financial matters. Parliament can only revise taxes and expenditure plans downwards. Under these circumstances, the least the Assembly can do is to ensure a reasonable time frame for an objective review of proposals from the executive. This should provide a window for MPs to undertake their usual function of critical review of any bill at the committee stage. MPs, at the committee stage, must have sufficient time to allow for detailed analysis of the bill and the consideration of public input, while the plenary stage allows time for debate.

2.4 Questions

The big question for the National Assembly is: what is the desirable period for review and debate of the proposed budget prior to approval?

Perhaps, a more urgent question is whether the National Assembly has the full complement of professional staff and logistics to provide MPs with the tools to analyze the budget proposals and to articulate their own ideas.

A partial solution to the second question can be found in the principle which states that only the legislature shall be empowered to determine and approve the budget of the executive/government. If the National Assembly is to remain autonomous and ensure that it operates effectively and efficiently, it must have financial autonomy. Financial autonomy is essential not only on account of its support to the legislative processes but more importantly, because it is the only guarantee for the effective oversight of the executive branch of Government.

2.5 Oversight Function

In Article 63(2) of the Constitution of the United Republic of Tanzania of 1977, authority is vested in the National Assembly to “… oversee and advise the Government of the United Republic and all its organs in the discharge of their respective responsibilities in accordance with the Constitution.” For the purposes of performing its functions, including the oversight function, Article 63 (3) authorizes the National Assembly to:

- a. pose any questions to any Minister concerning public affairs in the United Republic which are within her/his responsibility;
- b. debate the performance of each Ministry during the annual budget session of the National Assembly;
- c. deliberate upon and authorize any long or short term plan which is intended to be implemented
in the United Republic and enact a law to regulate the implementation of that plan;

d. enact laws whose implementation requires legislation; and

e. deliberate upon and ratify all treaties and agreements to which the United Republic is a party and the provisions of which require ratification.

Narrowing the oversight function to the budget requires the National Assembly to establish the legal framework for financial administration, including voting for funds by Parliament and holding the government to account for its performance in the application of the resources voted. Thus, the scrutiny of the proposed budget and the review of audit reports of budget implementation are widely recognized as the primary responsibilities of the National Assembly in the area of oversight.

Parliament is most effective in the legislative and audit processes. Parliamentary oversight of the budgetary and financial administration focuses on three distinct areas:

1. Overall government budget, namely total revenue and expenditure as presented by the Minister of Finance, to Parliament
2. Ministries, Departments, and Agencies - ministerial and departmental programs and activities, plans, and reports as presented to Parliamentary Committees
3. Transactions - financial transactions documented mostly in the Public Accounts Committee and reviewed by the Auditor General.

To achieve the effective oversight of the budget, it is important for the National Assembly to ensure that all Ministries, Departments, and Agencies operate according to the prescriptions of Chapter 7 of the Constitution of the United Republic of Tanzania and the Public Finance Act, 2001, as follows:

- all funds government receives are placed in the Consolidated Fund;
- no funds can be withdrawn by government from this without the formal approval of Parliament;
- each department develops plans, and budgets which are tabled in Parliament and referred to Standing Committees for review and authorization;
- use of all funds by government must be in conformance with the Financial Administration Act and Treasury policies;
- all funds must be accounted for and their use reported to Parliament through detailed financial reporting in the Public Accounts as well as through departmental reports; and
- all government financial reporting is subject to audit by the Auditor General.

To improve oversight of the budget the National Assembly can also consider the following which may be regarded as best practices:

- review and expand the powers of the National Assembly to amend the proposed budget;
- provide a meaningful opportunity for the National Assembly to make input to the medium term budget policy formulation;
- establish and enhance budget research and analysis capacity in the National Assembly;
- improve skills of Members of the Parliament to enhance their understanding of economic policy and the budget-making process;
- broaden MPs’ access to relevant and high quality information on the budget;
- revise the budget calendar to allow sufficient time for tabling the budget in advance of the beginning of the fiscal year;
- ensure the National Assembly has sufficient time, at least two to three months for legislative scrutiny of the annual draft budget; and
- institutionalize new and complementary framework for the scrutiny of the proposed budget with respect to the issues of citizen participation in the budget process, climate change and the environment, gender, poverty reduction, and public-private partnerships.

The parliamentary oversight function is a continuous process that must be diligently undertaken to give meaning to parliamentary control over the public purse. The role entails scrutinizing the proposed budget effectively, prior parliamentary approval, and the guarantee of value for money during budget implementation. Similarly, the review of audit reports at the end of budget implementation must be considered an essential step to improving financial management in government operations in particular, and the public sector, in general. Effectiveness in this respect will require that the National Assembly recognize that it needs to continuously improve the skills sets of its secretariat and MPs to meet the challenges of budget and financial oversight. Increasing complexities and the scale of government funds/expenditure, and the competing demands on the time of MPs may prevent them from exercising effective budget oversight. However, MPs and staff of the National Assembly must continuously be reminded that it is both a right and a responsibility of the
National Assembly, as the embodiment of the citizenry, to monitor the performance of Government. The caveat is that the National Assembly must have sufficient means and mechanisms to effectively perform its oversight function.

2.6 Committees of the National Assembly

Standing and Select Committees in the National Assembly have a central role in many aspects of financial scrutiny. Standing Committees consider the estimates for government spending plans and, crucially, play a major role in assessing the effectiveness of the subsequent expenditure. Of particular mention in this respect are the Public Accounts Committee, Parastatal Organizations Accounts Committee, and Local Government Accounts Committee. The standing orders governing Standing and Select Committees give them powers to examine the expenditure of relevant government departments and associated public bodies.

Each financial year, government departments produce annual spending reports, which give the policy background and targets that underpin the requests for resources being made formally through the new estimates contained in the proposed budget, and spending plans in the Medium Term Expenditure Framework. These reports are sent to relevant Standing and Select Committees for more detailed examination. These committees, in turn, make recommendations to the National Assembly for the debate on, and possible approval of, the proposed budget. MPs need to make the utmost effort first, to comprehend these documents which serve as background to the estimates and the resource accounts, and second, to provide the material with which Standing and Select Committees can begin to get to grips with the key questions underlying financial scrutiny.

Performance of MPs, in this respect, will determine if standing and select committees can raise the fundamental questions about government expenditure. The role of MPs is to ascertain if public money is being spent effectively in achieving the declared priorities of government policy. Furthermore, MPs ought to examine the following questions: Are the intended outcomes being achieved? Is money being used to best effect? Effectiveness of MPs is fundamental if standing and select committees are to obtain answers to these basic questions and whether their scrutiny makes a difference to the way that government spends the public money.

2.7 Party Caucuses and the Budget Process

In theory, the Committee of the National Assembly affords Parliament the opportunity to scrutinize and improve the quality of the legislation. However, in practice, as with most legislation, the debate is divided along party lines, and the government’s majority in the committee ensures that its proposals are passed in the form in which it was submitted with as little amendment as possible. The government bench may be more rigorous in ensuring that the Appropriation Bill is passed with few changes, given its expected impact on government finances and planned activities. In addition, pressure on MPs to pass the Appropriation Bill within the short period of two to three weeks, alongside other legislative duties, has caused many commentators to suggest that the scrutiny of the proposed budget lacks rigor and is often haphazard. A party caucus in Parliament refers to the grouping of members of a particular political party and or membership of different political parties that have reached an understanding to work together as a block or clique to further the interest of their party in Parliament. Members of a party caucus are usually motivated or coerced to vote together on issues before the National Assembly using the Whip system. The concern here is that partisan interests do not always coincide with national interests.

In addition, since the membership of the sector committees is very often in proportion to the representation of each party in the National Assembly, Government will always have a majority in these committees. It is also at this stage that interested parties will lobby MPs for the limited amendment permitted by the Constitution and the Public Finance Act, 2001, to be undertaken. The observation is that committee members from both sides of the National Assembly may put forward proposals based on information available to them and their understanding of the happenings in the sector. Hence, in practice, amendments which are successful are likely to be those which have been proposed by Government, though sometimes, members could be persuaded of the validity of a proposal for change made by an opposition member.

The budget is a political expression of policies of the government; if the parliamentary opposition can demonstrate that the budget did not address the needs of citizens and can sway the government to accept same it would have scored the highest point. Government bench will thus, do all that is possible to defend and pass the proposal. If caucuses take entrenched positions in the debate the likely outcome is to focus on insignificant fine details while overlooking major discrepancies. Accordingly, it is recommended that caucuses must avoid triviality in debating the budget. They must be reflective and seek expert opinion with the purpose of ensuring that the budget debate results in a budget that maximises the public interest. Government and opposition Whips must be moderate in balancing the party agenda with the rights of a Member of Parliament as expressed in the Standing Orders with respect technical requirements of parliamentary procedure. Beyond the debate in the Chamber which is usually picked by the media all caucuses must work in committees with a focus on the watchdog role of parliament.

The challenge to MPs is to weigh the evidence collated from government and party lobbyists against whatever independent information may be available to them from agencies of state, such as the National Statistical Office, the Central Bank, and public academic institutions as well as from think tanks, such as the Economic and Social Research Foundation in order to make amendments in the best interest of the country.
2.8 Connecting with Non-State Actors

Standing and select committees can provide a forum for receiving input from the public, particularly from bodies that represent different minority viewpoints. In these days of widespread cynicism on the values and objectives of MPs as representatives of the people, parliamentary committees can provide an important link in the relationship between the government and the governed. Many individuals, think tanks, CSOs, and private sector groups have an interest in tax and spending issues and their outcomes, and it is important that the views of civil society inform the parliamentary process. For example, the Tanzania Gender Networking Programme has been making the case for greater analysis of the proposed budget along gender lines, pointing out that the budget aggregates frequently disguised significant differences in the impact on men and women. Other CSOs highlight other perspectives that the public may wish to be covered by the budget. Committees may serve as the forum where the views, concerns, needs, and evidence emanating from non-state actors are taken from those outside Government and Parliament.

Lobbying, as captured in the print and electronic media, is also important since many independent thinkers and enlightened minds, including academics, may prefer to present their views on the budget and state of the national economy through the mass media rather than engage with the formal process. In practice, it has been observed that in addition to submitting budget proposals through the formal budget process to the Ministry of Finance and National Planning, interest groups may also use the media to campaign for and against fiscal policy proposals. Some expert opinions suggest that while media campaigns are not frequently used in the budget process, they can become a significant instrument for advocacy on the budget as the media landscape evolves. Informal channels to influence policy positions of MPs, the Cabinet, government functionaries, and bureaucrats are often the direction mode of communicating concerns about the budget preferred by many stakeholders. Stakeholders invite public officials, particularly the President and Cabinet Ministers to different functions and, in the process, put to them all kinds of request that might affect budgetary resource mobilization and allocations.

MPs may therefore complement their analysis of the proposed budget by reviewing articles and stories covered and published in the main national newspapers such as The Citizen and The Nation, and also The East African which focus on the regional perspective in economic policy formulation. The media and informal contacts are thus important sources for MPs who intend to do a good job on budgetary resource mobilization, allocation, utilization, and audit. MPs and the National Assembly are encouraged to cultivate these sources to improve upon their understanding of the needs of citizens in the budget process in their task of ensuring value for money in public sector expenditure.

