THE UNITED REPUBLIC OF TANZANIA

GUIDELINES FOR THE PREPARATION OF ANNUAL PLAN AND BUDGET FOR 2013/14 IN THE IMPLEMENTATION OF THE FIVE YEAR DEVELOPMENT PLAN 2011/12-2015/16

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INSTRUCTIONS FOR THE PREPARATION OF THE PLANS AND BUDGETS FOR 2013/14

1) INTRODUCTION

1.1 The Government Plan and Budget Guidelines for the year 2013/14 have been prepared in light of the recently adopted **new budget cycle** that will enable approval of the Government plan and budget by the Parliament before the end of each financial year. In this regard, the plan and budget preparation and scrutinisation processes will be done earlier than it used to be. Therefore, after issuance of the budget guidelines, Ministries, Independent Departments and Executive Agencies (MDAs); Regional Secretariats (RSs); and Local Government Authorities (LGAs) will prepare and submit their budget estimates for scrutinization by March 2013. The Parliamentary Sectoral Standing Committees will spend more time to scrutinize and endorse plans and budgets during the month of April to enable the Ministry of Finance (MoF) to consolidate and publish budget books for presentation to Parliament for debate and approval. According to the new cycle, the discussion and approval of plans and budgets will be concluded by Parliament by 30th June 2013 and budget implementation will effectively begin on 1st July 2013. In the same vein, Ministers will prepare and present their ministerial policy statements to Parliament by July of each year to enable the general public to hear broad sectoral policy objectives, plans and programme to be implemented. **Attachment B** portrays New Budget Cycle.

1.2 The thrust of the Plan and Budget Guidelines is to provide strategic guidance to all Accounting Officers during preparation of their plans and budgets in line with the revised budget cycle for the fiscal year 2013/14 and medium term outlook. The plans and budgets should be in line with the national planning frameworks, with particular focus on the Five Year Development Plan (2011/12-2015/16). Furthermore, it will be implemented in compliance with the Public Finance Act Cap. 348, Public Procurement Act Cap.410, Regional Administration Act Cap.97, Local Government Finance Act Cap.290 and related Government Regulations and Circulars.

2) PREPARATION OF PLANS AND BUDGETS

2.1 Preparation and implementation of Plans and Budgets should be led by the institutional Budget Committees that involve also the ministers. The Medium Term Strategic Planning and Budgeting Manual (Version 2.0 of 2008) describes the roles of the budget committees. The Committee is chaired by the Accounting Officer with Heads of Departments as its members. Among others, the Committee shall be responsible for:-

a) Ensuring that budget estimates are prepared in line with priority activities as outlined in the Plan and Budget Guidelines 2013/14 (**Chapter II)**, and other national planning and budgeting frameworks and Government instructions;
b) Ensuring that all outstanding activities for 2012/13 are reviewed and reprioritized for inclusion in the Annual Development Plan for 2013/14 requirements;
c) Assessing all signed Project Contracts and Memoranda of Understanding (MoUs) for which commencement certificates have been issued and hence costing them for fiscal year 2013/14;
d) Analysing Ministries' and respective Public Institutions' revenue collection performance and forecasts;
e) Allocating resources based on objectives, outputs and outcome performance;
f) Allocating resources for cross-cutting activities that address issues such as the fight against corruption, Open Government Partnership(OGP), Gender, HIV and AIDS, Environment, and Population;
g) Ensuring proper coordination of the preparation of MTEFs and ensuring that institutional plans and budgets (including those of Public Institutions under their jurisdiction) are properly classified in accordance with GFS Codes 2001. In addition, the MTEFs should consist of SMART targets, costed activities using **appropriate unit costs** and measurement units as issued by Government Procurement Services Agency (GPSA);
h) Ensuring formulation of performance indicators in line with FYDP I and MKUKUTA II; and
i) Ensuring that MTEFs are submitted to the MoF and PO-PC by the end of February 2013 for scrutiny in March 2013.

