



ZIMBABWE PARLIAMENT BUDGET OFFICE.

*Presented by Pepukai Chivore, Senior Analyst, Macroeconomic Policy,
Parliament Budget Office, Zimbabwe*

GLOBAL NETWORK OF PARLIAMENT BUDGET OFFICES ASSEMBLY

5 JUNE 2017

OTTAWA, CANADA

ZIMBABWE PBO



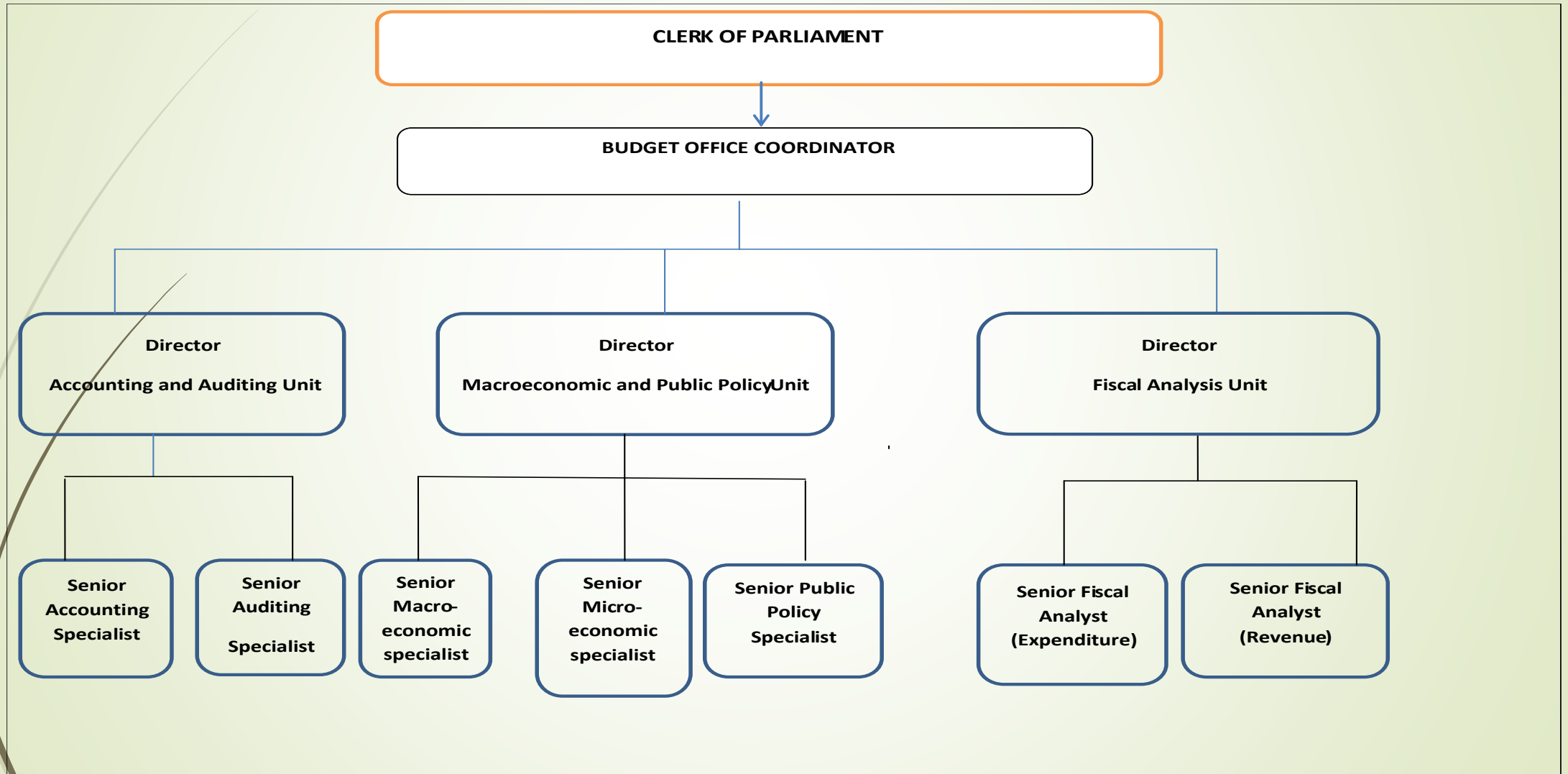
- Established as part of Parliamentary reforms
- Began operations on the 1 September 2016.
- Established in terms of Section 154(4) of the of the Constitution of Zimbabwe which provides that; *“The Committee on Standing Rules and Orders must appoint such other staff of Parliament as it considers necessary.”*
- This constitutional provision gave Parliament the operational autonomy and independence to appoint Staff of Parliament to actualise the proposed functions of the Parliament Budget Office

STAFF COMPLIMENT



- Parliament resolved to adopt a phased introduction of the budget office
- Engaged 2 Senior Analysts (Macro-economic Policy & Accounting and Auditing)
- Prioritization motivated by the apparent realisation that most of the work of Committees revolves around an objective analysis of how public resources are being expended and whether the development and implementation of macro-economic policies is in line with the dictates of national interest.

