

**THE NATIONAL PLANNING AND BUDGETING  
BILL, 2019**

---

MEMORANDUM

The objects of this Bill are to provide for—

- (a) an integrated national planning and budgeting process;
- (b) strengthened accountability, oversight and participation mechanisms in the national planning and budgeting process;
- (c) principles and modalities for formulation, approval, implementation, monitoring and evaluation of long and medium term national, provincial and district development plans and budgets;
- (d) coordination of national development plans with the National Planning Framework;
- (e) a participatory and decentralised national planning and budgeting process which promotes the participation of state and non state actors in the planning and budgeting process;
- (f) evidence based decision making in national planning and budgeting;
- (g) enhanced budget credibility; and
- (h) matters connected with, or incidental to, the foregoing.

L. KALALUKA,  
*Attorney-General*

**THE NATIONAL PLANNING AND BUDGETING BILL,  
2019**

ARRANGEMENTS OF SECTIONS

PART I

PRELIMINARY PROVISIONS

*Section*

1. Short title and commencement
2. Interpretation
3. Principles relating to national planning and budgeting

PART II

INSTITUTIONAL FRAMEWORK FOR DEVELOPMENT PLANNING

4. National Development Co-ordinating Committee
5. Functions of National Development Co-ordinating Committee
6. Secretariat of National Development Co-ordinating Committee
7. Provincial Development Co-ordinating Committee
8. Functions of Provincial Development Co-ordinating Committee
9. Secretariat of Provincial Development Co-ordinating Committee
10. District Development Co-ordinating Committee
11. Functions of District Development Co-ordinating Committee
12. Secretariat of District Development Co-ordinating Committee
13. Cluster Advisory Group
14. Functions of Cluster Advisory Group

PART III

NATIONAL PLANNING PROCESS

15. Long Term Development Planning
16. Content of Long Term Development Planning
17. Preparation of Long Term Development Planning

18. Performance framework
19. National Development Plan
20. Policy statement
21. Development planning guidelines
22. Development planning
23. Approval of national development plan
24. Appraisal of major project and programme
25. Preparation of implementation plans
26. Institutional strategies and implementation plans
27. Link to National Planning Framework
28. Annual monitoring and evaluation of National Development Plan and budget
29. Annual review of National Development Plan
30. Mid-term review of National Development Plan
31. Evaluation report

#### PART IV

##### BUDGET PREPARATION PROCESS

32. Budget Policy Paper
33. State and non-state actors submission of budget policy proposals
34. Policy hearing
35. Budget policy concept paper
36. Green paper on Medium Term Budget Plan
37. Public consultation on green paper
38. Budget Call Circular
39. Submission of budget framework paper
40. Budget hearing
41. National budget policy statement
42. National Budget
43. Presentation of budget to National Assembly
44. White paper on medium term budget plan
45. Supplementary estimates

46. Limitation and conditions for issuance of warrants for excess expenditure
47. Accountability of Controlling Officer
48. Budget performance report
49. Mid-year performance report

PART V

GENERAL PROVISIONS

50. Recruitment and placement of planners
51. Guidelines
52. Regulations
53. Savings and transitional provisions

SCHEDULE

# A BILL

ENTITLED

**An Act to provide for an integrated national planning and budgeting process; strengthened accountability, oversight and participation mechanisms in the national planning and budgeting process; principles and modalities for formulation, approval, implementation, monitoring and evaluation of long and medium term national, provincial and district development plans and budgets; coordination of national development plans with the National Planning Framework; a participatory and decentralised national planning and budgeting process which promotes the participation of state and non state actors in the planning and budgeting process; evidence based decision making in national planning and budgeting; enhanced budget credibility; and matters connected with, or incidental to, the foregoing.**

ENACTED by the Parliament of Zambia

Enactment

## PART I PRELIMINARY

1. (1) This Act may be cited as the National Planning and  
5 Budgeting Act, 2019.

Short title  
and  
commencement

(2) The Minister in consultation with the Minister responsible for finance, may appoint different dates for the coming into operation of different provisions or Parts of this Act.

**N.A.B. 22, 2019**

Interpretation	<b>2.</b> In this Act, unless the context otherwise requires—	
Act No. 1 of 2018	“Appropriation Act” means an Act of Parliament authorising the Republic to incur expenditure of public monies for a specified purpose;	
	“budget” means the estimates of revenue and expenditure for a financial year and “budgeting” shall be construed accordingly;	5
	“chiefs’ representative” means a person other than a chief who is appointed under section 7 or 10;	
Cap. 1	“civil society” has the meaning assigned to the word in the Constitution;	10
Act No. 1 of 2018	“controlling officer” has the meaning assigned to the words in the Public Finance Management Act, 2018;	
	“Cluster Advisory Group” means a cross sectoral advisory group constituted in accordance with section 13;	15
	“District Development Coordinating Committee” means a committee constituted in under section 10;	
	“financial year” means a period of twelve months ending on 31st December of each year;	
Act No. 1 of 2018	“head of expenditure” has the meaning assigned to the words in the Public Finance Management Act, 2018;	20
	“implementation plan” means a detailed list of activities, responsibilities, costs, assumptions, risks and timelines that are required to achieve the objectives of a plan;	
	“integrated” in relation to national planning and budgeting means effective linkages created between development plans and budgets relating to development outcomes;	25
	“Investment Plan” means a plan that consists of investment policies and priorities, suitable for achieving development objectives taking into account time frames, financial situations and possible risks for a period exceeding five years;	30
Cap. 1	“local authority” has the meaning assigned to the words in the Constitution;	

