
Appendix IV: Budget Training for Journalists: A Two Day Workshop in Zambia

This program was prepared for a budget workshop for journalists held in Lusaka, Zambia in February 2000. The workshop was hosted by the Swedish Embassy in Lusaka, and technical assistance was provided by the Economics Association of Zambia, the Institute for Democracy in South Africa, and the International Budget Project.

Objectives of the Workshop

Participants should leave the workshop with a greater understanding of:

- the importance of the budget for governance and all major policy areas;
- the importance of the budget process for public expenditure management; and
- the importance of active involvement by outside parties (civil society and the media) in the budget process.

Programme for Day 1

- 09.00 Welcoming remarks by H.E. Kristina Svensson, Ambassador for Sweden
- 09.10 Welcoming remarks and introduction to the workshop by Dr. Moses Banda, Economics Association of Zambia
- 09.20 Brief presentation of participants
- 09.30 **The role of the budget in the Zambian economy**
- 10.00 Tea
- 10.30 **The budget process from A to Z**
This session will highlight the main components of the budget cycle and how they relate to each other, from the preparatory phase to the presentation, enactment and execution phases.

- 11.30 **Preparing the budget – the revenue side**
This session will look at how the budget’s economic framework is determined. How are the underlying assumptions about economic growth, inflation and revenue collection established? What are the principal sources of tax? What is the tax incidence for various population groups and sectors of the economy? What are the trends in revenue collection? What are the main impediments to increasing revenue collection?
- 12.30 Lunch
- 13.30 **Preparing the budget – the expenditure side**
This session will look at how much and how government funds are spent. How much can the government afford to spend? What are the deficit and surplus trends over the last five years? What has the Zambian government done with its money over the last five years? What are the expenditure trends for key sectors? What are the trends as regards current costs vs. capital expenditure? Who (persons and institutions) are the key decision makers when it comes to making decisions on expenditure?
- 14.30 **Presenting, enacting, executing and monitoring the budget**
This session will look at how the budget is presented; i.e., do the Yellow Book and the Budget Statement include all the necessary information to critically analyse the budget? What is the role of Parliament in relation to the Budget? What are the possibilities for Parliament to make changes to the budget once presented? The session will also look at budget execution and monitoring – what is the correlation between allocations and actual expenditure? What are the mechanisms that trigger any alterations?
- 15.30 Tea
- 16.00 **Issues to look at when analysing the budget**
- How to analyse the impact of the budget on the macro- and micro- economic environment: What is the impact of the budget on GDP growth, taxation, disposable incomes, investments, and the employment rate?
 - How to analyse the fiscal and monetary implications of the budget.
 - How to analyse the impact on business.
 - How to analyse the impact on social indicators.

Programme for Day 2

08.00 Why are budgets important?

A discussion of the functions of public sector budgets.

- To determine affordable levels of spending and tax.
- To allocate resources to national priorities.
- To ensure that every Kwacha spent is spent optimally.

This session will emphasise the importance of public sector budgets for good governance, including the implementation of policies in accordance with national priorities. Although the role of budgets in macro-economic management will be noted, emphasis will be placed on the role of budgets in public expenditure and public policy management.

09.00 The budget system: key to effective budgets

In this session the link between public expenditure management, policy implementation, and better budgetary outcomes will be explored. The central role of budgets and the budget process in managing public expenditures will be unpacked in accordance with the different functions of public sector budgets. The institutional arrangements that support good budgetary outcomes will be identified.

10.30 Tea

11.00 The role of parliament and civil society in the budgetary process

This session will look at the role of “outsiders” — i.e., those outside the executive — in public expenditure management. The session will look at the importance of input and participation by parliament and civil society in:

- Drafting the budget
- Approving the budget
- Monitoring the budget

12.30 Lunch

13.30 What is needed for effective participation in the budget process

This session will draw on fiscal transparency principles for better budget management. The need for useful and timely information on the budget and access to the budget process will be emphasised. Participants will be presented with a list of fiscal information that should be available within the framework of optimal budget management.

15.00 Tea

- 15.30 **The role of the press in ensuring better budgetary outcomes**
- 16.30 **Evaluation of the workshop and discussion of possible follow-up activities**

Appendix V: Case Study of an Analysis of the Executive's Budget: Budget Information Service, Idasa, South Africa

Introduction

In 1994, South Africa faced two enormous economic challenges: an extremely poor record of growth over the previous two decades, and a depth of socioeconomic inequality unparalleled in the world. Both were related, in no small part, to the economic and social distortions created by the apartheid regime. The difficulty facing South Africa in 1994, and facing many developing countries still, was how to meet the goals of economic growth and increased equity while strengthening the foundations of the country's new democracy.

The Institute for Democracy in South Africa (Idasa) is a South African public interest organization committed to consolidating the country's democratic institutions. In response to South Africa's first democratic elections in 1994, Idasa established the Budget Information Service (BIS) to analyze the allocation and use of public resources and to understand the impact of the budget on the poor. Since then the organization has played an increasingly important role in the analysis of the national and provincial budgets. BIS's role has evolved as its expertise has deepened and its reputation has solidified. Once dedicated almost entirely to training legislators to understand and analyze the budget, BIS has become an important source of independent, critical analysis of the budget.

BIS is dedicated to the analysis and dissemination of critical, timely, and accessible information about the budget and its impact on low-income people. Equally important, it aims to enhance and facilitate the participation of civil society and legislatures in the budget process. BIS's mission is premised on the idea that increased participation in the budget decision making processes increases consensus and commitment to difficult social trade-offs, and results in higher quality policy decisions. Moreover, greater transparency in the budget system increases government accountability. All are important components of democratic consolidation.

BIS has four different target groups: the executive branch of government, legislators, civil society, and the media. BIS's role with regard to the executive branch is that of a "critical ally." Its role is to support the process of transition that the government is attempting to carry out, while continuing to provide critical analysis of its policies and processes. Although maintaining this balance is often difficult, BIS believes such activities are central to a well-functioning democracy.