

**REPORT ON THE BUDGET ANALYSIS AND TANZANIA'S PARTICIPATORY
PUBLIC EXPENDITURE REVIEW – REPOA/WORLD BANK INSTITUTE –
JANUARY 20-23, 2004**

REPOA, in collaboration with the World Bank Institute's (WBI) Attacking Poverty Programme, conducted a four-day training workshop on Budget Analysis and Tanzania's Participatory Public Expenditure Review (PPER).

The objective of the workshop was to enhance capacity in budget analysis for civil society organizations (CSOs). Topics included key principles and tools, practical exercises in analysing Tanzania's budget, skills for understanding, processing and analysing data, and feedback on good international experiences with civil society budget analysis and advocacy. In addition, sessions covered revenue analysis, entry points in the budget process for CSOs, and practical sessions focusing on the health, education and water sectors, and the Tanzania experience.

Workshop participants were exposed to key principles, tools, and practical exercises for analysing Tanzania's budget. There was also an opportunity for the exchange of experiences among CSOs on participation in the annual PER.

Strengthening the Participation of CSOs in Budget Analysis and PPER

Civil society organizations (CSOs) in Tanzania have become more actively engaged in the PER process over the past few years. Tanzanian CSOs act as conduits for grass roots concerns to reach policy level. CSOs provide valuable contributions to the sectoral working groups in their areas of expertise and, progressively, to overall macroeconomic and structural issues.

To enhance the contribution of CSOs to the PRSP process, there is still a need and an expressed wish for capacity building among advocacy NGOs in the areas of budget processes and analysis as well as in monitoring and evaluation of poverty-reduction strategies and general economic literacy.

The training aimed to enable CSOs to effectively participate in Tanzania's yearly participatory public expenditure review (PER), the process that provides a unique opportunity for civil society to discuss macro-economic, fiscal, and sectoral issues with policy-makers and donors.

The Workshop

Twenty-eight participants attended the Budget Analysis and PPER workshop in Dar es Salaam. Sixteen local and international resource persons delivered the training, and we were honoured by four guests: Hon. Anne S. Makinda, Member of Parliament, Marc Denys of the Belgian Government and Uta Hanssen of the Danish Embassy, and Judy O'Connor, Country Director of World Bank for Tanzania and Uganda. Jeff Thindwa, Allistair Moon, and Rosa Alonso coordinated the programme for WBI, assisted by facilitator Chris Pain, for WBI.

Time was provided for the exchange of experiences among Tanzanian civil society organizations regarding their participation in the PPER process. Finally, the agenda fostered dialogue among central and local government representatives, district officers, CSOs, and the media regarding their respective roles in the PRS and budgeting processes.

Action Planning

At the end of the workshop, participants compiled a summary of lessons learnt during the workshop into suggestions and action plans for improved links between the PRS, sector

strategies and budgets through the PRS and the PPER processes. The action points and plans are shown below:

Action Points – CSOs

Actions:

- Establish / promote discussion to disseminate info and collect feedback on PRS / budgeting at regional and district level
- Assess sources of revenue and their real costs, both now and in the future (national level)
- Pass on learning from this training to wider PER sector working groups
- Revisit budget guidelines in sector to see what is relevant to disseminate, disseminate and get feedback – feedback to PER working group.

Training Needs:

- Training on budget tracking at regional and district levels (CSOs and Local Government)
- Forum or training on how to be more effective in PER working groups (sharing experiences).

Local Authority Group

Actions:

- Extend capacity building to other local authorities staff
- More deliberate measures to be done by central government to capacitate the grassroots people to really know what poverty is, who is poor and how to curb the situation (PRS)
- The priority budget ceilings in budget process should be set by the central government after having proposals from the regional secretariat
- All NGOs, CSOs working with the Local Government Authorities (LGAs) need to be transparent in the budget process. The issue should be a two-way traffic.
- The community participatory planning on Opportunities and Obstacles to Development (O&OD) as a tool of planning should be carried out simultaneously in all districts so as to have effective monitoring and sustainable as well
- The Central Government and Donors should first compromise with LGAs to the priority areas where the donors may allocate their respective funds.

Training Needs:

- Local government staff to be capacitated on how to mainstream O&OD exercise within their locality

Media Group

Actions:

- None Identified
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Training needs:

- Course (short) on principles of economics
- Training on Information, Communication and Technology (ICT)
- Course on investigative journalism (for accountability)
- Making journalistic sense out of statistics
- Course on budget tracking, monitoring and evaluation (for journalists).

Course Programme

Day One—Tuesday, January 20, 2004

Course Opening—Dr. Servacius Likwelile, VPO; Alistair Moon, WB; Joseph Semboja, REPOA

Tanzania's PRS and Participatory Public Expenditure Review – This session presented an overview of Tanzania's PRS—its origins, key goals, targets, indicators, and strategies. It then focuses on the PRS review process and on how it will involve PPER working groups. Finally, it addressed the link between the PSRP, the PPER and the budgeting processes, including at the local level. (Dr. S. Likwelile and Mr. Nashon Magambo)

The PRSP, the Participatory Public Expenditure Review and the Budget-an Overview – This session aimed to outline links between the PRSP process, the participatory public expenditure review, and the budgeting process and how they could be strengthened. The presentation drew from Tanzania's 2003 PER as well as the latest PPER cycle. (Alistair Moon, World Bank)

