



THE ROLE OF THE NATIONAL ASSEMBLY IN ZAMBIA'S BUDGETARY PROCESS

PARLIAMENTARY BUDGET OFFICE

1.0. INTRODUCTION

The National Assembly plays various roles in each stage of the multi-stage budget process, and these roles have evolved over time.

The Budget of any one year undergoes a four-stage process. The stages are:

- 1. Formulation**
- 2. The legislative process (approval)**
- 3. Implementation**
- 4. Auditing and evaluation**

It is important to note that these stages do not coincide with the unfolding of a single fiscal year. Stage 1 takes place before the beginning of a particular fiscal year. Stage 2 starts before the beginning of the fiscal year and continues until the passing of the Budget. Stage 3 occurs during that fiscal year, and stage 4 happens after the end of the fiscal year.

The purpose of this brief is to explain the roles and how they have evolved over time. The brief also explains the relationship between the Planning and Budgeting Committee of the National Assembly of Zambia and the Parliamentary Budget Office (PBO).

2.0. THE ROLE OF THE NATIONAL ASSEMBLY AT THE PRE-BUDGET STAGE

Prior to the enactment of the Planning and Budgeting Act No. 1 of 2020, the law that provides for an integrated national planning and budgeting process, the National Assembly of Zambia only played a limited role in the pre-budget process, if any. The enactment of the Act, however, presented an opportunity for the participation of Members of Parliament and the National Assembly at this stage. For example, Section 8 of the Act provides for Members of Parliament to be members of the Provincial Development Co-ordinating Committee (PDCC), whose functions, among others, are to prepare budgets for provinces, and harmonise provincial plans and budgets with long-term national development plans (NDPs). The provincial committees build up provincial plans and budgets from plans and budgets prepared at the district level by the District Development Co-ordinating Committees (DDCCs), of which the heads of the Constituency Offices, who are directly supervised by Members of Parliament, are members. The provincial plans and budgets are incorporated into the medium-term Annual National Budget. Further, PDCCs report to the National Development Committee (NDCC), which advises the Cabinet on matters relating to NDPs and budgets. Therefore, Members of Parliament are key stakeholders in the preparation of budgets at the district, provincial and national levels.

The National Assembly is also involved at the pre-budget stage through the consideration of Medium-Term Budget Plans (MTBPs), as Section 37(2) of the National Planning and Budgeting Act No. 1 of 2020 provides for the presentation by the Minister responsible for finance of the MTBP to an appropriate Committee of the National Assembly for consultation purposes.

Currently, the Committee consulted is the Expanded Planning and Budgeting Committee, as stipulated by the National Assembly of Zambia Standing Orders, 2021. Since the MTBP includes the proposed Budget for the next financial year and the projected estimates for the two subsequent years, the consultative process enables Members of Parliament to review the proposed Budget for the next financial year before the Budget is presented to the National Assembly for approval.

3.0. THE ROLE OF THE NATIONAL ASSEMBLY AT THE APPROVAL STAGE

Article 63(2) of the Constitution of Zambia mandates the National Assembly to oversee the performance of the Executive by appropriating funds for expenditure by State organs, State institutions, provincial administrations, local authorities and other statutory bodies. To that end, Article 202(1) of the Constitution of Zambia mandates the Minister responsible for finance to prepare the estimates of revenue and expenditure and to lay them before the National Assembly. Further, Article 202(5) empowers the National Assembly to approve the National Budget presented to it. In line with Article 202(4), the power of the National Assembly is limited to varying allocations in the Budget without changing the total amount.

3.1. The Role of the Planning and Budgeting Committee

According to Mwanawina and Akapelwa (2004), *the first time a Parliamentary Committee to scrutinise the National Budget was constituted was in 2000, and the Committee was called the “Committee on Estimates”. The name of the Committee has been changed several times, with its current name being the ‘Planning and Budgeting Committee’.*

The Committee is expanded during consideration of the National Budget and the MTBP. Order 157(4) of the National Assembly of Zambia Standing Orders, 2021, provides that upon being presented to the National Assembly, the estimates of revenue and expenditure be referred to the Expanded Planning and Budgeting Committee for detailed consideration. Further, Order 164 defines the Expanded Planning and Budgeting Committee as comprising the Planning and Budgeting Committee and the chairpersons of all General Purpose and Portfolio Committees. The Committee presents its report to the House after its consideration of the Budget. The report is not debated, but presented only for purposes of informing Members’ debates during consideration of the Budget in the Committee of Supply.