2.9 Information and Accessibility

In the budget accountability model, MPs must have access to clear and comprehensible information on the budget process. The information should be as transparent and understandable as possible and bear a format that will give a succinct picture of how the system works. Such information is vital to MPs and the wider public, including individuals, civil society, and the media. Such information is especially vital in the area of financial scrutiny which is particularly technical and complicated. It is in the interest of the National Assembly and MPs that documentation providing information on various procedures involved in financial scrutiny is produced to help parliamentarians in their work and explain to the public the avenues that feed into the process.
3. The Budget Process in Tanzania

In this section, the detailed budget process in Tanzania is explained with the aim of helping MPs to identify the principal actors during each stage of the budget process. Understanding the process and recognizing the relevant stakeholders, the motivation underlying their lines of action, and the implementation phase will enable Parliament to ask the appropriate questions at the right time at all stages of the budget process.

The national budget is an annual financing plan for implementing government policy as outlined in National Planning documents and the government’s election manifesto. In an ideal situation, the manifesto of the ruling government should comprise a strategy to deliver what is contained in the national developmental agenda based on the ruling party’s understanding of the national plan and its world outlook. However, it is common to observe governments ignoring existing plans and substituting their own plans with the explanation that satisfactory funding arrangements are non-existent. However, the continuous changing of national plans does not necessarily guarantee funding.

A national budget, as a financing plan, outlines the constraints in the macroeconomic environment and the productive capacity of the economy, the world economic outlook, and socio-political constraints and directives, as for example the directive principles of state policy. In the context of Government policy, the Budget is often described as the most important economic policy of the national government and the blueprint for a nation’s socio-economic policies for each fiscal year. It encompasses what objectives Government intends to pursue, including statement of the priorities of the nation and fundamental and comprehensive indicators of progress with respect to what Government proposes to do.

From the foregoing paragraphs, it can be appreciated that the budget is more than a financing plan or economic blueprint since it is also a political tool that promises to deliver on manifesto promises and to meet the directive principles of state policy as enshrined in the national constitution with respect to rights, equity, and access to state and political power.

Further, the budget is a legal tool since it is always enacted into law and those who implement it are required to adhere to due process, with very little room left for deviation. The formulation of the budget is done in a series of processes linked to a number of activities underpinned by legal and regulatory mechanisms that involve a number of actors and stakeholders. The budget, as a public instrument, is based on a constitutional framework which makes budget formulation and processes a legalized and formalized work cycle starting with policy reviews, preparation of budget estimates, authorization, implementation, control, and accounting. The detailed processes in the cycle are presented in Table 1 and summarized in Figure 2.

What is apparent from the tabular and pictorial representation of the budget process is that the budget is beyond numbers. The real essence of budgets includes concrete policies that are distilled into concrete programs of action which are implemented to improve the welfare of citizens.

3.1 The Legal Framework for Budget-Making in Tanzania

The legal base of the budget is a reference to the body of laws and administrative regulations which govern the budget format, timing, and procedures as well as the allocation of formal powers, responsibilities, and rights in the budget cycle or process.

There are four fundamental principles underlying the laws that form the bedrock of public budgeting, namely:

1. No tax shall be imposed and no money shall be spent without the authority of the National Assembly.
2. Expenditure shall be made only for purposes authorized by Parliament.
3. There shall be a single fund known as the ‘Consolidated Fund’ for receiving and recording all revenues and expenditures, unless otherwise directed by Parliament.
4. All moneys spent from the Consolidated Fund must be accounted for before Parliament.

The laws which regulate the budget are based on the foregoing principles and can be found in four main places, namely the Constitution, the Public Finance Act 2001, the Annual Appropriations Act, and the Annual Finance Act. In addition, the Standing Orders of Parliament provide regulations which guide the conduct of Financial Business in the National Assembly.

3.1.1 The Constitution

The Constitution of the United Republic of Tanzania of 1977 in its Chapter 7 outlines the provisions regarding the finances of the United Republic of Tanzania. The Constitution establishes “he Joint Finance Account” and “the Joint Finance Commission” to analyze inflows and outflows from the Account, mindful of the imperative to ensure with a view to ensuring that the flows do not upset the fiscal systems of the United Republic nor the relations between the Governments of the Mainland and Zanzibar in relation to Financial Matters. The Chapter defines:

1. Consolidated Fund of the Government of the United Republic
2. Conditions for withdrawal from the Consolidated Fund
3. Procedures for authorizing expenditure out of the Consolidated Fund
4. Conditions for taxation
5. Procedures for authorization of expenditure in advance of appropriation.
6. Contingency Fund and virement
7. Public Debt
8. Remuneration of certain holders of public offices to be charged on the Consolidated Fund
9. Controller and Auditor-General of the United Republic

Furthermore, the Constitution indicates that the President has the mandate to direct the relevant persons to prepare the budget (estimates of revenue and expenditure for the United Republic) for each financial year and submit it to the National Assembly for consideration. Once the budget has been approved by the National Assembly, the Constitution provides for the introduction of the Appropriation Bill for the purpose of authorizing the issue from the Consolidated Fund of sums necessary to meet the expenditure for the various activities of the government detailed in the estimates. The Constitution also makes provision for a supplementary budget to be presented to the National Assembly in circumstances:

- where amounts appropriated for a certain purpose are insufficient;
- where it has been necessary to incur expenditure in respect of an activity for which no amounts have been previously appropriated;
- where money has been expended for a certain purpose in excess of the amount appropriated; and
- where money has been expended for a purpose for which no amount was appropriated.

With respect to taxation, the Constitution explicitly states that “No tax of any kind shall be imposed save in accordance with a law enacted by Parliament or pursuant to a procedure lawfully prescribed and having a force of law by virtue of a law enacted by Parliament.”

3.1.2 The Public Finance Act, 2001

The Public Finance Act, 2001, is the principal legal instrument which details processes and expected outcomes of the budget system with regard to revenue, expenditure control, and accountability. It is an Act designed to ensure effective control, management, and regulation of the collection and use of the finances of the United Republic and for enhancing Parliamentary control and supervision of public funds and resources, and for related matters.

The Public Finance Act, 2001 details the duties and powers of the Minister responsible for matters of finance and “the Treasury” which is interpreted to include the Minister and all such officers as may be deputed by the Minister to exercise powers and to perform duties under the Act.

The roles of the Permanent Secretary of Treasury, the Paymaster-General, the Accountant-General, and Accounting officers have all been detailed to include control, management, and supervision of public finances (see sections 5–10 of Act No. 6 of 2001).

The Public Finance Act, 2001, also gives the timeframe as to when (as soon as practicable before the commencement of each financial year) the Minister responsible for Finance, subject to Article 137 of the Constitution, shall cause to be prepared and laid before the National Assembly:

- estimates of the revenues, expenditure and financing requirements for the Government of Tanzania for that year;
- for each vote of expenditure, a statement of the classes of outputs expected to be provided from that vote during the year and the performance criteria to be met in providing those outputs.

The Public Finance Act, 2001, additionally specifies that votes of expenditure contained in the estimates (other than statutory expenditure) shall be included in a bill to be known as an Appropriation Bill which shall be introduced into the National Assembly to provide for issue from the Consolidated Fund of the sums necessary to meet that expenditure and the appropriation of those sums for the purposes specified in the Bill which, when adopted by the National Assembly, becomes the Appropriations Act – the reference document for public spending in the relevant financial year.

The Act also make provision for a Supplementary Appropriation Bill to be presented to the National Assembly during the financial year if it is established that the amount appropriated by an Appropriation Act is insufficient or when a need has arisen for expenditure for a purpose to which no amount has been appropriated by that Act. Indeed, the Public Finance Act, 2001 is specific on what information (i.e. the amount required and the votes of expenditure) should be provided to the National Assembly for the introduction of the Supplementary Appropriation Bill.

Another critical provision of the Public Finance Act, 2001, which Parliament must take notice of is the article on excess expenditure. The Law provides that if at the close of account for any financial year, it is found that moneys have been expended -
a. on any expenditure vote in excess of the amount appropriated for it by an Appropriation Act;

b. for a purpose for which no money has been voted and appropriated; or

c. on any sub-head of an expenditure vote in excess of the sum assigned thereto, the estimates of expenditure for the financial year and to which no further sum has been applied under any provision of this Act or any subsidiary legislation issued under it,

the amount of the excess expended or not appropriated, as the case may be, shall be included in a statement on expenditure in excess which shall be laid before the National Assembly.

The National Assembly is required to pass a motion allowing any excess or any amount expended but not appropriated to stand charged to public funds. Consequent on approval, the sum required to meet such excess is to be included in a Supplementary Appropriation Bill for allocation.

3.1.2.1 Vote on Accounts

Another important stipulation of the Public Finance Act, 2001 is the provision of Law which requires that, subject to Article 139 of the Constitution, if the Appropriation Act has not come into force at the commencement of any financial year, the President may, by Warrant under his hand addressed to the Minister, authorize a withdrawal from the Consolidated Fund for the purposes of meeting the expenditure, necessary to carry on the services of the Government until the expiration of four months from the beginning of that financial year or the coming into operation of the Appropriations Act, whichever is earlier.

The Law specifies a drawing limit not exceeding either the sum specified for such service in the estimates presented to the National Assembly for the current financial year or one-third of the sums provided in the Appropriation and Supplementary Appropriation Acts of the previous financial year, whichever is the lesser. It is also explicitly stated in the Law that the amounts expended in advance of appropriation shall be set off against the amounts respectively provided in the Appropriation Bill when it comes into effect.

The Law also recognizes the challenges with the inflow of resources to agencies of the State and thus, makes provision for the Minister to issue Warrants to the Controller and Auditor General authorizing advances from the Consolidated Fund:

- to special funds if those advances are repayable not later than the end of the financial year in which they were issued

- to public officers, for the purpose of funding approved expenditure, if those advances are repayable not later than the end of the financial year in which they were issued.

3.1.2.2 Duration of Warrant

The National Assembly must be vigilant to ensure compliance with the injunction by the Public Finance Act 2001 that every appropriation by the National Assembly of public funds for the service of a financial year and every Warrant or other authority issued under this Act in respect of any financial year, shall lapse and cease to have any effect at the close of that year and the unexpended balance of any moneys withdrawn from the Consolidated Fund repaid to the Consolidated Fund.

3.1.2.3 Development Project Contracts

The Law also recognizes that funding arrangements, particularly for development projects, may not always fit into the financial year. Consequently, it provides that for the purposes of any development projects which have been approved by the National Assembly by resolution or otherwise, a contract for the supply of goods or services entered into on behalf of the United Republic which provides that any payment is to be made on or after the end of the financial year (first day of the following July), the Minister shall as soon as possible after the signing of such a contract give notice thereof to the National Assembly. Such notices shall specify:

1. the names of the contracting Parties
2. the nature, of the goods or services to be supplied
3. the total amount payable by the United Republic in respect of such goods or services and the date or dates on which payment is to be made
4. the development project to which such contract is referable.