- “ Local Development Plan ” means a five year plan for implementation of the National Development Plan, integrated development plan, sector investment plan and Medium Terms Budget Plan;
- 5 “ Long Term Development Plan ” means a development plan that consists of the national vision, investment plans and the integrated development plans of each district and is valid for a period of more than five years;
- 10 “ Medium Term Development Plan ” means a development plan which contains five year national, provincial and local development plans as a basis for implementation of a long term plan which may be adjusted, where, necessary, following a material change in the macro economic and financial circumstances and development priorities of the
- 15 Republic;
- “ Medium Term Budget Plan ” means a three year projection of the resources of the Government and their allocation across heads of expenditure and functions to finance the operational and development expenditures of the
- 20 Government in line with a National Development Plan;
- “ National Development Plan ” means the five year medium term policy and strategic plan formulated in accordance with section 19;
- 25 “ National Development Coordinating Committee ” means a Committee constituted under section 4;
- “ non state actor” means an individual or entity that is not part of the public sector;
- 30 “ planner ” means an officer tasked with the responsibility of making or carrying out development plans by setting up of goals, policies, and procedures for social or economic development including project management and appraisal, budgeting and monitoring and evaluation, but excludes determining and drawing up of plans for the physical arrangements such as the designing of towns, cities and
- 35 communities;
- “ Provincial Development Coordinating Committee ” means the Committee constituted under section 7;

“ Secretary to the Treasury ” means the Secretary to the Treasury appointed in accordance with the Constitution;

“ spending agency ” means a public institution which receives and spends public funds as appropriated by Parliament; and 5

“ supplementary estimate ” means an amount provided in the estimates of expenditure over and above the appropriation in an Appropriation Act for that financial year.

Principles relating to national planning and budgeting Cap. 1

3. (1) Subject to the Constitution, the following principles apply to the national planning and budgeting process: 10

(a) development plans and budgets are formulated in a transparent and accountable manner;

(b) planning processes including fiscal responsibilities and functions are undertaken in accordance with the subsidiarity principle; 15

(c) resources are distributed equitably and sustainably for national development;

(d) development plans and budgets are responsive to the development needs of the people;

(e) credibility of national development planning, budget preparation and budget execution is assured through expenditure in accordance with approved plans and national budget and effective implementation of plans and budgets in accordance with the financial provisions; 20

(f) time frames and milestones for planning and budgeting process are appropriately defined; 25

(g) all levels of society are involved in the planning and budgeting process;

(h) input into the national planning and budgeting process at all levels of Government shall be systematic and synchronised; 30

(i) the national planning and budgeting system, is applied to ensure that the planning and budgeting process comprehensively covers all public resources;

- (j) the management of development objectives and definitions of milestones and targets are achieved through result oriented performance; and
- 5 (k) the national planning and budgeting system will ensure sustainable development and intergenerational equity.
- (2) In this section—
- 10 “intergenerational equity” means humans holding the natural and cultural environment of the earth in common both with other members of the present generation and with other generations, past and future;
- “subsidiarity principle” means the process of requiring public functions to be exercised by the lowest level of Government that can execute the function effectively; and
- 15 “sustainable development” means meeting the needs and aspirations of the present generation without compromising the ability to meet the needs of future generations.

## PART II

### INSTITUTIONAL FRAMEWORK FOR DEVELOPMENT PLANNING

- 20 4. (1) There is established the National Development Co-ordinating Committee as the national co-ordinating forum responsible for advising the Cabinet in matters relating to national development plans and budgets. National Development Co-ordinating Committee
- (2) The National Development Co-ordinating Committee consists of —
- 25 (a) the Minister, as Chairperson;
- (b) the Secretary to the Cabinet, as Vice-Chairperson;
- (c) the Secretary to the Treasury;
- (d) a representative of the Attorney General;
- 30 (e) a controlling officer from each spending agency that has a head of expenditure prescribed in the budget;
- (f) the head of the Industrial Development Corporation; and
- (g) a representative each from -
- (i) civil society;
- (ii) a faith based organisation;
- 35 (iii) a parastatal; and
- (iv) the private sector.

(3) The ministries, institutions or organisations referred to in subsection (2) shall nominate their representatives for appointment by the Minister.

(4) The National Development Co-ordinating Committee may invite a person to attend and participate in the deliberation of a meeting of the National Development Co-ordinating Committee but that person shall have no vote.