2.2 In preparing Institutional plans and budgets, Accounting Officers should have full regard to the following:-

a) Institutional Strategic Plans, and other existing national and sectoral policies;
b) Approved budget ceilings regarding expenditure estimates, and revenue targets;
c) Public Private Partnership Act of 2010 and its Regulations of 2011 by deploying all means to attract private investment under this arrangement in order to achieve institutional objectives;
d) The Public Service Standing Orders of 2009;
e) Government Circulars on Revenue and Expenditure; and
f) Approved formats contained in Plan and Budget Guidelines **Chapter V.**

3) MEDIUM TERM EXPENDITURE FRAMEWORK AND RESOURCE ENVELOPE.

3.1 On the basis of the macroeconomic performance in **Attachment A (Chapter I),** the primary focus of the fiscal year 2013/14 budget and the medium term strategy is to consolidate the achievements of preceding years and focus interventions **(Chapter II)** so as to achieve the aspirations of the Five Year Development Plan 2011/12-2015/16 and MKUKUTA II. In this regard, the medium term fiscal framework as outlined in the 2013/2014 budget frame consistent with macroeconomic and fiscal policy objectives, the Government is projected to collect shillings 16,714.8 billion. Out of this amount, total revenue is projected at shillings 10,733.2 billion, of which tax revenue amount to shillings 9,551.7 billion, non tax revenue shillings 756.4 billion and shillings 425 billion as LGAs own source. Development Partners will continue to contribute to Government Budget in form of Grants and concessional loans, whereby a total of shillings 2,632.1 billion is expected. The Government intend to borrow shillings 3,349.5 billion from both domestic and external sources.

3.2 Recurrent expenditure is estimated at shillings 11,322.7 billion including shillings 4,253.9 billion for wages and salaries of Government Institutions and Agencies, shillings 3,393.4 billion is for Consolidated Funds Service (CFS). In additional, development expenditure is estimated at shillings 5,392.1 billion, out of this locally financed development expenditure will be shillings 3,592.9 billion and foreign financed development expenditure is estimated at shillings 1,799.2 billion. In regards to the development component budget, the Government will strive to allocate 35 percent of the total budget as stipulated in the Five Year Development Plan. Therefore, MDAs, RS and LGAs are urged to give priority to these outlays in line with broad guidelines provided in **Chapter III.** Indeed, ongoing activities as well as existing obligations should take precedent over new commitments so as to avoid any potential accumulation of arrears.

Indicative Ceilings for the Medium Term

3.3 Based on the Medium Term Resource Framework outlined above, indicative ceilings will be provided at Vote level to guide the preparation of budget proposals. All spending Agencies should adhere to the ceilings approved by the Government.

4) PREPARATION OF PLANS AND BUDGET ESTIMATES

a) Revenue

4.1 MDAs, RSs, LGAs and Public Institutions that collect non-tax revenue should adhere to the formats for the presentation of the revenue estimates. The revenue estimates should indicate collection trend/performance of the previous fiscal year 2011/12, first half of 2012/13, likely outturn by end of financial year 2012/13, realistic budget for 2013/14 and projections for the outer years of the MTEF **(Chapter V)**. Moreover, Accounting Officers should ensure that:-

(i) All innovative potential sources of revenue are identified and forecasted so as to bolster domestic revenue collection for financing expenditure outlays;

(ii) Projected total revenue are broken down on a monthly basis by category and type;

(iii) Revenue is classified into amount allowed under explicit legislative authorization to be retained by the institution and to be remitted to the Consolidated Fund;

(iv) Comprehensive strategies to enhance revenue collection are developed and implemented;

(v) All businesses are registered in order to ensure that the informal sector is brought into tax-net; and

(vi) Legal sector institutions are strengthened to provide for commensurate legal sanctions for tax evaders.