3.1.2.4 Budget Auditing and Assessment

The Public Finance Act, 2001 is clear about the fact that the Controller and Auditor General perform the audit function on behalf of the National Assembly. Section 31(1) mandates the Controller and Auditor General to examine, inquire into, and audit the following accounts of Government:
1. a balance sheet showing the assets and liabilities of the Consolidated Fund
2. a statement of the source and application of funds for the Consolidated Fund showing the revenues, expenditures, and financing of the Fund for the year
3. a summary statement of revenue and expenditure
4. a statement of the amounts outstanding at the end of the year in respect of the public debt
5. a statement of the amounts guaranteed by the Government at the end of the financial year in respect of bank overdrafts, loans, public loan issues, and other contingent liabilities
6. a statement of the amount outstanding at the end of the year in respect of loans issued by the Government
7. a summary statement of Arrears of Revenue for each revenue head being a summary of the Statements of Arrears of Revenue
8. a summary statement of commitments outstanding for the supply of goods and services for each vote at the end of the financial year being a summary of the amount included for such commitments
9. a summary statement of stores and other assets for each vote being a summary of the Statement of Assets
10. such other statements and in such form as the National Assembly may from time to time require.

Each accounting officer is required to prepare and transmit the listed accounts to the Controller and Auditor General within four months of the close of the financial year. The Law seeks to ensure value for money by giving additional powers to the Controller and Auditor General beyond routine audit and control functions. Specifically, the Law requires of the Controller and Auditor General to ensure that economy, efficiency, and effectiveness have not been achieved in the use of public funds and resources. If at any time it appears to the Controller and Auditor General that the State may not have realized value for money with respect to the expenditure of public funds by an accounting officer, the Judiciary or National Assembly, she/he is vested with the authority to disallow the expenditure as a charge on public funds.

In any other case, she/he has the power to interrogate the sum concerned. Expenditure items may be disallowed or interrogated as the case may be by the Controller and Auditor General if she/he suspects:

1. any payment has been made without due authority according to law
2. any irregularity has occurred in the receipt, custody, control, issue, transfer, or delivery of any public property
3. any deficiency or loss occasioned by negligence, misconduct, fraud, or corruption has occurred
4. any failure to observe a policy of the highest thrift has occurred
5. any sum which ought to have been, has not been, brought to account.

To ensure consistency with constitutional provisions on reports prepared by the Controller and Auditor General, all value for money audits prepared by her/him shall be submitted to the President who shall in turn direct the report to be submitted to the National Assembly before its first sitting after the President’s receipt of the report. However, as per Article 143 (3) of the Constitution, if the President fails to direct the presentation of the report to the National Assembly within the seven days of the first sitting after the receipt of such a report from the Controller and Auditor General, then the Controller and Auditor General is empowered to submit the Report directly to the National Assembly.

In all cases where the Controller and Auditor General undertakes a value for money audit because he suspects economy, efficiency and effectiveness have not been achieved in the use of public moneys and resources, the Law empowers the Controller and Auditor General to make recommendations to the Treasury, the appropriate accounting officer, or authority whether it is appropriate that the person or persons involved in the unsatisfactory use of public funds or property should make good the loss or deficiency resulting therefrom and whether disciplinary, surcharge, or legal proceedings, or all of them, should be instituted against the person concerned. This power is rarely used because culpable accounting officers are made to refund the amount misapplied or misappropriated to the State.

The Controller and Auditor General’s power to prescribe sanctions is made more effective by provisions of the Law allowing the Controller and Auditor General or any person duly authorized by her/him in writing, to have access to all records, books, vouchers, documents, cash, stamps, securities, stores, or public property in the possession of any officer or any other person who has received or dealt with public money or property.

It is important to observe that the Law empowers the Controller and Auditor General to undertake this financial task and value for money audit on behalf of the National Assembly. Consequently, it is the duty of the National Assembly to ensure that the Controller and Auditor General is properly and adequately resourced in terms of skilled manpower and logistics to perform this assignment to safeguard resources of the United Republic of Tanzania. Parliament must ensure that the Audit Revenue Fund provided in the Law is established and well maintained. This is against the backdrop of the independence of the Controller and Auditor General provided for by the Law in Section 32 (6) allowing for complete discretion in the discharge of her/his functions and, in particular, in determining whether to carry out an examination and the manner in which such an examination should be undertaken. However, in determining whether to carry out any such examination, she/he shall take into account
any proposals made by the Public Accounts Committee, the Local Authorities Accounts Committee, and any other committee of the National Assembly.

3.1.3 The Annual Appropriation Act

The Annual Appropriation Act empowers the Minister of Finance to draw money from the Consolidated Fund and allocate it to the various votes. It also provides powers for the reallocation of funds between votes. It is significant to observe that the Appropriations Act empowers the Minister of Finance to borrow money by way of loan, advance, and the issue of bills or bank overdraft and on such terms and conditions as the Minister may deem expedient to the tune of the sum appropriated for the fiscal year provided. Such borrowing may be charged to any of the assets of the United Republic, including securities forming part of the Consolidated Fund. The only proviso is that such borrowing must be repaid by the end of the fourth month of the following fiscal year.

3.1.4 The Annual Finance Act

The Annual Finance Act grants powers to the Minister of Finance to raise money by imposing taxes, levies, fees, and charges to raise funds to finance the budget. It must be laid before National Assembly prior to the beginning of each financial year.

A significant part of the Act is made up of the amendments to existing written laws in respect of the collection and management of public revenues. For example, in 2008 the Annual Finance Act introduced an amendment to Income Tax Act 2004, to give effect to the Alternative Minimum Tax. The same Act also amended the Value Added Tax (VAT) exemption list by introducing new items at the request of sugarcane growers whilst removing special reliefs under Item 13 of the Third Schedule to the VAT Act granting these reliefs to entities that held special agreements with the Government so long as that agreement provided for relief from taxation.

In parliamentary parlance, a bill whose primary purpose is to levy taxes or authorize expenditure is a “bill of aids and supplies”.

<table>
<thead>
<tr>
<th>Period</th>
<th>Process</th>
<th>Actors</th>
<th>Outcome</th>
<th>Parliamentary Outlook</th>
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</table>
| November-December | • Formulation of budget policy and resource projections  
• Macroeconomic review by the Budget Guidelines Committee | 1. National Budget Committee  
2. Ministry of Finance and Economic Affairs  
3. President’s Office (Policy & Planning)  
4. Public Service Management  
5. President’s Office (Regional Administration and Local Government)  
6. Sector Ministries  
7. Public Expenditure Review Forum  
8. Development partners | Outline of budget guidelines | If the process is undertaken in a consultative manner with the opportunity for Parliament to be part of the process, the National Assembly stands to have a better insight into the major policy issues and structural problems in the proposed budget. It will also afford Parliament the opportunity to appreciate the ceilings imposed on Ministries, Departments, and Agencies (MDAs). |
| December - January | • Issuance of budget guidelines and the Draft Cabinet Paper for discussion and review by the Cabinet Secretariat, Inter-Ministerial Technical Committee (IMCT) and Cabinet | 1. Budget Guidelines Committee  
2. Cabinet Secretariat  
3. Inter-Ministerial Technical Committee (IMTC)  
4. Cabinet | Approval and issuance of budget guidelines | MPs must obtain copies of the budget guidelines to appraise themselves of the priorities outlined |
<table>
<thead>
<tr>
<th>Period</th>
<th>Process</th>
<th>Actors</th>
<th>Outcome</th>
<th>Parliamentary Outlook</th>
</tr>
</thead>
</table>
| January - March | • Budget Performance Reviews  
• Preparation of detailed plans and targets  
• Identification of activities and costing of inputs  
• Preparation of a 3-year rolling performance-based budget | 1. Ministries, Departments, and Agencies  
2. Development Partners | Submission of draft budget estimates to Ministry of Finance and Economic Affairs for scrutiny | Traditionally, MPs must lobby MDAs to ensure that the priorities of their constituents feature in MDA programs; MPs must also work actively with Local Government Councils to define citizens’ priorities in their respective Districts |
| April - May     | • Scrutinizing of Ministries, Departments and Agencies estimates by the Ministry of Finance and Economic Affairs  
• Development Partners/Donor consultations  
• Public Expenditure Review Consultative meetings  
• Submission of estimates to Cabinet Secretariat, IMTC and then to Cabinet | 1. Ministry of Finance and Economic Affairs  
2. President’s Office (PMS)  
3. President’s Office (Policy & Planning)  
4. Development Partners  
5. NGOs, CSOs, Political Parties and Politicians  
6. Ministries, Departments and Agencies  
7. Cabinet Secretariat | Approval of Budget Framework and Expenditure | MPs must obtain copies of the Budget Framework and expenditure document for information and future reference when they pose questions to relevant Ministers on the floor of Parliament |
| April - May     | • Computerization of budget data  
• Printing of budget books by the Government Printer | 1. Inter-Ministerial Technical Committee (IMTC)  
2. Cabinet  
3. Government Printer | Submission of draft budget to Parliament | MPs must work to ensure the draft budget is consistent with the priorities outlined in the budget guidelines. |
| June - July     | • Review and discussion of sectorial plans and budget by parliamentary committees  
• Presentation of Budget Speech on macroeconomic performance and projections by the Minister for Planning and Privatization/Minister of Finance and Economic Affairs  
• Presentation of the Government Budget | 1. Parliamentary Committees  
2. Ministries, Departments, and Agencies  
3. President’s Office (Policies & Planning) | Approval and Adoption of Budget and Appropriations Act | MPs must work to ensure the draft budget is consistent with the priorities outlined in the budget guidelines before passing the Appropriations Bill |
| July - June     | • Budget implementation | 1. Ministries, Departments, and Agencies | Budget implementation reports | MPs must pose relevant questions to MDAs to ensure that budget implementation remains within approved framework as much as possible |
Figure 2: Stages of the Budget Cycle in Tanzania

1. REVIEW POLICY
   Review the previous planning and implementation period

2. SET POLICY AND UNDERTAKE PLANNING ACTIVITY
   Establish resource framework, set out objectives, policies, strategies, and expenditure priorities

3. MOBILIZE AND ALLOCATE RESOURCES
   Prepare Budget

4. BUDGET AUTHORIZATION
   The National Assembly studies the budget, offers constructive criticisms and recommendations and then passes the Appropriation Bill

5. IMPLEMENTATION OF PLANNED ACTIVITIES
   Collect revenues, release funds, deploy personnel, undertake activities

6. MONITORING of activities and ACCOUNTING for expenditures

7. EVALUATE AND AUDIT
   Appraise effectiveness of policy activities and feed the result into future plans
4. The Role of Parliaments in Promoting Good Governance and Combating Corruption

The aim of this section is to introduce legislators to the governance dimensions of the public finance management process. The emphasis is on the capacity of the government to effectively formulate and implement sound policies that addresses the needs of citizens without necessarily disrupting the productive activities of economic actors whilst minimizing leakages from the budget.

Ensuring the effective management of government financial resources and operational efficiency are key challenges for many countries, including the United Republic of Tanzania. Revenues must be properly assessed, collected, and administered; budgets must be judiciously prepared and executed; fiscal discipline must be maintained; and procurement, accounting, internal control, and intergovernmental fiscal relations must be well managed. These are the issues at the center of the governance equation when it comes to public financial management and the budget process.

The National Assembly which is recognized as a supreme representative institution at the national level is under obligation to ensure not only that the will of the electorate prevails, but also that public money has been equitably raised, efficiently spent, and can be properly accounted for. The important role assigned to the National Assembly in these matters of the budget process is based on the representative character of the institution. As observed in Section 3, the extent of parliamentary involvement in the budget process is continuous and in any one financial year, the National Assembly will be concerned with three different national budgets. While the National Assembly is in the process of considering a newly proposed budget for approval (legislative stage), it will also be monitoring the implementation of the current budget, as well as reviewing the audit of the past budget.