The referral of the Budget to the Expanded Planning and Budgeting Committee is critical not only because it facilitates in-depth scrutiny of the Budget, but also because it provides a platform for Portfolio and General Purpose Committees, through their chairpersons, to participate in the review of the Budget. The National Budget was first referred to an expanded Committee of Parliament on a pilot basis in 2005 (National Assembly of Zambia, 2005: 1).

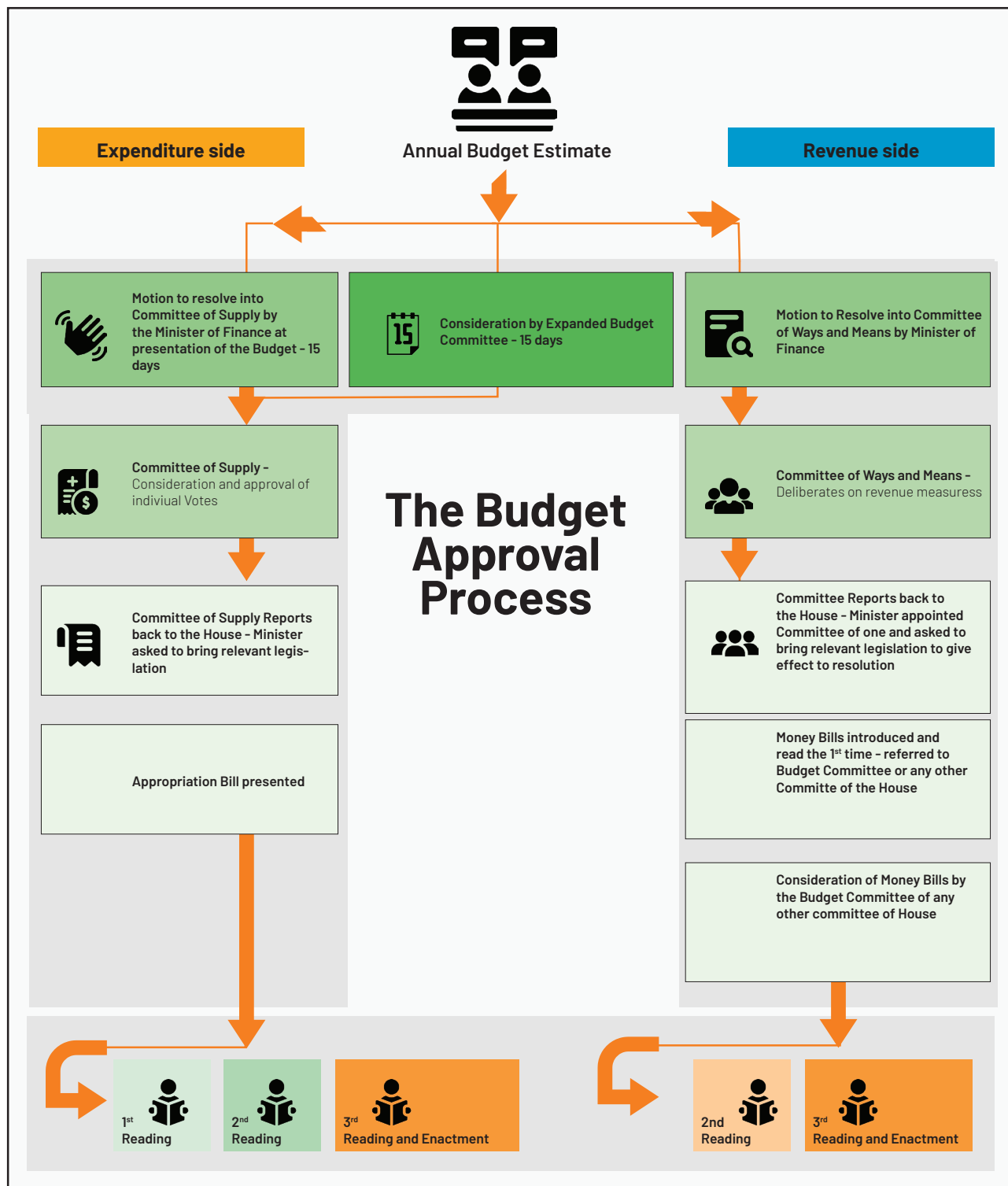


While the referral of the Budget to the Expanded Planning and Budgeting Committee was an important step in the reform of parliamentary procedures, it has since been found inadequate in facilitating adequate scrutiny of the Budget, as it only allows chairpersons of Committees to participate in the review of the Budget. In this regard, the National Assembly is in the process of enhancing the process by affording all Portfolio and General Purpose Committees a chance to scrutinise the Heads of Expenditure under their purview. This is important because Committees have immense powers to summon witnesses to appear before them and to provide researched and authoritative information. Some of the key institutions that appear before the National Assembly are the ministry responsible for finance, the Bank of Zambia (BoZ), the Zambia Revenue Authority (ZRA), Office of the Auditor-General, the Zambia Statistical Agency (ZAMSTATS), the research institutions, think-tanks and academic institutions like the University of Zambia (UNZA). This is in addition to the technical assistance Committees already get from a cadre of technical staff of the National Assembly, including those employed under the Parliamentary Budget Office (PBO).

Another inadequacy of the referral of the Budget to the Expanded Planning and Budgeting Committee as a mechanism for Parliamentary scrutiny of the Budget is that the report of the Committee is not adopted by the National Assembly, a fundamental departure from the universal best practice of all parliamentary reports being adopted by the House. Therefore, there is a need to reform the process so that the findings of the Committee are adopted by the National Assembly for onward transmission to the Executive for them to be actioned.