4.2 It is recognized that some government institutions such as boards, authorities, higher learning institutions, schools and hospitals generate their own revenues and spend directly from their bank accounts without MoF having complete information on the total government resource envelopes available for spending. As per **Chapter V,** all institutions that collect own revenues are required to complete and submit information to the MoF regarding collected revenue together with budget as approved by their respective boards/authorities. Specifically, during the fiscal year 2013/14, the Government will:-

(i) Review all tax exemptions with a view of expanding the tax base;

(ii) Review existing Laws and Regulations that established public agencies which collect own revenues and who do not remit any funds to the Exchequer with a view of enforcing their contributions to the Consolidated Fund; and

(iii) Require all public agencies to remit all collected own sources of revenue into the Consolidated Fund before committing any expenditure and thereafter MoF will release resources monthly for the agencies on retention basis. Therefore, all agencies are required to prepare their plans and budgets including own sources of revenue and submit to MoF through their parent ministries for scrutinization and approval.

b) Remuneration of Employees

4.3 The compensation of employees includes wages, salary and approved non-salary related allowances. To ensure payroll integrity and PE budget control, during preparation of PE estimates, Accounting Officers should abide by guidelines prepared and issued by PO-PSM for MDAs, RSs, LGAs, and TR in the case of Public Institutions. Specifically, they should observe the following:

(i) Validating human resource information as approved by PO-PSM;

(ii) Preparing PE estimates for new employees based on the staff establishment approved by PO-PSM or TR by using the new system LAWSON version 9;

(iii) Preparing PE budget for existing employees by using the payroll for the month of October 2012;

(iv) Ensuring statutory contributions are made to respective social security schemes such as PSPF, LAPF, NSSF, GEPF, NHIF and PPF, as appropriate in the PE estimates;

(v) Ensuring that salary arrears from previous years are included in the PE estimates for 2013/14; and

(vi) Preparing and submitting PE estimates in the forms shown in **Chapter V**.

4.4 In order to determine actual staffing requirements based on institutional establishment and also in line with the D by D policy, MDAs, RSs and LGAs should undertake an evaluation of existing staff in each cadre compared with actual staffing level and justification and then submit such information to PO-PSM by December 2012 for approval.

c) Other Charges

4.5 First charge outlay components should be fully budgeted for. These include: allowances for interns and statutory entitlements; ration allowances; public utilities (telephone, water and electricity); office rent; and Foreign Service allowances for diplomats; examination expenses; higher education students' loans; schools with special needs; capitation grants; school meals; drugs and medicines; and contributions/subscriptions to international organizations. The remainder of other charges should be costed for other outlays.

d) Development Budget

4.6 Following the new mandate of the POPC, each vote should submit their proposed development budget for 2013/14 to POPC for perusal prior to inclusion into their MTEFs.

Locally Funded Projects

4.7 The following should be observed during preparation of development budget estimates to be financed with domestic/own source revenues:-

(i) During budget preparation, MDAs, RSs and LGAs shall ensure that all strategic on-going projects forming part of the Annual Development Plan are adequately funded including outstanding claims raised by suppliers and service providers;

(ii) All other ongoing projects should be re-prioritized and aligned to the resource envelope ceilings provided; and

(iii) New projects shall be submitted to POPC for scrutiny and endorsement as to their qualification for funding. However, inclusion of new projects in the budget estimates can only be considered if there are sufficient resources available from indicative ceiling of respective MDAs, RSs and LGAs after deducting the cost of all ongoing projects. The deadline for submission of new project proposals to the POPC for detailed scrutiny is **mid-January 2013**. To determine credible project proposals for a claim over scarce budget resources, POPC will develop comprehensive criteria/manual for guiding MDAs, RSs and LGAs to prepare standard project proposals that will include a construed development project.