Without a doubt, the MPs Budget Accountability Model discussed in Section 2 suggests that parliamentary influence on budgets is indeed “not an event but a process” which will continue throughout the year in the integrated budget-cycle process. The cycle is summarized in Table 2, and it illustrates financial management functions at each stage and the associated governance challenges. The role of Parliament in the scrutiny and oversight of all the three different budgets which happen to be at different stages of the budget process are equally important and have governance challenges as shown in the table below.

It is a general observation that the National Assembly is active during the legislative stage of the budget process, but largely uninformed during the drafting and implementation stages. Because the Controller and Auditor General is not able to audit public accounts on schedule, the review of audited accounts in the Accountability Committees of Parliament is often seen as too little coming too late.

Table 2: Stages in the Budget Cycle, Financial Management, and Governance Management, and Governance

<table>
<thead>
<tr>
<th>Stage</th>
<th>Financial Management</th>
<th>Governance</th>
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<tbody>
<tr>
<td>Drafting</td>
<td>Planning – defining and costing of policies</td>
<td>Participation</td>
</tr>
<tr>
<td>Legislation</td>
<td>Appropriation – command over resources</td>
<td>Legitimacy</td>
</tr>
<tr>
<td>Implementation</td>
<td>Management, cost effectiveness in revenue mobilization, and application of resources</td>
<td>Efficiency and equity</td>
</tr>
<tr>
<td>Audit</td>
<td>Review and oversight are fundamental to accountability</td>
<td>Accountability, integrity and transparency</td>
</tr>
</tbody>
</table>

In order for the cycle to be complete, it has to operate in a transparent and accountable manner within the national economy. The budget as a unique summary of government policy and legislation that vests considerable power in the implementing authorities. Implementing authorities may abuse their power through the manipulation of the process and the redirection of resources towards political and personal gains. It is therefore imperative that the National Assembly must work conscientiously to use its constitutional power to oversee and advise the government and all its organs in the discharge of their respective responsibilities to ensure that budget implementation is not abused for political and personal gains.

In a situation where many economists have argued for a central control of the budget to avoid the so-called “tragedy of the commons”, the budget process has been seen as overprotected in the past. Ministries of Finance typically operated a top-down budgetary process even though financial management regulations prescribe complementary bottom-up procedures to ensure that the budget proposals reflect the priorities of the sectors and local government areas. In a situation where the bottom-up process is fused into the top-down process and is dominated by the Ministry of Finance, decision-making in the budget process becomes over-centralized.

It has been observed that the centralized operations of the Ministries of Finance are often characterized by significant amounts of discretion which are superimposed on sectorial and local government decisions in the budget-making process. Unfortunately, excessive executive discretion, which in the past was driven by the ‘Washington Consensus’ overemphasized
aggregate fiscal discipline over the other goals of public budgeting, constraining the ability of governments to pursue counter-cyclical fiscal policies in bad time (Santiso 2005 12). The World Bank admits, “the pursuit of aggregate fiscal discipline is often done in such a way as to undermine performance – arbitrarily reordering priorities and devastating service delivery and operational performance more generally” (World Bank, 1998:3).

In the absence of effective parliamentary scrutiny and control, budget and spending outcomes tend to be less transparent, leading to the introduction of off-budget activities. In addition, the amount of discretion exercised by ministers responsible for finance has often resulted in significant divergence between planned and actual expenditure outcomes. Incidentally, the combination of strong central control (monopoly of the process) and high degree of discretion with little accountability is a well-known condition under which corruption is known to thrive (Klitgaard,1998).

According to Transparency International (TI), some of the worst predisposing sites for corruption include areas where institutional checks on power are missing, where decision making remains obscure, and where civil society is thin on the ground. While TI believes that corruption persists or thrives even in jurisdictions where political, economic, legal, and social institutions are well-entrenched, it bears noting that a system with non-existent or deficient institutional checks and balances drives the festering of corruption and fuels the perception of corruption.

To ensure that various financial management functions in the budget cycle, including budget planning, revenue/expenditure allocation, financing reporting, external audit and evaluation, and public accounting, are performed without compromising the governance issues will require significant interaction with civil society groups, the business community, and the public at large. The National Assembly must be positioned to play a crucial role in facilitating this interaction.

### 4.1 Corruption in the Budget Process

The implementation phase in the budget cycle is the phase most subject to corruption and mismanagement. However, continuous health checks using the Public Financial Management (PFM) Performance Measurement Framework devised by the Public Expenditure and Financial Accountability (PEFA) community of practice to benchmark the quality of PFM systems by the National Assembly can motivate the various actors in the process to improve upon PFM performance. PEFA assessments can serve as a common platform for coordinated donor support to PFM reform agenda, including alignment with country systems (see diagram below).

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**Corruption = Monopoly + Discretion - Accountability**

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[Image: Checking the Public Pressure Financial Management System]

- Source: [http://www.pefa.org/about_pefamn.php](http://www.pefa.org/about_pefamn.php)
To minimize corruption in the budget process, the National Assembly must be encouraged to flag the following areas and demand comprehensive reports from major actors in the process:

- procurement, particularly when there is the tendency of fraud – unsystematic, non-competitive, and uncoordinated procurement
- management of intergovernmental transfers, particularly when too much power is concentrated at the Centre
- management of extra-budgetary activities or off-budget items, including special budgets for the judiciary and the National Assembly and special revenue accounts
- preponderance of unqualified staff and weak professional finance ethos among the public finance cadre, including poor compensation and absence of standards for recruitment across government
- existence of high levels of informality and absence of rules and procedures for routine or manual processes or general disregard for rules and procedures where they exist
- absence of records, poor record-keeping in respect of key transactions, or inability to access the information in a timely way for management control or audit
- prevalence of highly inaccurate, untimely, non-user-friendly reporting, recording, or absence of procedures for testing accuracy
- use of non-customized accounting software that bungle automation processes, leaving room for fraud
- absence of controls on spending, goods, stores, and equipment, or absence of segmentation of key duties/roles in the expenditure chain (the latter increases the opportunity for individuals to engage in theft or corrupt practices, while segmentation implies collusion and reduces possibility of detection and prevention)
- excessively complex or rigid procedures that impede routine program operations and create incentives for special spending procedures or rules breaking
- absence of sound, time-bound, explicit plans for using funds (budget or activity implementation plans necessary for management control and accountability)
- excessive fragmentation of funds and procedures for accounting and reporting; and
- unauthorized use of internally generated funds (appropriations-in-aid)

### 4.2 Gender in the Budget Process

Allocations of public money have a direct impact on the way time is spent by different segments of the population, and in particular on the burden of work on women and children. Thus, the purpose of highlighting gender in the budget process is to ensure that budgets and economic policies address the needs of women and men, girls and boys, equitably. A budget must detail gender dimensions that central and sectoral policies are expected to consider. This can only happen when the budget guidelines issued by the Budget Guidelines Committee, Cabinet Secretariat, Inter-Ministerial Technical Committee (IMTC), and Cabinet direct the need for emphasis on gender equity in budget formulation and execution. For example, the budget guidelines could require that all proposals must specify how the outcomes will impact, reproductive health, girls’ education, discrimination against women in the labour market, etc.

Consequently, there is the need to track and evaluate the impact of the budget on the different population groups with emphasis on women’s rights and lives at national, sectorial and local government levels. This process of analyzing budget proposals and outcomes from the perspective of the different members of the household is described as gender budgeting.

Gender budgeting is important because there is evidence that the incidence of public spending affects different members of the household differently. More generally, women and men experience poverty in similar as well as in different ways. What is more compelling is that poverty incidence tends to be higher among women relative to men, with gender inequalities pushing women to the ranks of the poorest of the poor in most communities.

As a recent analysis of economic data has revealed, there is a high correlation between greater gender equality and greater poverty reduction, economic growth and an increase in human rights for women and men, boys and girls. Parliaments and MPs will serve the purpose of the poor better if they insist that Governments relate their spending priorities to the particular needs of poor women and men, girls and boys. Once Governments relate their budget proposals to the needs of the different segments of the population, it becomes easier for MPs to scrutinize the effective delivery of services to the poor.

The ultimate aim of the gender analysis of national budgets is to incorporate gender variables into the models on which planning and budgeting are based. This requires gender disaggregated data and analysis of unpaid and unrecorded work of women. There have been several methodological approaches to do this through the budget:

- gender-aware policy appraisal, which analyzes current policies and programs from a gender
perspective and identifies ways in which these policies (and the resources allocated to them) are likely to reduce or increase gender inequalities

- **gender disaggregated beneficiary assessment**, which evaluates the extent to which programs or services are meeting the needs of beneficiaries
- **gender-disaggregated public expenditure benefit incidence analysis**, which evaluates the distribution of budget resources among women/girls and men/boys;
- **gender-disaggregated analysis of the impact of the budget on time use**, which seeks to show how budget allocations and the services they support affect the ways in which different members of a household spend their time
- **gender-aware medium-term economic policy framework**, which incorporates a gender perspective into the government’s medium-term frameworks for policy development, planning, and budget allocations
- **gender-aware budget statement**, which responds to government reports on the gender-equity implications of public expenditures
- **disaggregated tax-incidence analysis**, which assesses the differential impact of taxation on women and men and the level of revenue raised in relation to the needs and demands for public expenditure

4.2.1 Framework for Gender Analysis

Indeed, to undertake the kinds of analysis referred to above, there must be a clear framework to guide Government and Parliament to ask the right questions when they review budget proposals. An appropriate framework will recognize the fact that like race and ethnicity, gender is a social construct that defines and differentiates the roles, rights, responsibilities, and obligations of women and men. Thus, there will be several spheres when it comes to welfare and issues of poverty reduction basic among which are the capabilities domain, access to resources and opportunities domain, and security domain.

- The capabilities domain refers to basic human abilities as measured by education, health, and nutrition.
- The access to resources and opportunities domain refers primarily to equality in the opportunity to use or apply basic capabilities through access to economic assets (such as land or housing) and resources (such as income and employment), as well as political opportunity (such as representation in Parliaments and other political bodies).

- The security domain, which is defined to mean reduced vulnerability to violence and conflict.

An effective framework is that which aims at the reform of institutions and processes—associated with budget-making—to strengthen the capabilities of the different genders, engender equal access and opportunities while reducing vulnerabilities for all.

4.2.2 Gender Equality, Women’s Empowerment, and Millennium Development Goals (MDGs)

Gender equality and women’s empowerment is the third MDG. It is also recognized that it will be difficult to achieve the other MDGs without the attainment of gender equality. Governments therefore have a moral and legal obligation to achieve this goal.