(5) Subject to the other provisions of this Act, the National Development Co-ordinating Committee may regulate its own procedure.

Functions of  
National  
Development  
Co-  
ordinating  
Committee

**5.** (1) The National Development Co-ordinating Committee shall advise the Cabinet on —

(a) the formulation, implementation, monitoring and evaluation of the National Development Plan and budget in an effective and credible manner;

(b) national, provincial and local planning and budgeting processes, systems and practices taking into account annual reviews and other evidence;

(c) policy recommendations and their implementation and other matters raised by Cluster Advisory Groups, Provincial Development Co-ordinating Committees and District Development Co-ordinating Committees; and

(d) planning and budgeting processes that are participatory, transparent, results oriented, credible and responsive to the needs of the people.

(2) The National Development Co-ordinating Committee shall perform other functions that the Minister may, in consultation with the Minister responsible for finance and the Secretary to the Treasury, prescribe.

(3) The Schedule applies to the National Development Co-ordinating Committee.

Secretariat of  
National  
Development  
Co-  
ordinating  
Committee

**6.** The Permanent Secretary responsible for development planning shall provide secretarial services to the National Development Co-ordinating Committee in the performance of the Committee's functions under this Act.

7. (1) There is established a Provincial Development Co-ordinating Committee for each Province. Provincial Development Co-ordinating Committee
- (2) A Provincial Development Co-ordinating Committee consists of—
- 5 (a) the Provincial Minister, as Chairperson;
- (b) the Permanent Secretary for that province, as Vice-Chairperson;
- (c) Provincial Local Government Officer;
- (d) the head of the provincial office of each Ministry operating  
10 in that province;
- (e) the district commissioner of each district in that province;
- (f) the town clerk or council secretary, as the case may be, of each local authority located in that province;
- (g) not more than two chief's representatives from within the  
15 province as appointed from among themselves;
- (h) a representative each from—
- (i) civil society;
- (ii) a faith based organisation;
- (iii) a parastatal; and
- 20 (iv) the private sector; and
- (i) Members of Parliament in the province.
- (3) The members under subsection (2)(f), shall be nominated by their organisations.
- (4) The Provincial Minister shall appoint the members referred  
25 to in subsection (2)(g) and (h).
- (5) Subject to the other provisions of this Act, the Provincial Development Co-ordinating Committee may regulate its own procedure.
- (6) The Provincial Development Co-ordinating Committee shall  
30 report to the National Development Co-ordinating Committee.
- (7) The Provincial Development Co-ordinating Committee may invite a person to attend and participate in the deliberation of a meeting of the Provincial Development Co-ordinating Committee but that person shall have no vote.

	(8) The Schedule applies to the Provincial Development Co-ordinating Committee.	
Functions of Provincial Development Co-ordinating Committee	<p><b>8.</b> (1) The Provincial Development Co-ordinating Committee is responsible for the co-ordination of the—</p> <p>(a) formulation, implementation, monitoring and evaluation of a provincial plan and budget in a participatory, transparent and accountable manner which is responsive to the needs of beneficiaries; 5</p> <p>(b) dissemination of the National and Provincial Development Plans to the general public, within the Province, not later than two months after the coming into effect of the National Development Plan; 10</p> <p>(c) harmonisation of the provincial development plan and budget with the Long and Medium Term Development Plans; and 15</p> <p>(d) incorporation of the district development plans into the provincial development plans and the medium term and annual budget.</p>	
	(2) In this section “provincial development plan” means a five year plan for implementation of the national development plan, integrated development plan and investment plan relating to a province. 20	
Secretariat of Provincial Development Co-ordinating Committee	<b>9.</b> The Ministry responsible for development planning at provincial level is the Secretariat to the Provincial Development Co-ordinating Committee. 25	
District Development Co-ordinating Committee	<p><b>10.</b> (1) There is established a District Development Co-ordinating Committee for each district to facilitate the co-ordination of the planning and implementation of development activities in the district.</p> <p>(2) A District Development Co-ordinating Committee consists of— 30</p> <p>(a) the district commissioner, as Chairperson;</p> <p>(b) the town clerk or council secretary, as Vice-Chairperson;</p> <p>(c) the head of each district office of a Ministry operating in that district; 35</p>	

(d) the head of each technical department within the local authority;

(e) not more than two chiefs' representatives from within the district as appointed from among themselves; and

5 (f) a representative each from—

(i) civil society;

(ii) a faith based organisation;

(iii) a parastatal; and

(iv) the private sector.

10 (3) The Provincial Minister shall appoint the members referred to in subsection (2)(e) and (f).

(4) The District Development Co-ordinating Committee may invite a person to attend and participate in the deliberation of a meeting of the District Development Co-ordinating Committee but  
15 that person shall have no vote.

(5) The provisions of the Schedule apply to the District Development Co-ordinating Committee.