Donor Funded Projects

4.8 MDAs, RSs and LGAs which receive donor funding are required to budget based on confirmed funding levels. The information must include all on-going projects. Specifically, they should ensure that:

(i) Ongoing projects that require counterpart funding are adequately funded;

(ii) New projects are aligned to the Five Year Development Plan and be submitted to PO-PC for approval. Only binding commitments from donors should be included in funds for externally financed projects; and

(iii) All donor funded projects (including direct, reimbursable and cash categories) are reflected in the budget estimates.

4.9 In order to prepare realistic budget estimates with firmed -up foreign resources, MDAs, RSs and LGAs shall submit signed copies of financing agreements both for ongoing and new projects together with budget submissions to MoF and POPC so as to ease the scrutinization process. All MDAs, RSs and LGAs should strictly adhere to the budget ceilings and ensure that all important activities are budgeted for, within the ceiling.

e) Intergovernmental Fiscal Transfer

4.10 During the financial year 2013/14, the Government will continue to allocate grants to LGAs on formula and performance basis to facilitate financing of specific requirements, such as meals for secondary schools and ration allowances for fire and rescue force as well as schools with special needs. In this case, LGAs will continue to receive block grants in the grant-aided sectors such as Agriculture, Livestock, Health, Roads, Water and Education. In the case of education sector, LGAs should ensure the following:

(i) Allocating capitation grant for primary schools at an average of Tshs. 10,000 per enrolled pupil per annum, including pre-primary pupils and those in special day schools;

(ii) Allocating capitation grant for secondary schools at an average of Tshs. 20,000 per enrolled day school student per annum;

(iii) Allocating the budget for school meals at an average of Tshs. 405,000 per annum (i.e. Tshs. 1,500 x 270 school days) per student enrolled in registered boarding primary and secondary schools; and

(iv) Preparing realistic budget and allocating resources for primary school examinations (STD IV and VII) as well as secondary school examinations (Form II, IV, and VI).

4.11 In addition, and in line with the cost sharing arrangement, LGAs should ensure collection of Tshs. 20,000 and Tshs. 70,000 from each student enrolled in Day and Boarding Secondary Schools, respectively, and this shall form part of the Capitation Fund as council own sources to be spent on secondary education.

f) Institutionalizing Decentralization By Devolution Across Government Ministries and Institutions

4.12 In addition to details on D by D provided in **Chapter IV**, to ensure effective implementation of the D by D policy, MDAs are required to:

(i) Continue devolving functions that are local in nature along with resources (mainly human and financial), for realization of rapid development at grassroots level; and

(ii) Continue to review respective sector policies and laws to ensure that they are D by D compliant.

4.13 Therefore, MDAs' plan and budget proposals will be scrutinized bearing this in mind.

g) New Monitoring and Evaluation Framework of Development Plans and Programmes

4.14 The Government has adopted a new framework that will ensure effective implementation, monitoring and evaluation of the Development Plans and programmes and will establish a National Delivery Unit named as Presidential Delivery Bureau (PDB) as an Independent Department under the President's Office. This endeavor aims at enhancing delivery through monitoring and evaluation as well as operationalization of *labs* which are described as controlled environment for solving problems in an intensive manner geared to achieve quick and robust major results for emerging complex national issues.

4.15 To initiate the operationalisation of the Lab Approach six (6) areas have been identified namely; ***Energy, Transport, Agriculture, Oil and Gas, Education, and Resource Mobilization.*** The areas have been drawn from the Five Year Development Plan (FYDP) to be taken as initial areas of concentration in the *labs* planned to start in November, 2012 and end February 2013. It is envisaged that the results of Labs will form a base of actionable Government programmes and the financial implication for each programme. With the priority areas outlined in these guidelines, the lab output will direct strategies to be adopted by MDAs, RSs and LGAs in ensuring effective delivery of the priority projects. Thus, these labs are expected to support the Annual Development Plan 2013/14 preparation process. MDAs should ensure that activities which will be developed from the labs are adequately funded by the government.

4.16 Therefore, all sectors that have been identified by the *six labs* should facilitate identification of actionable programmes in those areas.