4.2.3 Seven Priorities to Empower Women

1. Strengthen opportunities for post-primary education for girls while simultaneously meeting commitments to universal primary education
2. Guarantee sexual and reproductive health and rights
3. Invest in infrastructure to reduce time burdens of women and girls
4. Guarantee women’s and girls’ property and inheritance rights
5. Eliminate gender inequality in employment by decreasing women’s reliance on informal employment, closing gender gaps in earnings, and reducing occupational segregation
6. Increase women’s share of seats in national parliaments and local governmental bodies
7. Combat violence against girls and women

4.2.4 Indicators

The Millennium Development Goals include four indicators for tracking progress towards Goal 3 that the national budget must aim to stimulate:

- ratio of girls to boys enrolled in primary, secondary, and tertiary education
- ratio of literate females to males within the 15-24 age bracket
- share of women in wage employment in the non-agricultural sector
4.2.5 Women’s Budgets in Tanzania

Gender Budget Initiative (GBI) is an on-going lobbying program initiated by a coalition of gender and civil society organizations and coordinated by the Tanzania Gender Networking Programme. The introduction of policies of cost-sharing, retrenchment, social spending cuts, and privatization as part of structural adjustment has had a retrogressive impact on gender equity in Tanzania. In this context, GBI aims to analyze macro and micro economic policies and the impact that these policies (including the national budget) have on different social groups in the country.

4.3 Pro-Poor Budget and Good Governance

The budget is a tool for performance accountability of government towards citizens. Thus, a budget that neglects the needs of the poor and deepens inequality is likely to miss the mark when examined from a governance perspective.

The United Nations Division for Public Administration and Development Management, through its Socio-economic Governance and Management Branch (SGMB) which has studied participatory approaches to public budgeting in both developed and developing countries, has demonstrated that successful models of participatory budgeting have a clear advantage in prioritizing resources for the poor, thus underscoring the relevance of this innovative methodology to the implementation of the MDGs (UNDP, 2003).

Box 1: Proposed Indicators for Tracking Progress towards MDG Goal 3

<table>
<thead>
<tr>
<th>Proposed indicators for tracking progress toward strategic priorities for Goal 3</th>
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<tbody>
<tr>
<td><strong>Education</strong></td>
</tr>
<tr>
<td>• The ratio of female to male gross enrollment rates in primary, secondary, and tertiary education.</td>
</tr>
<tr>
<td>• The ratio of female to male completion rates in primary, secondary, and tertiary education.</td>
</tr>
<tr>
<td><strong>Sexual and reproductive health and rights</strong></td>
</tr>
<tr>
<td>• Proportion of contraceptive demand satisfied</td>
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<tr>
<td>• Adolescent fertility rate.</td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
</tr>
<tr>
<td>• Hours per day (or year) women and men spend fetching water and collecting fuel.</td>
</tr>
<tr>
<td><strong>Property rights</strong></td>
</tr>
<tr>
<td>• Lands ownership by male, female, or jointly held.</td>
</tr>
<tr>
<td>• Housing title, disaggregated by male, female, or jointly held.</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
</tr>
<tr>
<td>• Share of women in employment, both wage and self-employment, by tape.</td>
</tr>
<tr>
<td>• Gender gaps in earnings in wage and self-employment.</td>
</tr>
<tr>
<td><strong>Participation in national parliaments and local government bodies</strong></td>
</tr>
<tr>
<td>• Percentage of seats held by women in national parliament.</td>
</tr>
<tr>
<td>• Percentage of seats held by women in local government bodies.</td>
</tr>
<tr>
<td><strong>Violence against women</strong></td>
</tr>
<tr>
<td>• Prevalence of domestic violence.</td>
</tr>
</tbody>
</table>

Source: UN Millennium Project: Task Force on Education and Gender Equality 2005
In 2005, the United Nations Division for Public Economics and Development Management published a book on *Citizen Participation and Pro-Poor Budgeting* that addressed the important issues of citizen government engagement on fiscal policies and its potential to influence budgeting to assist the poor. Whilst highlighting the several challenges associated with civil society participation in the budget process, the book cautions that the direct citizen/government dialogue should by no means be seen as an alternative to the established democratic processes, nor should such a process be seen to be bypassing Parliament. Rather, it should look for options as to how best to complement the existing framework.

Government-citizens dialogue on fiscal processes and public budgeting has been described as ‘Engaged Governance’ by the United Nations Department of Economic and Social Affairs (UNDESA) and is characterized as a normative tool of good governance, a new partnership-building approach that helps mainstream the agenda of the poor into policy-making that is conducive to the achievement of the social and economic agenda of a State, including the Millennium Development Goals. More formally, ‘Engaged Governance’ is defined as an institutional arrangement that links people more directly to the decision-making processes of a State in a manner that does not bypass the institutions of representational democracy but complements it. It is expected that such a process would strengthen people’s capacity to influence public policies and programmes more positively.

Weak governance institutions, entrenched corruption, and a post-colonial legacy of elitist public administration and under-developed human capital conspire to produce least tangible results or yield only marginal benefits to the poor (de Alcantara, 1998). The poor become more vulnerable when governments of many developing countries withdraw or decrease government funding on social sectors, leading to degraded health and education facilities (UNDESA, 2005). Significantly, the poor are powerless and voiceless and, as vulnerable groups, have little or no means to express their concerns and make their voices heard in any effective manner or to recourse to an institutional means to press for their demands. This is where the value of CSOs in stimulating dialogue between Government and citizens has become so indispensable in the public budgeting arena.

It has been suggested that the participation of civil society shifts budgets toward pro-poor taxation and expenditure, provided this participation is bottom-up rather than top-down and provided the aim is to reform rather than bypass an elected legislature. But more significantly, the evidence is that budgets implemented by Governments whose electoral base is the poor will tend to be pro-poor, with or without the participation of civil society organizations. The *Mouvement militant mauricien*, with Paul Bérenger as Minister of Finance in Mauritius who vowed to break away from the secretive practices that characterize budget-making and instituted participatory budgeting, was an example of a progressive party showing the way in pro-poor budgeting.

Consequently, many CSOs are motivated to work towards influencing political parties and, even more importantly, to educate the poor so that they (the poor) understand the implications of existing budgets, and become aware of alternative budgets in order that they can cast their votes wisely in their own best interest during elections (Loxley 2004; Krafchik 2004). UNDESA (2005) contends that a complementary way to accomplish the pro-poor budget goal is to ask parliamentary committees to hold hearings on the budget. In such circumstances, opposition politicians would have the chance to express their views, as would a broad range of civil society organizations, including those which are working on behalf of the poor. Press coverage of these hearings would also help to educate the electorate so that the poor, where allowed to do so, would be able to exercise their strongest weapon—the secret vote.

The paradox is that many participatory processes tend to be a dialogue between the executive and CSOs to the exclusion of Parliaments, thus weakening the legitimacy of representative institutions which have the legal mandate to ensure pro-poor spending. Yet, empirical evidence also shows that traditional institutions of representative democracy and the party system, particularly strong ideological parties, were more successful in promoting pro-poor spending. Thus, UNDESA (2005) concluded that “Participation can have other benefits. Increases in information and greater transparency may make it easier to pressure and embarrass a government that is not pro-poor. Participatory budgeting can serve an important public education function. Combined with a strong auditor general, informed media, and civil society organizations with the capacity to deconstruct current spending patterns, it may yet be a novel pathway to make economic policy more pro-poor.”

### 4.4 Supporting Parliamentary Networks to Minimize Leakages from the Budget

Parliament is the place where diverse interests are represented. MPs, who represent these diverse interests, usually come together in voluntary associations to discuss and promote these causes. Indeed, these voluntary associations often find expression in the formation of networks which may operate beyond Tanzania. Networks of parliamentarians on different subjects can be found at regional and continental levels, and sometimes on the world stage. In this handbook, we introduce one such network, namely the African Parliamentarians’ Network against Corruption APNAC.

Having recognized the cost of corruption and its contribution to the deepening of poverty in the region, MPs have decided to crusade against the canker. They agree that using their oversight powers, legislators in most political systems can play an important part infighting corruption.
4.4.1 What is APNAC?
The African Parliamentarians' Network Against Corruption (APNAC) is Africa's leading network of parliamentarians working to strengthen parliamentary capacity to fight corruption and promote good governance.

APNAC was formed at a regional workshop that was held in Kampala in 1999. At this workshop, participants acknowledged that corruption could best be reduced by a two-pronged approach of strengthening systems of accountability and transparency and increasing public participation in the governance of African countries. They further appreciated the value of maintaining contact with one another, sharing information on the issue of corruption, and reaching out to fellow parliamentarians throughout the continent. Today, the Network embraces hundreds of members organized into national chapters in every region of sub-Saharan Africa.

Goal and Objectives
APNAC's overarching goal is to strengthen the commitment and capacity of African parliamentarians to fight corruption. The Network’s objectives are to:

- build the commitment of parliaments to exercise oversight, with emphasis on financial accountability
- share information on effective practices and lessons learned
- undertake projects to combat corruption
- increase citizens' awareness of the existence of corruption and the harm it causes
- advocate that corruption issues be included in government priorities and programs
- encourage the improvement of state capacity to address matters of corruption promptly
- liaise with global and national civil society groups on all matters of corruption
- mobilize internal and external resources to support anti-corruption projects
- develop linkages among parliamentary oversight committees across Africa
- advocate the ratification of regional and international anti-corruption conventions

General Activities
- Information-sharing through the use of a newsletter and website
- Organizing both in-country and regional workshops
- Participating in anti-corruption workshops and seminars
- Liaising and cooperating with other organizations with shared objectives

APNAC EXECUTIVE COMMITTEE & SECRETARIAT
Following consultations with the new APNAC executives elected in Lusaka, Zambia, in September 2009, the decision to base the APNAC secretariat within the office of the Parliamentary Centre (PC) in Accra was made. The Secretariat headed by an Executive Director and two officers, together with support staff from PC-Africa Office, works closely with the Executive Committee, to provide guidance and input into the Network's programming by extending organizational and technical support to APNAC Chapters for their activities and programs.

National Chapters
APNAC national chapters can be established in countries in which at least one parliamentarian holds APNAC membership. More information about APNAC membership and the formation of national chapters can be found in the APNAC Constitution.

National APNAC chapters currently exist in Benin, Burkina-Faso, Chad, Cameroon, DRC, The Gambia, Ghana, Kenya, Liberia, Malawi, Mali, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Tanzania, Uganda, Zambia, and Zimbabwe. NB:
The seven countries underlined are part of the Africa Parliamentary Strengthening Program (APSP) for Budget Oversight that the Parliamentary Centre program has designed to increase the capacity and authority of select African Parliaments in the budget process.

Membership

1. **Full Members**: These include all sitting African parliamentarians who are committed to the objectives of APNAC.

2. **Honorary Members**: These comprise members of the public, such as anti-corruption experts, former parliamentarians, founding members, or support staff of legislators, with demonstrated commitment to the objectives of APNAC.

3. **Observer Status**: These include donors, international organizations, and other development partners interested in supporting APNAC.

APNAC & GOPAC (the Global Organization of Parliamentarians against Corruption)

GOPAC is the Global Organization of Parliamentarians against Corruption. Although APNAC was established before the creation of GOPAC, APNAC is one of the regional chapters of GOPAC. Arising from a resolution passed at a GOPAC Executive Plus meeting in June 2010, an MP cannot become a member of GOPAC without first belonging to APNAC or another regional chapter.

The Seven Steps to Create a National Chapter

1. Identify a few parliamentarians (approximately 6-12) in one’s country who are committed to fighting corruption and promoting good governance. They should constitute themselves as an Interim Steering Committee (ISC) for the chapter.