**11.** The District Development Co-ordinating Committee shall advise the local authorities on the—

Functions of  
District  
Development  
Co-  
ordinating  
Committee

20 (a) formulation, implementation, monitoring and evaluation of district and sub district plans and budgets;

(b) harmonisation of district development plans and budgets with long and medium term, provincial and national development plans;

25 (c) incorporation of the sub district development plan into the district development plan and the medium term and annual budget; and

(d) dissemination of the national, provincial and district development plans to the general public, within the  
30 district, not later than three months after the coming into effect of the National Development Plan.

Secretariat of District Development Co-ordinating Committee	<p><b>12.</b> (1) The Directorate of Planning in a local authority in the district shall provide secretarial services to the District Development Co-ordinating Committee.</p> <p>(2) The District Development Co-ordinating Committee shall report to the Provincial Development Co-ordinating Committee.</p>	5
Cluster Advisory Group	<p><b>13.</b> (1) The Minister, in consultation with the Minister responsible for finance and the Secretary to the Treasury, may constitute Cluster Advisory Groups for the purpose of facilitating the participation of non state actors in the national planning and budgeting processes.</p> <p>(2) The Minister shall appoint the chairperson for each Cluster Advisory Group.</p> <p>(3) The Minister shall, in consultation with the Minister responsible for finance and the Secretary to the Treasury, prescribe the manner and form of holding meetings for stakeholders to input into the planning and budgeting processes.</p> <p>(4) The Schedule applies to the Cluster Advisory Group.</p>	10
Functions of Cluster Advisory Group	<p><b>14.</b> (1) A Cluster Advisory Group shall advise the appropriate Minister on the—</p> <p>(a) formulation, implementation, monitoring and evaluation of cluster frameworks and plans in line with the National Development Plan; and</p> <p>(b) translation of the Investment Plan into the medium term development plan and annual budget.</p> <p>(2) A Cluster Advisory Group shall, where practicable, harmonise plans for state and non-state actors with the long and medium term development plans of the Government.</p>	20
Act No. 1 of 2018	<p>(3) In this section “appropriate Minister” has the meaning assigned to the words in the Public Finance Management Act, 2018;</p>	30

### PART III

#### NATIONAL PLANNING PROCESS

Long Term Development Planning	<p><b>15.</b> The Minister, in consultation with stakeholders, shall initiate preparation of a Long Term Development Plan which shall specify the national long term development aspirations of the Republic.</p>	35
--------------------------------	---	----

- 16.** The Long Term Development Plan for the Republic shall contain—
- Content of Long Term Development Plan
- 5       (a) socio-economic, spatial and other experiences gained from the subsisting Long Term Development Plan and previous national development plans;
- (b) key statistical data derived from long term demographic projections and other socio-economic data; and
- (c) development initiatives and programmes from, regional and international levels.
- 10   **17.** (1) The Minister, in consultation with the Minister response for finance and Secretary to the Treasury, shall, four years prior to the expiry of the implementation of the existing Long Term Development Plan, prescribe guidelines for undertaking the review and formulation of the successive Long Term Development Plan
- Preparation of Long Term Development Plan
- 15 based on the principles referred to in section 3.
- (2) The Minister, in consultation with the Minister responsible for finance and the Secretary to the Treasury, shall—
- (a) initiate the development of the Long Term Development Plan;
- 20       (b) take into account the submissions of stakeholders and call for a stakeholder meeting to validate the submissions made;
- (c) submit the Long Term Development Plan to Cabinet for approval; and
- 25       (d) on cabinet approval, submit the Long Term Development Plan to the National Assembly for approval.
- 18.** The Minister shall develop a national performance framework based on Long Term Development Plan which shall be the basis for the development of successive national development
- Performance framework
- 30 plans.
- 19.** (1) The National Development Plan shall include a macro economic framework, socio-economic development framework, financing framework, strategic focus areas and implementation, coordination, monitoring and evaluation frameworks.
- National Development Plan

	(2) The Minister, in consultation with stakeholders, shall initiate the preparation of a national development plan, which shall operationalise the national long term development plan.	
Policy statement	<b>20.</b> (1) The Minister shall prepare a policy statement which shall state the—	5
	(a) lessons learnt, challenges and propose broad areas of direction in implementation of the national development plan;	
	(b) process of the preparation of the national development plan; and	10
	(c) means of public consultation and participation.	
Development planning guidelines	<b>21.</b> (1) The Ministry shall set guidelines for the management, preparation and dissemination of the National Development Plan in accordance with the approved policy statement.	
	(2) Subject to this Act and any other written law guidelines issued in accordance with subsection (1) shall include the institutional arrangements and procedures necessary for the—	15
	(a) formulation, approval, implementation, monitoring and evaluation of long and medium term national development plans, budgets, provincial and local development plans, policy frameworks and service delivery standards;	20
	(b) effective participation of non state actors at all levels in the national development planning;	
	(c) harmonisation of medium term national, provincial and local development plans with the medium term and annual budgeting process; and	25
	(d) appropriate division of roles and responsibilities between the national Government and local authorities, traditional authorities, and non state actors in spearheading national, provincial and local development.	
Development planning	<b>22.</b> (1) The Minister responsible for development planning shall cause the preparation of an integrated medium and long term national development plan with budgets which take into account regional and international development aspirations.	30
	(2) The ministries, provinces and districts shall at the beginning of each medium term budget plan cycle, undertake a review of the previous medium term budget plan and prepare a report on the progress made towards the implementation of the projects and programmes specified in the medium term budget plan.	35