The presentation of the Budget by the Minister responsible for finance is a Motion urging the House to resolve into Committee of Supply to approve the Heads of Expenditure. After presentation of the Budget and, while the House debates the Motion, the Expanded Planning and Budgeting Committee sits for fifteen (15) days to scrutinise the estimates of revenues and expenditure referred to it by the Speaker (See Table 1 below). The House also resolves into the Committee of Ways and Means to consider the Money Bills. When the Money Bills are presented to the National Assembly, they are also referred to the Planning and Budgeting Committee or any other Committee for consideration. The report on the Money Bills is not adopted, but merely used to assist the debate on the Floor of the House.

Table 1: Process for Approval of Estimates of Revenue and Expenditure



Source: 2023 Public Finance Management Handbook for Members of Parliament and Staff

3.2. The Role of the Parliamentary Budget Office

The PBO was established as a unit in the Committee Department in 2014. Later, in 2017, it was established as a fully-fledged department under the Office of the Clerk of the National Assembly in response to a recommendation of the Committee on Estimates for the Fourth



Session of the Eighth National Assembly. The recommendation was that Parliament set up a unit of technical staff on Budget matters. The recommendation was justified by Mwanawina and Akapelwa (2004), who contended that Parliamentary engagement on the Budget was somewhat limited by insufficient time given for scrutinising the voluminous documents presented with it and insufficient in-house research resources and expertise needed to meet Parliamentarians' demand for technical advice.

The PBO works closely with the Expanded Planning and Budgeting Committee during the consideration of the National Budget, and is the first witness of the Committee during scrutiny of the Budget and the MTBP. The PBO unpacks the Budget and prepares briefs on the estimates for the Committee. Further, all Members of Parliament are free to visit the PBO and consult on issues pertaining to finance, budgeting and the economy.