2. Each ISC member should recruit a personal network of parliamentarians to bring the total to 30 or more. In this way, an informal network is formed and the task of creating a chapter can be more broadly shared.

3. Identify an NGO that is willing to act as the secretariat. A respected multilateral organization can be particularly helpful in implementing the program of a national chapter (Many national chapters have established a relationship with a Transparency International national chapter and have found this very useful).

4. The ISC then prepares a draft constitution. The APNAC Secretariat maintains a generic draft at the address below.

5. It is useful to have an initiating event, inviting broad participation of parliamentarians to formally create the organization, establish an interim Board of Directors, and discuss priorities.

6. At that event, the Interim Board of Directors should discuss incorporation (i.e. the establishment of its legal status), formal secretarial support, and a program of activities to address the anti-corruption priorities discussed.

7. Procure funds to carry out initial activities, incorporate (establish its legal status), and begin delivering results. In some cases, the APNAC Secretariat can advise on fund mobilization and related matters.

4.4.2 APNAC and the PC/APSP Program

The Parliamentary Centre (PC) has been supporting APNAC programs since 1999 when the Network was created. The initial joint partnership was based on an agreement under the Africa-Canada Parliamentary Strengthening Program that ran between 2003 and 2007. Today, PC continues to support APNAC through the African Parliamentary Strengthening Program (APSP) launched in July 2009. The CIDA-funded program is being implemented with the involvement of seven APNAC
chapters in Benin, Ghana, Kenya, Senegal, Tanzania, Uganda, and Zambia. The two organizations’ shared goals of improving the capacity of Parliaments and governance in Africa will continue to serve as a uniting foundation from which to plan and implement their projects of common interest.

5. Parliamentary Governance of Extractive Industries

Good Governance of the Extractive Sector – a Primer for Tanzanian Members of Parliament

This section provides Members of Parliament with key information and pertinent questions to consider with regard to the governance and legislative framework for the extractive sector. It utilizes the Chatham House Principles of Good Governance of the Petroleum Sector 1 and the associated Norwegian Oil for Development Good Governance Checklist. It highlights the roles of MPs across the extractives value chain as a basis for natural resource governance.

Box 2: What do Petroleum and Mineral Resources mean to you as a Tanzanian?

Petroleum and mineral resources are finite natural assets. If well managed, extractive resources can be transformed to lasting benefits to both present and future citizens. Conversely, extractive resources can spell doom for economic, socio-political, and environmental conditions of a nation. Whether it becomes a blessing or curse to Tanzania depends on the quality of resource governance i.e. the efficiency of the policies and of legal and institutional frameworks. It therefore behooves leadership to exercise prudent resource management. As the second arm of government, the Parliament of Tanzania has a critical role to play in the trilogy of its representative, legislative, and oversight mandates across the extractives value chain.

Table 3: The Good Governance Checklist

<table>
<thead>
<tr>
<th>Governance Principles</th>
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<tbody>
<tr>
<td>1 Clarity of goals, roles and responsibilities</td>
</tr>
<tr>
<td>2 Sustainable development for the benefit of future generations</td>
</tr>
<tr>
<td>3 Enablement to carry out the role assigned</td>
</tr>
<tr>
<td>4 Accountability of decision-making and performance</td>
</tr>
<tr>
<td>5 Transparency and accuracy of information</td>
</tr>
</tbody>
</table>

To achieve this, resource-rich nations need to establish a governance framework that promotes efficient resource management and regulation as well as a predictable fiscal regime. The process from the discovery of a natural resource (using the petroleum industry as an example) to its transformation into benefits for citizens is summarized in the illustration below (Figure 4).

From the illustration, it can be observed that the mere discovery of petroleum resource or the establishment of the so-called geological promise is not sufficient for optimal benefits to accrue to a nation. Rather, a good governance framework that is enabling enough for resource exploration, development, and production to either satisfy local needs or generate foreign exchange for country-wide development must be of prime interest to the nation.

Good petroleum governance requires a long term vision for the role of extractives in national development, which has to be realistic and has to be founded on a sound understanding of the resource base (even as it may imply varying degrees of subjectivity and uncertainty).

5.1 Extractive Sector Governance

What is Extractives Sector Governance and why does it matter?

Extractives Sector Governance refers to the system of making and implementing decisions concerning the exploitation of a nation’s petroleum and mineral resources. It includes the policies and objectives for the sector, the processes of decision-making and communication, the structural and hierarchical organization of the sector, and the regulation of activity.

Extractive resources are finite (or non-renewable), in the sense that once they are taken from their source they cannot be replaced or regenerated. This is the more reason why they require prudent and effective policies, legislations, and institutions to ensure lasting benefits for all the citizens of a nation both today and generations yet unborn. The failure of extractives sector governance can have far-reaching implications for the economy, social development, and political stability of a nation. By the same token, good governance of the sector will increase national wealth, sustainable development, and social stability. These benefits are more likely to be achieved if all stakeholders develop and maintain a common understanding of what good governance requires in practice.

The Good Governance Checklist established by the Norwegian Oil for Development provides 33 primary indicators of good governance grouped under the five core principles as shown in Table 3 below.

1 Good Governance of the National Petroleum Sector Project, Chatham House 2006
2 www.norad.no/en_/attachment/135914/binary/6714?download=true

and the associated Norwegian Oil for Development Good Governance Checklist. It highlights the roles of MPs across the extractives value chain as a basis for natural resource governance.
Be it petroleum or other minerals, if the national policy is based on an exaggerated estimate of the resource base, it would imply the risk of introducing changes to the established economy and social stability of the host country without receiving the expected rewards that would justify the changes and sustain those rewards. On the other hand, if the resource potential is underestimated, the host country could be denied its rightful share of the benefits from its resources (Al-Kasim, 2006).

5.2 Resource Value Chain

The Value Chain, as the foundation for the governance of extractives, provides a comprehensive coverage of all the stages involved in resource management. It depicts how non-renewable resources in the ground can be transformed into improved public welfare. The chain is only as strong as its weakest link because each of the links represents an opportunity to be seized or squandered (Figure 5 below).

Being such an intricate and sensitive sector of strategic interest for nations, the extractive industry requires of parliamentarians to play crucial roles in their representative, legislative, and oversight mandates across the resource value chain – i.e. the decision to extract the resources; negotiation and award of licenses and contracts; regulation and monitoring of operations; revenue management and distribution; and the development programmes/projects thereof.

Parliamentary Functions across the Petroleum Value Chain

The Decision to Extract the Resource

As a first step, the decision to extract resources must be guided by a particular resource policy – petroleum or mineral – which must provide a clear guide on the line of action depending on the resource base. The true volume of the resource base in the underground is an endowment from nature which human endeavor can only influence in a marginal manner. However, different actors in the extractives operations are likely to have divergent interests that color their estimation of the resources. For the benefit of the nation as a whole, it is important therefore to assess the potential as objectively as possible. Ideally, it is in the interest of the host country that this independent and objective assessment is made as early as possible in the licensing process so as to avoid giving away resources on sub-optimal terms (Al-Kasim, 2006). Armed with this knowledge, the nation could
then undertake a dispassionate cost benefit analysis to establish whether it is better off with its oil or minerals exploited or left untapped underground.

**Negotiating The Best Deals For The Resources (Award of Contracts)**

“Award of Contracts” is the first substantive engagement of Parliament in the petroleum governance. Ideally, the award of contracts should emanate from government policy on resource management and licensing of resource rights.

In many countries, Parliament is the body vested with the authority to ratify agreements/contracts, after all the board room negotiations. The key issues that should be of primary concern to MPs at the stage of awarding contracts are: who can explore and exploit the resources; how should such rights be allocated? Experience and best practice across the globe indicate that open access to titles, through a competitive bid process, provides the host nation the best opportunity of assessing prospective companies with diverse experiences and capabilities and of getting best deals. This demands that parliamentarians, especially members of the relevant committees with direct responsibility for petroleum and minerals, should have very good understanding of what such agreements or contracts entail.

Typically, before the ratification of an agreement on the floor of parliament, the committee level assessment will fall in the domain of the Joint Committee of Mines & Energy and Finance. A key consideration for optimal exploitation of resources is the technical capability of the company. This will require that due diligence is followed to verify any claim of competence on the part of the company. If such expertise is beyond the committee’s technical capacity, assistance must be sought from experts with the relevant know-how. Also of great importance are fiscal and non-fiscal benefits as these are what accrue to the nation in both monetary and non-monetary terms. Of particular importance here is the issue of stabilization clauses that tend to preclude companies from the variation of the fiscal terms. Though the host nation is encouraged to provide a stable and predictable fiscal environment as a tool to incentivize investors, this should not be to the disadvantage of the nation. Provisions should be made for the host nation to benefit from all possible gains, including windfalls.

Additionally, safeguards against negative health, safety, environmental, and social impact are to be considered and this will require an input from the parliamentary committee on environment. Often forgotten is the issue of abandonment after the productive years of the oil fields. In assessing agreements, MPs should apply themselves to ensuring that adequate provision is made for the removal of installations either on the seabed or onshore. It is also at this stage that local content issues must be considered. The separate but complementary roles of the State and private sector in the terms of engagement should be clearly spelt out in all agreements and contracts.

Securing all the above would require extra vigilance which Government (of which Parliament is the second arm) alone cannot guarantee. Shrouded in secrecy under the pretext of confidentiality, bad contracts are often kept out of the reach of the public and in so doing, deprive resource-rich nations of their due. Thus, a Contract Transparency initiative is needed to engender the watchdog role of CSOs. Collaboration with CSOs on these issues can enhance the effectiveness of Parliaments in delivering on its mandates.

**Developing The Resources Properly**

Prior to all engagements (contracts & agreements) every resource-rich nation must ensure that the institutional, legal, regulatory, and contractual frameworks are capable of addressing the needs and potential challenges that the petroleum sector presents. It is only within such existing frameworks that the effective monitoring of operations, which is the second stage of the value chain, can occur. The monitoring function is very crucial in ensuring compliance with contractual clauses as well as international standards of operations. Though this may be the assigned role of (a) parliamentary committee(s), in-depth technical knowledge is required to undertake good monitoring. As such, committees charged with that responsibility would require the support of a technically competent team or body. In addition to any other committees that may be established, the Energy & Minerals, Finance, Land and Environment, and Natural Resources Committees of Parliament should see the monitoring function as an important part of their remit.

**Collecting And Maximizing The Revenue**

Revenue derived from extractive resources tends to be the foremost attraction and focus of most resource-rich nations and their citizens. This is because, for both governments and private actors, the discovery of petroleum or minerals comes with the opportunity of reaping big money, either by fair or foul means. Accounts abound of how state and private actors have colluded with foreign interests or local companies to rip resource-rich nations of their due. Big money begets big corruption. Thus, the collection and utilization of petroleum revenues more often than not is the focus of both parliamentary and non-parliamentary interrogations. It is by no means an accident that the global transparency framework, Extractive Industries Transparency Initiative (EITI), has revenue collection and utilization as the target on its radar. Because this has been a commendable initiative in the face of the many challenges posed by the petroleum sector, experts are seeking its extension, across the entire value chain, to all revenue accruing to a nation as there have been many negative antecedents in revenue mobilization. A bad revenue sharing arrangement in a contract means that a nation ends up receiving only the crumbs from its petroleum or mineral resources. The issue of capital flight can become a serious challenge. On matters of transparency, the central role of the Public Account Committee comes into play.