Enabling Environment for Participation and Accountability—Focus on the Role of Information – The first part of this session dealt with the elements necessary for creating an enabling environment for access to information from a social accountability perspective. The second part will provide a Tanzanian practitioner's perspective on key information sources for participation in PRS and PPER processes as well as highlight shortcomings with access to information (access proper, timeliness, quality and user-friendliness of information) and offer suggestions on how to overcome these obstacles. (Jeff Thindwa, World Bank and Rakesh Rajani, HakiElimu)

Tanzania's Budget Cycle – This session provided an overview of the budget cycle in Tanzania at the central as well as the local levels focusing on key stages, key actors, timing and on how the central government's budget cycle fits with the PPER and PRS cycles and how the central and local government budget cycles connect with each other. This session will also aimed to clarify the role of and interconnection between the budget guidelines, MTEF, the local budget guidelines and the District Planning process. (Nashon Magambo, Ministry of Finance and Joseph Mallya, Local Government Reform Programme)

Day Two

The Budget Cycle in Tanzania, Issues Relating to Local Government

This session presented an overview of the budget cycle in Tanzania at the local level focusing on key stages, key actors and timing. Aims were to clarify the role of and interconnection between budget guidelines, MTEF, the local budget guidelines and the District Planning process. (Joseph Mallya, PO-RALG)

Entry Points for CSOs to Influence the Budget Processes-International Experiences

This session was aimed at sharing international experiences regarding available entry points for civil society to influence key policy-making processes, with a focus on influencing the budget. (Jeff Thindwa)

Entry Points for CSOs to Influence the Budget Process in Tanzania

This session presented an overview of entry points for CSOs to influence the budget process in particular through participatory PER process.

(Panel: Rosa Alonso and Chris Pain – World Bank Institute, Mary Rusimbi – TGNP, Uta Hanssen – Danish Embassy)

Key Elements of Budget Analysis from a Macro-Economic Perspective

This session was aimed to raise awareness among participants of the main implications of the various forms of funding government expenditures (revenue, grants, domestic and foreign debt and inflation). It featured a brief introduction to budget analysis for non-economists followed by a presentation on key elements of macro-economic analysis focused on Tanzania's budget.

(Rosa Alonso, Joseph Kiraiya, Ministry of Finance)

Day Three

Revenue Analysis-Focus on Revenue for Local Authorities in a Decentralizing Context, and Inter-Governmental Fiscal Relations and Local Revenue in Tanzania

A brief introduction to the basic principles of revenue analysis. Continued with an exploration of basic principles of revenue management in a decentralizing context. In particular, touched upon the following questions: what is the impact of various formulas of central government transfers and the role of own revenue on fiscal autonomy, adequacy, and reliability of revenue flows, and income distribution across regions? How do various formulas of local government financing affect citizens' ability to hold local government accountable? It incorporated key issues in inter-governmental fiscal relations in Tanzania, and the role of local government revenue in the context of fiscal decentralization and PRSP implementation in Tanzania.

(Mugisha Kamugisha – Ministry of Finance and Joseph Mallya – PO-RALG)

Revenue Analysis— This module was aimed to familiarize participants with key issues in inter-governmental fiscal relations in Tanzania. It featured a presentation on the role of local government revenue in the context of fiscal decentralization and PRSP implementation in Tanzania. Resource persons presented the perspective of local and central government respectively on current issues and challenges in revenue generation and management in Tanzania.

(Joseph Mallya and Mugisha Kamugisha)

What we have learned to date – Recap and Further questions. This session reviewed and discussed some of the issues that have been raised to date, including The PRSP, PPER and the Budget; Enabling Environment for Participation and Accountability and the Role of Information; Entry points for CSOs to Influence the Budget Cycle; Key Elements of Budget Analysis from a Macro-Economic Perspective; Revenue Analysis and Local Government.

(Panel)

Public Expenditure Analysis—From Plans to Budgets to Expenditures

This session aimed to familiarize participants with the key stages of public expenditure from planning to budgeting to execution, as well as with some key tools for monitoring the process at its various stages.

(Rosa Alonso and Chris Pain – World Bank Institute)

Day Four

Working Groups on Public Expenditure Analysis – Group exercise aimed to give participants some hands-on experience in public expenditure analysis. The exercise used budget materials provided by Tanzanian resource people.

(Chris Pain)

Sectoral and Cross-cutting Issues Working Groups – Aimed to share the experience of CSOs in the participatory public expenditure review working groups in influencing the budget and PRS processes to enhance government accountability. Working Group exercises were presented, but each working group RP was free to structure the exercise, as they deemed best.

- Introduction to analysing sectoral and cross-cutting issues in the PPER context
- Practical exercise to compare the PRS, sectoral (or cross-cutting issue) strategies MTEFs and the budget for consistency.
- Role-play exercise of advocacy during a PPER working group meeting in order for participants to view the process from the perspective of the other players involved.
- Discussion on lessons learnt from the exercises and tips from resource person, based on his/her experience in PPER WGs.
 - Sectoral WGs: water, education and health
 - Crosscutting issues WG: macro-group representing vulnerable peoples.

(Kate Dyer/Maarifa ni Ufunguo - Education; Dr. Faustin Njau/MoH- Health; Dominick De Waal/Water Aid - Water; Martine Billanou/Save The Children – Crosscutting Issues)

Action Planning

This session aimed to integrate the daily lessons learned during the workshop into action plans for improved links between the PRS, sector strategies and budgets through the PRS and the PPER processes. It also aimed to outline potential channels for improved communication between Parliament and CSOs.

Workshop Closing: Joseph Semboja-REPOA; Rosa Alonso-WBI; Judy O’Connor-World Bank; Marc Denys-Belgian Government