As already hinted at, the PBO was established to provide objective and non-partisan Budget analysis for the Planning and Budgeting Committee. The World Bank Institute (2008) observes that Budget Offices must be non-partisan if they are to be effective, as they are there to provide legislatures with reliable and unbiased information on national budgets. As a necessary organisational structure for professionals and technical experts for providing technical and professional support to Parliamentary Committees and Members of Parliament, the PBO enhances Members of Parliament's effectiveness in executing the National Assembly's budgetary oversight function.

The vision of the PBO, as set out in the PBO Strategic Plan (2022 – 2026) is "To be an excellent, professional and non-partisan office on legislative oversight and matters of the budget and economy". Its mission is "To provide non-partisan, independent and technical support to enhance the capacity of Members of Parliament in the discharge of their oversight mandate".

The 2022-2026 PBO Strategic Plan states that the PBO is expected to inform National Assembly and other stakeholders on matters of the economy and the Budget. This is achieved through the following core functions of the office:

- a. Providing technical support to the Planning and Budgeting Committee on a permanent witness basis;
- b. Preparing analytical briefs on the National Budget;
- c. Preparing submissions and briefs on matters of the economy, finance and the Budget for the Planning and Budgeting Committee and other Parliamentary Committees;
- d. Conducting and publishing research on the Budget and fiscal policies;
- e. (Analysing National Budget proposals and the Green Paper on the Medium-Term Budget Plan (MTBP);

- f. Analysing the Annual Borrowing Plan; and
- g. Making presentations on economic, finance and budgetary issues to Committees.

The main products of the PBO include quarterly economic and fiscal briefs, topical analytical briefs, and briefs on the Green Paper on the Medium-Term Budget Plan (MTBP) and the Draft Annual Budget, the Estimates of Revenue and Expenditure; sector budgets and the Annual Borrowing Plan (ABP).

4.0. THE ROLE OF THE NATIONAL ASSEMBLY AT THE EXECUTION STAGE

Budget Execution follows the approval or legislative stage of the budgeting process, and is the set of processes through which the Government delivers on the promises and proposals made in the Budget. Section 30 of the Public Finance Management Act No. 1 of 2018 provides for the Secretary to Treasury to cause funds to be released from the Consolidated Fund as soon as the Appropriation Act is passed.

Although execution of the Budget is mainly the responsibility of the Executive, the National Assembly plays the important role of monitoring and oversight. For example, through the Planning and Budgeting Committee, the National Assembly conducts quarterly reviews of the performance of the National Budget. The first and second quarter reviews of the National Budget are consolidated into one study during the consideration of the mid-year performance of the Budget. In this regard, the Minister responsible for finance is compelled by Section 49 of the National Planning and Budgeting Act, No 1 of 2020 to lay before the National Assembly a Mid-Year Budget Performance Report. The report is important for assessing the performance of the Budget mid-year, and gives the Executive an opportunity to revise its Budget projections to take care of new developments in the economy.

5.0. THE ROLE OF THE NATIONAL ASSEMBLY AT THE AUDIT STAGE

Article 63(2)(C) of the Constitution of Zambia mandates the National Assembly to oversee the performance of Executive functions by scrutinising public expenditure. The National Assembly exercises this ex-post oversight over the Budget by scrutinising reports of the Auditor-General. Article 212 of the Constitution mandates the Auditor-General to submit audit reports on the accounts of the Republic in respect of the preceding financial year simultaneously to the President and the National Assembly. The report is tabled in the House and considered by the Public Accounts Committee. In addition to financial audit reports, the Office of the Auditor-General produces performance audit reports as a way of ensuring value for money in the implementation of Government programmes. The reports are referred by the Hon Speaker to appropriate Committees of the National Assembly for consideration.



6.0. CONCLUSION

The National Assembly of Zambia participates in the various stages of the country's budgeting process, namely the pre-Budget, Budget Approval, implementation and audit. Notable in this regard are the contributions of the Planning and Budgeting Committee and the Expanded Planning and Budgeting Committee. The PBO plays the essential role of providing technical and professional support to both Committees, especially, and to all other Committees of the National Assembly, as well as Members of Parliament in their individual capacities on all matters related to the national planning and budgeting processes.

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Parliamentary Budget Office (PBO)
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