- (3) The Minister shall—
- (a) initiate the preparation of the national development plan;
  - (b) take into account the submissions of stakeholders and call for stakeholders meeting to validate the submissions made; and
  - (c) submit the draft national development plan to Cabinet for approval.
- 5
- 23.** (1) The Minister shall lay before the National Assembly the national development plan for approval. Approval of national development plan  
Cap. 1
- 10 (2) Subject to the Constitution, except as otherwise resolved by the National Assembly, programmes and projects of national character in an approved National Development Plan, and spanning beyond the life span of a national development plan period shall be binding to successive Governments.
- 15 **24.** (1) The Ministries responsible for development planning and budget shall appraise a major project and programme required to be appraised before being included in a national development plan, national budget and medium term budget plan. Appraisal of major project and programme
- (2) The Minister shall issue guidelines for the appraisal of major projects and programmes.
- 20 (3) The Ministry responsible for development planning shall publish in the *Gazette* a schedule of approved appraised projects.
- 25.** (1) The Ministries responsible for development planning and budget shall, after the launch of the National Development Plan facilitate and guide the preparation of the implementation plans. Preparation of implementation plans
- 25 (2) The provincial and district level implementation plan shall be developed within two months of the National Development Plan.
- (3) A controlling officer of a ministry shall, every five years, after consultation with the relevant Cluster Advisory Group, prepare and submit to the Ministry responsible for development planning, an Investment Plan in the prescribed manner and form.
- 30
- 26.** (1) A ministry, provincial office, local authority and spending agency that receives an appropriation or appropriation-in-aid shall prepare a five year institutional strategic and implementation plan within four months of the coming into operation of the National Development Plan. Institutional strategies and implementation plans
- 35

(2) An institutional strategic and implementation plan shall specify how the ministry, provincial office, local authority and spending agency will contribute to the achievement of the development targets set out in the National Development Plan.

(3) An institutional strategic and implementation plan prepared in accordance with subsection (1), shall form the basis of medium term and national budget estimates of a ministry, provincial office, local authority and spending agency . 5

Link to  
National  
Planning  
Framework

Act No. 3 of  
2015

**27.** The Minister responsible for local government shall, in consultation with the Minister, approve the National Planning Framework in accordance with the provisions of the Urban and Regional Planning Act, 2015 for the purposes of intergrated planning under the National Development Plan. 10

Annual  
monitoring  
and  
evaluation  
of the  
national  
development  
plan and  
budget

**28.** (1) The Minister shall, in each year, cause the monitoring, evaluation and reporting of progress with regard to the implementation of the National Development Plan and national budget to ascertain whether development objectives of national projects and programmes are being attained. 15

(2) A ministry, province, and district shall prepare monitoring and evaluation periodic reports outlining the status. 20

Annual  
review of  
national  
development  
plan

**29.** (1) The Minister, in consultation with the Minister responsible for finance and the Secretary to the Treasury shall, on or before the last Friday of May of each year, table before the National Assembly the annual review of the National Development Plan. 25

(2) An annual review shall consider—

(a) capital investment projects with particular focus on the physical execution of a project in relation to the expenditure incurred and the time remaining to complete the project; 30

(b) the extent to which the output targets in the National Development Plan have been attained; and

(c) the performance of the national budget for the previous financial year in relation to its contribution to the achievement of the output targets in the national development plan. 35

(3) An annual review shall specify—

(a) any adjustment to strategies and associated projects and programmes specified in the plan; and

5 (b) any change in priorities in the National Development Plan that results from socio-economic policies or other developments.

(4) The annual review shall form the basis for the formulation of the medium term budget plan for the period of three years following the submission of the review under subsection (1).

10 **30.** (1) The Minister, in consultation with the Minister responsible for finance shall lay before the National Assembly, before or on the last Friday of May in the fourth year of implementing a National Development Plan, a detailed mid term review of the progress made over the first three years of  
15 implementation, together with any adjustments necessary to meet the overall development targets of the National Development Plan by the end of the following year.

Mid-term review of National Development Plan

(2) The ministries shall, when preparing the annual and mid term review of the National Development Plan, include the  
20 assessment of the impact of any unplanned projects on the implementation of the National Development Plan and annual budget.

(3) The mid term review shall form the basis for the formulation of the next National Development Plan.

25 **31.** (1) The Minister shall cause to be produced a final evaluation report of the plan two years after the expiry of the plan.