As the primary function of the Finance and Energy & Minerals Committees, the choice of fiscal terms is very important in ensuring optimal benefits to a nation. Such terms must be decided in advance with the general framework legislated into law. The laws should provide clear guidelines on which institution is mandated to

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1 The Specific committees cited in this write-up may vary from country to country.
collect the revenues and spell out the spending/saving ratios. The procedure for budgeting petroleum revenues must be thought through, with the driving principle being the nation's developmental priorities. As a best practice, petroleum revenues featuring in the budget must be ring fenced and tied to specific and identifiable development projects for better tracking. To further the cause of transparency, nations are better off when EITI is legislated and the participation of legislators mainstreamed into the process.

Managing And Sharing The Revenues

Having collected the revenues, the nation now faces the challenge of how to transform them into development projects, i.e. the so-called lasting benefits to the citizens. The bane of many a resource-rich nation is that with big oil money, governments become overambitious and embark on grandiose projects most of which end up as white elephants. Without a clear economic policy and direction, revenue savings and expenditure framework as well as transparent redistribution mechanism, there is a strong temptation and the tendency to use petrodollars to prop up a nation's currency. Higher currency value makes imports cheaper and local products uncompetitive in price terms, thereby distressing exports from other sectors. With the promise of oil money, governments also tend to go on a borrowing spree and invariably ending up with high debts, overconcentration on the petroleum sector, and less investment in alternative production. The cumulative effect of this state of affairs is the crowding out and collapse of other productive sectors, such as agriculture and manufacturing, a phenomenon infamously known as the “Dutch Disease”. In such an environment, corruption becomes a real canker fuelling increased inequality and pauperization.

Achieving Sustainable Development

The panacea to the challenges, as can be deduced from the facts so far, is to get the revenue and expenditure/savings framework right. Then should follow a strong oversight by Parliament through key coordinating committees of Finance, Mines & Energy, Public Accounts, Employment and Social Welfare, Environment, Government Assurance, Local Government and Rural Development which themselves should liaise with other relevant sector-specific committees, depending on what funds are being expended and on what projects are being executed, in order to provide a credible system of necessary checks and balances. This will ensure that procurement practices are transparent and expenditure at the local level provides value for money.

Extractive resources are in themselves not a curse, and since there are many examples, across the globe, of the efficient exploitation/management of non-renewable resources for sustainable national development, it can be concluded that what a nation does with them determines whether they constitute a curse or a blessing.
6. The Role of Parliament in Climate Change

This section introduces the subject of climate change and environmental sustainability in planned developmental programmes. The objective is to remind legislators that countries on the African continent, including Tanzania, are least prepared in terms of responding to natural disaster. Analysis of recent climate trends reveals that climate change poses significant risks for Tanzania. While projected changes in precipitation are uncertain, there is a high likelihood of temperature increases as well as sea level rise. Climate change scenarios across multiple general circulation models show increases in the country averaged mean temperatures of 1.3°C and 2.2°C projected by 2050 and 2100. The sectors potentially impacted by climate change include agriculture; forests, water resources, coastal resources, human health, as well as energy, industry and transport (see OECD, 2003). The potential menace to life looms large on the horizon and thus, can no longer be left to scientists alone. Members of Parliament (MPs), as representatives of the people, have an important role to play in this regard. Consequently, there is the need for MPs to scrutinize budget proposals for their impact on climate change and the environment in order to introduce mitigation measures into projects that are funded by public resources.

6.1 Introduction

One of the biggest environmental challenges faced by humanity today is climate change. Whether one lives in Africa, Europe, or the Americas, severe environmental effects occasioned by changes in climatic conditions are becoming visible and real on a daily basis. From changes in rainfall patterns and drought in the global South to severe winter storms in the global North, weather conditions have become highly unpredictable and have wrought havoc on wealthy and poor nations alike. These conditions play a fundamental role in shaping natural ecosystems, and therefore, on the human economies and cultures that depend on them. To the extent that it causes poverty, affects food security, and has a severe impact on the global economy, climate change, has, in recent years, has been on top of many development agendas. Against this background, the issue has now become a global concern at the intersection of science and culture, policy and security.

As with most issues, the hardest hit population group are the poor, i.e. mostly the inhabitants of developing countries who are predominantly peasant farmers, dependant on rain-fed and rudimentary mechanisms for tilling the land to eke out a living. These are people who are far removed from negotiations in Copenhagen and Cancun and who through no fault of theirs, are at the receiving end of the actions of ‘global polluters’. The only way their conditions can change for the better is if there is a policy shift, if there is a positive intervention from policy makers and the people who represent them. In such a context, it becomes incumbent on MPs around the world to take a keen interest in climate change issues, and to ensure that Governments ratify and operationalize the various global agreements on climate change. They also will need to commit national resources, where necessary, to address the phenomenon and mitigate its negative effects, particularly on poor farmers, who constitute the majority of the populations of developing countries.

The poor and vulnerable need help and it is hoped that MPs will rise to the challenge in order to reduce the impact of what has now clearly become a global development challenge. The role that is envisaged for Parliaments within the climate change agenda stretches from the national and regional to the global levels. It has to be clarified that while the power to mitigate, and adapt to, climate change ultimately lies with the public, Parliament, nonetheless, plays an essential role in representing short and long-term interests, leading the public to effect positive change, promoting green policies, and holding the executive accountable.

6.2 Why Parliament?

In every democratic dispensation, Parliaments perform many important functions, key among which are lawmaking, oversight, and representation. In Africa, as in many emerging democracies, oversight and representation constitute the two functions that citizens cherish the most. At the end of most election cycles, when citizens make decisions as to whether or not to return their representatives to Parliament, critical considerations revolve around how best MPs have performed the dual role of holding the government to account for the resources that it has been entrusted with as well as how best they have served their constituencies. The latter consideration is particularly of cardinal importance. Citizens get pre-occupied with what their MP has done to better their living conditions and alleviate poverty within the community.

Given that majority of citizens in Africa and most of the developing world are peasant farmers who rely on good weather conditions for their livelihood, climate change touches many lives and has a direct correlation with poverty. As earlier stressed, climate change is too important an issue to be left to scientists alone: it is a development issue; it is a policy issue, and it is a security issue. As recently as June 2009, galvanized into action by a proposal from some small developing island states in the Pacific (namely the Federated States of Micronesia, Fiji, Kiribati, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tuvalu, Tonga, Vanuatu, and Nauru), the UN General Assembly unanimously passed a resolution acknowledging that climate change is an issue of international security. This action is the inaugural effort that would allow all UN organizations, in particular the UN Security Council, to address, and react to, security risks linked to climate change. It was one of the first resolutions that unequivocally tied climate change to security concerns.

Climate changes issues have to be thoughtfully debated and regulated but above all, resources have to be put on the table to control it and attenuate its effects. Globally, it is estimated that hundreds of billions of dollars are
required annually for global adaptation and mitigation efforts. This is why Parliament’s role is critical. This global call to action represents a challenge which Tanzanian MPs must also take up.

The National Environment Management Council (NEMC) of Tanzania, first established in 1983 under the National Environment Management Act No. 19 of 1983, has a broad mandate to oversee environmental management issues and also implement the resolutions of the Stockholm Conference (1972) which called upon all nations to establish and strengthen national environmental councils to advise governments and the international community on environmental issues. The mandate of the NEMC was invigorated with the enactment of the Environmental Management Act No. 20 of 2004 (EMA, 2004) by Parliament in October 2004. The new Act repealed the National Environmental Management Act No.19 of 1983 and re-established the NEMC, providing for a legal and institutional framework for the sustainable management of the environment, prevention and control pollution, waste management, environmental quality standards, public participation, environmental compliance and enforcement. The EMA, 2004, empowers the NEMC to undertake enforcement, compliance, review and monitoring of environmental impact assessments, and research, facilitate public participation in environmental decision-making, raise environmental awareness, and collect and disseminate environmental information. The NEMC which is under the office of the Vice-President has enough political clout to collaborate effectively with regional administrations and local government authorities to pursue an aggressive policy design, monitoring and, evaluation that can of benefit of Tanzania.

6.3 Institutional Structure

How is the responsibility for climate change reform assigned? Currently, governments have organized both the legislature and the executive to address climate change issues. But should certain entities be designated to develop, implement, or scrutinize climate change policies and programs in Tanzania. Such possibilities include forming intra-governmental commissions, parliamentary select committees or standing committees, and particular ministries or departments. Oversight responsibility can include consolidated agencies with independent sources of funds, skilled staff, and the power to formulate and enforce policy, or independent advisory boards that make recommendations to and advise Parliament. These can be in the form of Legislative Budget Offices (LBOs), Public Accounts Committees (PACs), and Supreme Audit Institutions (SAIs). It is important to ensure that there is a well-functioning organizational structure in place to facilitate adaptation and mitigation policies and programs at the national level as well as in decentralization efforts. Examining the structure of other countries in this respect can provide some insight into systems that have or have not worked.

Please refer to Box 3 for a brief model of the UK system.

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**Box 3: Enhancing Government Accountability for Climate Change in the United Kingdom**

By restructuring and establishing the institutional machinery for climate action, the United Kingdom has also deployed measures that increase the government’s accountability for delivering results. The United Kingdom:

- Passed a climate change bill that provided a statutory foundation for the official UK CO2 emissions targets in the short, medium and long term, through five-year carbon budgets that set annual levels for permissible emissions. Three budgets spanning 15 years will be active at any given time, presenting a medium-term perspective for the evolution of carbon emissions throughout the economy.
- Designated a lead agency for climate change—the Department of Energy and Climate Change.
- Formulated in Public Sector Agreement 27 the accountability of the Department of Energy and Climate Change to the Treasury for various policy objectives and set delivery targets to measure performance in implementing them. The targets include specific steps to reduce the total UK emissions, increase the sustainable withdrawal of water, and reduce the CO2 intensity of the UK economy.
- Established a committee on climate change as an independent expert advisory body that can recommend to government ways to achieve targets. The committee reports annually to parliament and government is required to reply formally. Every five years, the committee will offer a comprehensive assessment of the country’s overall progress toward the long term targets.

Source: 2010 World Development Report
6.4 The National Adaptation Programmes of Action (NAPA)

The National Adaptation Programme of Action (NAPA) is “a process aimed at helping Least Developed Countries (LDCs) to identify priority activities that respond to their urgent and immediate needs to adapt to climate change”. It was created by the United Nations Framework Convention on Climate Change to help in the adaptation of the present undesirable effects of climate change in order to decrease future adverse impact.

The NAPA seeks to identify and tackle eminent environmental gaps, which would have adverse consequences at a later stage. It focuses on using existing policies, laws, and information, without further research being undertaken. For these programmes to be efficient and effective, they require the country's active participation and involvement. Further, they should be informed by the peculiar circumstance and situation of a country and even more importantly, they should be flexible and couched in simple language for them to be easily understood by the general public and policy makers.

As of November 2010, the United Nations Framework Convention on Climate Change (UNFCCC) secretariat had received NAPAs from 38 Least Developed Countries (LDCs). Preparation for NAPAs requires information gathering on the assessment of current climatic variability and the identification of areas that would be affected during climate change. Shortlisted activities are then prioritized for urgent and immediate adaptation and implementation.