STRUCTURE OF ZIM PBO



MANDATE



- To provide independent, objective and professional advice and analysis to Parliament on matters related to the budget, economic policy and money bills.
- PBO also carries out targeted quantitative and qualitative research on issues relevant to Parliament's legislative, representative and oversight roles.
- PBO prepares simplified briefs on budgets and other economic issues concepts for the benefit of MPs, media, civil society and the public in general
- Technical support unit to the Parliament and its Committees on budget and financial matters regarding analysis of audit reports, macro-economic and micro-economic policies as well as monetary policies.

Other reforms



- Parliament has undergone through comprehensive reforms since 1996.
- The reforms began as an ad-hoc process, whose objectives were later formalised within committees, such as the Parliamentary Reform Committee (PRC) and later the Liaison and Coordination Committee (LCC).
- Section 141 of the Constitution of Zimbabwe which provides that:
“Parliament must: -
 - a) Facilitate public involvement in its legislative and other processes and in the process of its committees;
 - b) Ensure that interested parties are consulted about Bills being considered by Parliament, unless such consultation is inappropriate or impracticable...”

Budget formulation reforms



- Public consultations to solicit the views of the public on the ensuing budget
- Pre-budget seminar where Min. of Finance receive submissions from Parliament (Nov)
- Committee Chairs (19 of them) & Members of the Finance (Budget) Committee meet Minister of Finance to discuss and build consensus on priorities for the ensuing Budget (Nov).
- Post budget seminar to reflect on the budget before debate(early January)
- Post-Budget Consultations where MPs receive comments from the public on the National Budget Statement; and
- Presentation of reports and discussions in the house before adoption of the budget

Tools to scrutinize budget



- PBO quarterly budget implementation reports
- Specialised investigations by Portfolio and Thematic Committees
- Annual appropriations hearings and consultations
- Field visits
- Analysis toolkit for PAC

1 - 50	Pass 1	No need to attend to at the moment.
51 - 75	Pass 2	Requires cautionary letter.
76 - 105	Fail 1	Strongly worded cautionary letter with specific action points by target date.
106 - 120	Fail 2	Significant control environment weakness. Summon authority before committee.
120+	Fail 3	Breakdown in controls. Requires immediate attention.

Tools to scrutinize budget



- ▶ Quarterly reports from various Committees (Template prepared by Parliament) Programme based budgeting being used. Reports must talk to
 - staffing levels
 - major achievements
 - Status on Implementation of Budget Measures
 - systems put in place to manage risks, enhance customer service and promote good governance
 - financial highlights - statistics and figures by head/sub-head of expenditure supported by qualitative information.
 - Expenditure management-intended purpose, overexpenditure, procedures
 - revenue from property income, user fees and other sources
 - Public Integrity Management-any cases of abuse of funds and measures taken

Concerns raised w.r.t. fiscal scrutiny capacity



- Some wording in PFMA which is discretionary, not peremptory. e.g Section 28 (5) PFMA which provides that:

The Minister may through the appropriate portfolio committee of Parliament seek the views of Parliament in the preparation and formulation of the annual budget,

- Time available for budget scrutiny -
 - General budget debate is allocated a period not exceeding 6 consecutive sittings (previously 25 hours) in the National assembly In the senate it does not exceed 15 hours. The Committee of supply, where business of vote allocations on main estimates of expenditure, supplementary an any excess vote on account is conducted, should not exceed 12 consecutive sittings on aggregate (previously 35 hours)
- Implementation of recommendations by the PAC
 - Lack of political will on the executive to enforce

PBO Challenges



- key challenges faced by any country that establishes a PBO are threefold—**guaranteeing independence and viability of the office in the long-run; ability to carry out truly independent analysis;** and **demonstrating impact.**
- The need to ensure independence and non-partisanship of our PBO is of paramount importance if the unit is to have credibility with legislators and other stakeholders



Challenges

- **Absence of an enabling legislation** – if Birth of PBO not is codified in law it may compromise its sustainability.
- **Access to timely data/information** – The inability to access data in a timely manner has negative effect on the capacity of a PBO to carry out its mandate effectively. Every work carried out by the PBO is highly dependent on accurate data.
- **Demonstrating impact** -This requires being innovative in communication, for instance using graphics to simplify the understanding of economic and financial reports;
- **Knowing when to say no to unethical requests.**
- **Paucity of funds** – Lack of enough funding hampers the scope and depth of operations, thereby posing a risk to its efficacy
- **Inadequate staffing**

PBO Products and services



- Analysis of the Executive budget proposals
- Medium term analysis
- Baseline estimates-projections of revenue and expenditure
- Analysis of Government policy options including financial risks
- Regular analytical products, such as factsheets, briefing notes, working papers E.T.C.
- Bill analysis



 **THANK YOU**