Evaluation report

(2) The Minister shall lay before the National Assembly a final evaluation report within six months of its production.

#### PART IV

#### 30 BUDGET PREPARATION PROCESS

**32.** (1) A controlling officer for a head of expenditure shall, by the second Friday of April of each year, submit to the Secretary to the Treasury a detailed budget policy paper which shall include

Budget policy paper

35 (a) a review of the previous year's budget and the budget for the first quarter of the current year;

	(b) proposed new projects which have been appraised and approved in accordance with section 24;	
	(c) proposed changes relating to—	
	(i) expenditure policy, including wage, recruitment and investment policy;	5
	(ii) administration of fees and fines;	
	(iii) assistance from cooperating partners; and	
	(iv) any other policies that may have implications on Government's fiscal position; and	
	(d) annual output targets to be achieved in the next three financial years.	10
	(2) In this section “cooperating partner” means a person or organisation that renders material, technical or financial assistance to the Republic.	
State and non-state actors submission of budget policy proposals	<b>33.</b> A state or non state actor may, by the last Friday in April of each year, submit to the Minister for consideration, revenue or expenditure policy proposals for the forthcoming financial year.	15
Policy hearing	<b>34.</b> The Secretary to the Treasury may, by the second Friday in May each year, consult with the controlling officer of any head of expenditure on the budget policy paper submitted in accordance with section 32, to ascertain the proposed policy direction and resource implications.	20
Budget policy concept paper	<b>35.</b> The Minister responsible for finance shall, on or before the second Friday of June each year, submit a budget policy concept paper to Cabinet for approval of the principal budget policies to be adopted over the next three years.	25
Green paper on Medium Term Budget Plan	<b>36.</b> (1) The Minister responsible for finance shall, on an annual basis, prepare the medium term budget plan which shall form the basis of the implementation of the National Development Plan.	
	(2) Subject to subsection (1), the Medium Term Budget Plan shall include—	30
	(a) a review of the economic and fiscal performance for the last three years;	
	(b) proposed economic and fiscal policies for the next three years;	35

(c) indicative resources and expenditure allocations by head of expenditure;

(d) total indebtedness of the public sector and the financing plans for the next three years; and

5 (e) any other data that the Minister responsible for finance may consider appropriate.

(3) The Minister responsible for finance shall on or before the first Friday of July each year, submit the Medium Term Budget Plan as a green paper to Cabinet for approval.

10 **37.** (1) The green paper on the Medium Term Budget Plan shall be published for public consultation by the second Friday of July each year. Public consultation on green paper

(2) The Minister responsible for finance shall, by the second Friday of July, submit to the appropriate Committee of the National  
15 Assembly the green paper on the Medium Term Budget Plan for consultation.

(3) The Committee referred to in subsection (2) may consult any state or non-state actor on any issue on the green paper.

(4) A state or a non state actor may, by the first Friday in  
20 August of each year, submit their comments on the green paper to the Minister responsible for finance for consideration before finalisation.

**38.** (1) The Secretary to the Treasury shall, on approval of the Medium Term Budget Plan by the second Friday of July each year, issue to each controlling officer a Budget Call Circular. Budget Call Circular

25 (2) The Budget Call Circular issued by the Secretary to the Treasury in accordance with sub-section (1), shall include—

(a) the key policies to be observed, the parameters to be utilised and the procedures to be followed in the  
30 preparation of the estimates of revenue and expenditure at national, provincial, district and local levels;

(b) indicative resource ceilings and expenditure allocations; and

(c) the deadline for the submission of the budget framework  
35 paper and the estimates of revenue and expenditure.

- Submission of budget framework paper
- 39.** (1) A controlling officer shall, by the second Friday in August, submit to the Secretary to the Treasury a budget framework paper on the estimates of revenue and expenditure for the next three years.
- (2) The budget framework paper shall include— 5
- (a) a review of the first half of the year of the current budget indicating progress on the attainment of the output targets;
- (b) a description of the programmes and projects in respect of which the estimates for the next three years apply; 10
- (c) specification of the output targets to be achieved over the next three years and how they relate to the objectives in the National Development Plan; and
- (d) the projected revenue targets for the next three years, where applicable. 15
- Budget hearing
- 40.** The Secretary to the Treasury may, by the last Friday in August each year, cause to be reviewed with the relevant controlling officer, the budget framework paper and estimates for any head of expenditure, submitted in accordance with section 40, to ensure consistency with Government's medium term policies and the National Development Plan. 20
- National budget policy statement
- 41.** The Minister responsible for finance shall, on approval of the national budget by Cabinet, prepare a national budget policy statement for the next financial year, which includes— 25
- (a) an overview of the domestic and international macroeconomic environment in which the estimates were prepared;
- (b) an outline of the economic and fiscal policies proposed for the upcoming financial year including an explanation of any major changes in economic and financial policy; 30
- (c) the objectives and priorities of the proposed estimates including significant receipts and expenditures of the current financial year;