To help facilitate the implementation of NAPAs in the global South, the Least Developed Countries Fund (LDCF) has been established by the UN. LCDs are able to access funds from the LDCF through the UNFCCC secretariat. LCD parties first have to identify priority activities, programmes, and projects under NAPA, before submitting their NAPA application which is later posted on the UNFCCC website. This then enables the LCD party eligible to apply for funds for the implementation of the NAPA from the LDCF.

The LDCF is managed by the Global Environmental Facility (GEF), which then works with governments in the planning, development, and implementation of the NAPA. The funds acquired through the LDCF are then used to implement the policies to help in the decrease of climate change. Parliaments are required to play a very vital role in countries joining NAPA. The benefits of NAPA to the environment are tremendous.

6.5 The Functions of Parliament and Climate Change Reform

6.5.1 Oversight

In the distribution of public funds, international aid, or resources for investment in renewable energy, resources for programs that address climate change adaptation and mitigation efforts both nationally and internationally, Parliaments are in a powerful position to influence the results. There are a number of mechanisms which Parliament can employ to scrutinize the executive regarding budgets, procurement, programs, and policy implementation. Scrutiny of climate-related financing can be done either ex-ante or ex-post through parliamentary select or standing committees, - particularly PACs, enquiries requiring a government response, question periods, debates, and hearings. Independent information can also be obtained through Legislative Budget Offices.

Of prominent importance is the effort by SAIs to conduct environmental audits.

Environmental auditing conducted by SAIs are non-political, independent evaluations of Government’s response to various environmental concerns. Environmental auditing has been attracting increasing attention from the world’s SAI community since the 1970s as a response to increased government awareness and concern for a deteriorating environment and corresponding influence of human behaviour. Under the auspices of the International Organization of Supreme Audit Institutions (INTOSAI), a Working Group on Environmental Auditing (WGEA) was launched in 1992. With over 70 member SAIs, it seeks to improve the use of audit mandate and policy instruments related to environmental protection, facilitate joint auditing as well as knowledge sharing between SAIs, collect a comprehensive database of over 2,000 environmental audits conducted globally, and promote the audit of international environmental agreements.

There are different types of audit, including financial, compliance, performance, and a priori (in some cases), which focus on the legality of the transactions. However, environmental auditing requires special skills that auditors, and in turn Parliament, should possess in order to develop, effect and understand an effective audit. Specific information of national and regional dimensions on current and projected impacts of climate change is, of course, indispensable to an effective environmental audit.

Environmental audits can utilize a sector-oriented, all-sector, or policy-based approach and can address mitigation or adaptation to climate change. Mitigation audits can employ all forms of auditing, including financial, compliance, and performance audits. All these reflect the response of Government towards reducing the level of Greenhouse Gas (GHG) emissions as indicated in the UNFCCC and corresponding Kyoto Protocol. Criteria for mitigation audits may include these international accords depending on which category the SAI’s country falls under.
Adaptation audits, on the other hand, are still in the nascent phase in most countries and do not have clear cut targets. They can measure a country’s adaptive capacity and the current and projected climate change impacts on the country, at national and local levels. Understanding the baseline and formulating targets for adaptation methods may stem from the SAI conducting an assessment of the current situation, including collaboration from civil society organizations and other SAs in the region. Moreover, adaptation applies to the level of government disaster preparedness related to climate change and extreme weather events which at once threaten livelihood, health, sanitation, agriculture, natural resources, and the economy. Although the UNFCCC encourages LDCs to formulate NAPAs as well as address particularly vulnerable communities and sectors in adaptation activities, standards by which to audit adaptation are difficult to design. Nonetheless, organizations, such as INTOSAI’s WGEA, have developed suggested standards in many of their publications.

There are clear advantages to be derived from environmental audits in oversight activities. If a government has signed international climate change agreements, including the UNFCCC and Kyoto Protocol, Parliament can ensure signatories comply with the commitments and targets with respect to reporting, mitigation, adaptation, technology, funding, and research. Parliament can also oversee Government’s programs by scrutinizing climate change-related budgets for corruption or fraud and also by ascertaining whether resources are being used effectively, efficiently, and in accordance with relevant laws, regulations, and standards. A particular subset of this effort is the scrutiny of financial allocations and expenditures as they relate to efficient and effective use of climate change-related aid.

6.5.2 Lawmaking

The legislative process allows Parliament to exert significant influence on climate-related policies, particularly climate-smart development policies, by inscribing targets and objectives into law. Passing bills can affect mitigation, for example by instituting legislation that reduces greenhouse gas emission and increasing and maintaining carbon sinks. Adaptation policies can encompass risk analysis and communication, disaster risk reduction, climate migration, and coordination with relevant Millennium Development Goals.

Policy design is an important part of climate change-related legislation. Should policies be sector-based? Or should they be based on a country’s NAPA? Policymakers should further strive to include co-benefits of climate change-related policies in order for the public to appreciate that it is not only the climate, but the society as a whole which gains from these interventions. Green fiscal policies can incorporate laws that impose some level of carbon emission and energy taxes on industry and channel revenue so generated into social protection programs. Legislators can also ensure that short-term climate change-related policies yield other concrete benefits to the public, such as job creation or improved health (air or water quality), so that citizens can see a return on their investment.

Climate change policies can include the promotion or development of energy-efficient projects, the transfer of energy from fossil fuel-based or renewable sources, and investment in the public sector or subsidies provided to the public sector for the promotion of climate-friendly research and technology (low-emission cars, solar-powered electricity, or wind technology, for example). Refer to Table 4 for examples of national policy priorities related to climate change innovation. Parliaments can also strengthen public or private insurance schemes to improve disaster preparedness in the case of extreme weather events.

Case Study: Uganda’s Environmental and Natural Resources: Enhancing Parliament’s Oversight (2010)

In a bid to increase Ugandan legislators’ awareness of the topical question of the environment and give them an insight into the key environmental issues at play in Uganda and elsewhere as well as motivate them to formulate relevant policies and laws to protect the environment, a handbook entitled “Uganda’s Environmental and Natural Resources: Enhancing Parliament’s Oversight” (2010) was issued by Parliament.

In Uganda, agriculture is a major contributor to the economy as it accounts for 25% of its Gross Domestic Product (GDP) and over 50% per cent of its overall yearly exports. This handbook, sought primarily to draw the attention of legislators to the adverse effects of climate change on the livelihood of the majority of Ugandans, who actively rely on the environment’s natural resources. It also examines how to enhance funding for environmental management, taking into consideration that the allocations in the Ugandan national budget for the management of the environment has decreased from 4.9% in 2004/2005 to 2.4 % in 2008/2009.

The handbook studies the various environmental natural resources and activities like agriculture, energy, fisheries, forest, lands, oil and gas, pollution, tourism, water, wetlands, and wildlife. In addition, it gives a brief descriptive insight into the various environmental resources mentioned above and how they are affected by industrialization and poor environmental practices. Finally, it shows how adequate funding and the implementation of policies and laws by legislators can curb the effects of environmental degradation.

Specifically, the handbook recommends various actions for legislators:

1. The implementation of the National Adaptation Programme of Action (NAPA)
2. The imperative to prioritize the environment and its management in national planning and budget allocations
3. Increase in funding for research into the improvement of techniques and methods in the agricultural and production sectors
4. Funding of education and mainstreaming important environmental issues into sustainable development programmes and projects

5. Drafting of strict environmental policies and laws to help protect the environment

6. Ensuring unbiased and strict punishment for individuals and corporate bodies that break these policies and laws.

Beyond the legal and moral responsibility of legislators the world over, those of Tanzania necessarily included, to ensure adequate financing for the implementation and enforcement of environmental policies, there is the need for them to develop an active interest in environment-related issues. This would help orientate them towards reading about and researching into existing policies from other parts of the globe which have proven to be effective. These best practices could serve as benchmarks for the local/national planning, implementation, and enforcement of new policies and laws, in a concerted global effort to save the universe.

It is too early to speak of the impact of the Ugandan experiment but it is certain that the availability of more information to these influential groups of parliamentarians will make a difference as the country works to change attitudes towards the issue of climate change and environmental management.

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Table 4: A Typology of Climate Change Policies by Level of National Income

<table>
<thead>
<tr>
<th>Key National Policy Priorities for Innovation</th>
<th>Main Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Countries</strong></td>
<td></td>
</tr>
<tr>
<td>Low-income</td>
<td>Invest in engineering, design and management skills; Increase funding to research institutions for adaptation research, development, demonstration, and diffusion; Increase links between academic and research institutions, the private sector, and public planning agencies; Introduce subsidies for adopting adaptation technologies; Improve the business environment; Import outside knowledge and technology whenever possible.</td>
</tr>
<tr>
<td>Middle-income</td>
<td>Introduce climate-smart standards; Create incentives for imports of mitigation technologies and, in rapidly industrializing countries, create long-term conditions for local production; Improve the business environment; Strengthen the intellectual property rights regime; Facilitate climate-smart foreign direct investment; Increase links between academic and research institutions, the private sector, and public planning agencies</td>
</tr>
<tr>
<td>High-income</td>
<td>Introduce climate-smart performance standards and carbon pricing; Increase mitigation and adaptation, innovation and diffusion through subsidies, prizes, venture capital incentives, and policies to encourage collaboration among firms and other sources and users of climate-smart innovation; Assist developing countries in enhancing their technologically absorptive and innovative capacities; Support transfers of know-how and technologies to developing countries; Support middle-income country participation in long-term energy RDD&amp;D projects; Share climate change-related data with developing countries.</td>
</tr>
<tr>
<td>All Countries</td>
<td>Remove barriers to trade in climate-smart technologies; Remove subsidies to high carbon technologies Redefine knowledge-based institutions, especially universities, as loci of the diffusion of low-carbon practices</td>
</tr>
</tbody>
</table>

6.6 Recommendations and Practices to help Parliamentarians in Environmental Policy Making

Without a doubt, Parliaments play a truly instrumental role in policy formulation and the enactment of laws. Their ability to play this role effectively is a function of their intimate understanding of their duties and obligations. This has been a challenge to most African legislatures, that of Tanzania being no exception.

While it is true that Parliaments need support to build their capacity, there are numerous 'simple' things that they can do to 'help save the environment.' The following are a few recommendations to help them in their role to promote and sustain the effectiveness of environmental policies and laws.

Parliaments should:

1. Make funds available for further research into, and education on, environmental degradation and management

2. Ensure the implementation of, and compliance with, all international environmental conventions to which their countries are signatories.

3. Strengthen the role of key stakeholders such as the United Nations Environmental Program (UNEP), Non-Governmental Organizations (NGOs), and corporate bodies in environmental policy formulation and implementation

4. Engender environmental programs through the active involvement of women, the exploitation of their experiences, and the valorization of their knowledge

5. Actively participate in all international events on the protection of the environment, while mainstreaming environmental issues into programs on sustainable development

6. Staunchly insist that their governments honor international sustainable developmental commitments

7. Ensure that those countries that have not ratified the Kyoto Protocol do so in order to help curb global warming

8. Push for legislation that encourages the development of environmentally-friendly products and use of green methods in production

9. Encourage their governments to sign and implement the United Nations Conventions to combat desertification (1991)

10. Design mechanisms for the independent monitoring and verification of performance towards the enforcement of environmental policies and laws.
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