- (d) a summary of the projects and programmes for which appropriations are proposed;
- (e) any deficit or surplus projected for the current financial year and any expected deficit under the proposed estimates;
- 5 (f) a description of the annual and medium term fiscal strategy;
- (g) the maximum limits that the Government intends to borrow or lend in that financial year in accordance with the Constitution; and
- 10 (h) any other information that the Minister considers necessary.
- 42.** (1) Subject to the Constitution, the national budget shall operationalise the implementation of the National Development Plan.
- 15 (2) The national budget shall include estimates of revenue and expenditures of the Government.
- (3) The revenues of the budget consists of—
- (a) tax revenues;
- (b) revenues earned on activities of spending agencies under any law;
- 20 (c) interests and dividends;
- (d) domestic and foreign grants;
- (e) domestic and foreign borrowing; and
- (f) any other revenues paid to the Government in accordance with any law.
- 25 (4) Expenditure and other outlays from the budget may consist of —
- (a) current expenditure;
- (b) capital expenditure;
- (c) transfers;
- 30 (d) lending and equity participation; and
- (e) repayment of public debt.
- (5) The budget expenditure estimates shall be balanced against total revenue estimates.

Cap. 1

National  
Budget  
Cap. 1

(6) The budget shall contain a contingency reserve which shall not exceed five percent of domestic revenues.

Act No. 1 of 2018

Presentation of budget to National Assembly  
Cap. 1

(7) In this section “public debt” has the meaning assigned to the words in the Public Finance Management Act, 2018;

**43.** Subject to the Constitution, the Minister responsible for finance shall, in each financial year, prepare and lay before the National Assembly, the national budget for the Republic for the next financial year.

White paper on medium term budget plan

**44.** The Minister responsible for finance shall, within thirty days from the beginning of the financial year, following the approval of the national budget by the National Assembly, publish the Medium Term Budget Plan as a white paper.

Supplementary estimates  
Cap. 1

**45.** (1) Supplementary estimates of expenditure shall not be incurred except in accordance with the Constitution.

(2) The Minister responsible for finance shall lay before the National Assembly the sources of finance proposed for any supplementary estimates of expenditure when they are being tabled for approval.

(3) The implications on the output targets associated with the supplementary estimates of expenditure, shall be tabled with the request for authorisation of the supplementary estimates of expenditure.

Limitation and conditions for issuance of warrants for excess expenditure  
Cap. 1  
Act No. 57 of 2010

**46.** (1) The President shall not issue a warrant under Article 204 of the Constitution for excess expenditure under any head of expenditure, unless there is an exceptional situation arising from—

(a) the declaration by the President of a natural or man made disaster under the Disaster Management Act, 2010;

(b) a threat to national security as may be determined by the President; or

(c) any unforeseen event necessitating the incurring of excess expenditure.

- (2) The Minister responsible for finance shall, at the sitting of the National Assembly following the approval of the excess expenditure in accordance with Article 203 of the Constitution, lay before the National Assembly together with the Excess Expenditure
- 5 Appropriation Bill, the source of finance for the expenditure and the impact the expenditure will have on other expenditure programmes, revenue estimates or the budget deficit. Cap. 1
47. A controlling officer is accountable for the attainment of the output targets set out in the estimates of revenue and
- 10 expenditure falling under the controlling officer's mandate. Accountability of Controlling Officer
48. A Minister responsible for a head of expenditure shall submit a budget performance report relating to the previous year to the National Assembly by the last Friday of June or the end of the second sitting, in a financial year, of the National Assembly,
- 15 whichever is later. Budget performance report
49. The Minister responsible for finance shall lay before the National Assembly a mid-year budget performance report. Mid-year performance report
- PART V  
GENERAL PROVISIONS
- 20 50. The Minister responsible for development planning shall recommend the recruitment and placement of, and manage and supervise, planners in public bodies. Recruitment and placement of planners
51. (1) The Minister and the Minister responsible for finance may, in the exercise of their respective functions under this Act,
- 25 issue guidelines that are necessary for the better carrying out of the provisions of this Act. Guidelines
- (2) The guidelines issued under subsection (1) shall be published in the *Gazette*.
- (3) The guidelines issued under this Act bind all persons
- 30 regulated under this Act.
52. (1) The Minister may, in consultation with the Minister responsible for finance, by statutory instrument, make regulations for the better carrying out of this Act. Regulations

- (2) Without prejudice to the generality of subsection (1), regulations made under that subsection may provide for—
- (a) planning and budgeting policy frameworks;
  - (b) development planning processes and procedures for the formulation of long and medium term national development plans and annual budgets; 5
  - (c) the manner and form of an Investment Plan;
  - (d) carrying out a project appraisal in accordance with this Act;
  - (e) the method for the participation of stakeholders in the planning and budgetary processes; 10
  - (f) the formulation of a provincial development plan or district development plan;
  - (g) processes and procedures of conducting annual review monitoring and evaluation; and 15
  - (h) anything which may be prescribed for the better carrying out of the provisions of this Act.

Savings and transitional provisions

**53.** This Act shall not invalidate any Appropriation Act, Supplementary Appropriation Act or Excess Expenditure Appropriation Act, Long Term Plan or National Development Plan or other planning or fiscal measure or framework that was in force before the coming into operation of this Act. 20

SCHEDULE

(Section 4)

PROCEEDINGS OF COMMITTEES AND CLUSTER ADVISORY GROUPS

1. A committee or Cluster Advisory Group shall meet for  
5 the transaction of business at least once in every three months at  
such places and times as a committee or Cluster Advisory Group  
may determine.

Proceedings  
of  
Committee  
and Cluster  
Advisory  
Group

(2) A meeting of a committee or Cluster Advisory Group  
10 may be called by the Chairperson upon giving notice of not less  
than fourteen days, and shall be called by the Chairperson if one-  
third or more of the members so request in writing, except that if  
the urgency of any particular matter does not permit the giving of  
the notice, a special meeting may be called upon giving a shorter  
notice.

(3) The Chairperson, or in the absence of the Chairperson,  
15 the Vice-Chairperson, with half of the other members shall  
constitute a quorum at a meeting of a committee or Cluster  
Advisory Group.

(4) There shall preside at a meeting of a committee or Cluster  
20 Advisory Group—

(a) the Chairperson;

(b) in the absence of the Chairperson, the Vice Chairperson;  
and

(c) in the absence of the Chairperson and the Vice  
25 Chairperson, such other member as the members  
present may elect for the purpose of that meeting.

(5) A decision of a committee or Cluster Advisory Group on  
any question shall be by a majority of the members present and  
voting at the meeting and in the event of an equality of votes, the  
30 person presiding at the meeting shall have a casting vote in addition  
to that person's deliberative vote.

(6) A member who is for any reason unable to attend a  
meeting of a committee or Cluster Advisory Group may, in writing,  
nominate another person from the same organisation to attend the  
35 meeting in that member's stead and that person shall be deemed  
to be a member for the purpose of that meeting.

(7) A committee or Cluster Advisory Group may invite a person, whose presence is in its opinion desirable to attend and to participate in the deliberations of the meeting of a committee or Cluster Advisory Group, but that person shall have no vote.

(8) The validity of any proceedings, acts or decisions of a committee or Cluster Advisory Group shall not be affected by any vacancy in the membership of a committee or Cluster Advisory Group or by any defect in the appointment of any member or by reason that any person not entitled to do so, took part in the proceedings. 10

(9) A committee or Cluster Advisory Group shall cause minutes to be kept of the proceedings of every meeting of a committee or Cluster Advisory Group and every meeting of any committee or Cluster Advisory Group.

Committees  
of Sector  
Advisory  
Group

**2.** (1) A committee or Cluster Advisory Group may, for the purpose of performing its functions establish committees that it considers necessary and delegate to any of those committees any of its functions. 15

(2) A committee or Cluster Advisory Group may appoint as members of a committee persons who are or are not members of a committee or Cluster Advisory Group, except that at least one member of a committee or Cluster Advisory Group shall be a member of a committee. 20

(3) A person serving as a member of a committee shall hold office for such period as a committee or Cluster Advisory Group may determine. 25

(4) Meetings of the committee shall be held at such times as the committee may determine or as a committee or Cluster Advisory Group shall direct.

(5) Subject to any specific or general direction of a committee or Cluster Advisory Group, a committee may regulate its own procedure. 30

Allowances

**3.** A member of a committee or any sub committee of a committee shall be paid such emoluments as the Emoluments Commission may determine. 35

Disclosure of  
interest

**4.** (1) A person who is present at a meeting of a committee or Cluster Advisory Group or a committee of a committee or Cluster Advisory Group at which any matter is the subject of consideration, and in which matter that person or that person's relative or associate is directly or indirectly interested in a private capacity, shall, as 40

soon as is practicable after the commencement of the meeting, declare that interest and shall not, unless a committee or Cluster Advisory Group otherwise directs, take part in any consideration or discussion of, or vote on any question relating to that matter.

5 (2) A disclosure of interest made under subparagraph (1) shall be recorded in the minutes of the meeting at which it is made.

(3) In this paragraph—

(a) “ associate ” has the meaning assigned to it in the Anti-Corruption Act, 2012; and

10 (b) “ relative ” means—

(i) a person’s son, daughter, brother, sister, nephew, niece, parent, uncle, aunt, grandparent or cousin; and

15 (ii) a person’s spouse or the spouse of any of the persons mentioned in sub-paragraph (i).

5. An action or other proceeding shall not lie or be instituted against a member of a committee or Cluster Advisory Group, a member of a committee of a committee or Cluster Advisory Group for or in respect of an act or thing done or omitted to be done in good faith in the exercise or performance of the powers, functions or duties conferred under this Act. Immunity