5) OTHER ISSUES TO BE CONSIDERED IN THE BUDGET ESTIMATES

a) **Austerity Expenditure Measures**

5.1 Accounting Officers should take cost reduction measures particularly in such areas as seminars and workshops; public ceremonies, payment of non-statutory allowances; procurement of furniture and motor vehicles. Specifically, during budget preparation, Accounting Officers should:-

(i) Ensure that seminars and workshops are strictly controlled and preferably conducted in public facilities;

(ii) Get approval of the Prime Minister before procuring new vehicles. Regarding vehicle standards, PMO will issue circular for guidance;

(iii) Strictly control foreign travels. Other guidance will be issued through circular by mandated government authorities; and

(iv) Use existing ICT infrastructure such as website and email as official communication to retrieve and disseminate information as a means to reduce unnecessary expenditure.

b) Controlling Accumulation of Arrears

5.2 The Government through Internal Auditor General is verifying and establishing the stock of arrears; and will develop and implement arrears liquidation strategy. Specifically, during budget preparation, Accounting Officers should:-

(i) Use IFMS generated LPOs to avoid awarding tenders to supplier/ consultant/contractor in the absence of budget; and

(ii) Accord first priority on implementation of ongoing projects and ensure availability of funds before signing new contracts.

c) Public Private Partnerships

5.3 MDAs, RSs and LGAs that are considering involving eligible private sector in the execution of their development projects through the Public-Private Partnership (PPP) arrangement should prepare project write-ups giving full details of proposals to ensure achievement of value for money before procuring private firms to implement such projects. MDAs should ensure that such projects are submitted to POPC for approval before submitting to MoF for funding. In the case of RSs and LGAs, such projects should be submitted to PMO-RALG for scrutiny and onward submission to POPC. In the same vein, the Government will enhance capacity of institutions so as to effectively manage implementation of PPP project contracts.

d) **Importation of Goods and Services**

5.4 MDAs, RSs and LGAs should note that, as a strategy to promote local industries, the Government discourages importation of goods which substitute locally produced and are easily available in the local market. **However, if importation of some goods that can be produced locally is necessary, payment of all custom duties, VAT and other corresponding charges; and contracts must be adequately budgeted for**.

e) Tax Exemption

5.5 MDAs, RSs and LGAs should not enter into contracts with foreign contractors and incorporating tax exemption clauses without prior approval by MoF. It should be noted that, it is only the Minister responsible for Finance who can grant tax exemptions and waivers as stipulated in the respective tax laws and as per Chief Secretary's reminder through Circular Letter **Ref. No. CAB 12/558/01/12** of 2nd October, 2009.

f) Exchange Rate

5.6 As a base and for the sake of uniformity in the budget estimates presentation for 2013/14, all MDAs, RSs and LGAs are required to use the indicative exchange rate of **USD 1 to Tshs. 1,572.68** as provided by the Bank of Tanzania for costing their budget estimates in areas that involve foreign exchange component.

g) Monitoring and Evaluation

5.7 MDAs, RSs and LGAs should make budgetary allocation for the monitoring and evaluation of their plans and budgets so as to ensure achievement of value for money. MDAs, RSs and LGAs should strengthen M & E capacities to ensure effective monitoring of outputs and outcomes of Government expenditures for effective planning.

h) Mainstreaming Gender Responsive Budgeting (GRB)

5.8 MDAs, RSs and LGAs should identify gender issues in their respective areas by undertaking gender analysis of gender disaggregated data in order to implement measures to address the identified gender gaps. They should continue to build capacity of gender focal persons, budget and planning officers as well as budget committees on mainstreaming gender issues in their institutional plans and budgets by allocating resources to address gender imbalances in their areas. Further, MDAs, RSs and LGAs should enhance legal and regulatory framework for expeditious investigations, prosecutions and case adjudications of gender and sexual based violence cases.

i) Budgeting for Protecting Vulnerable Social Groups

5.9 MDAs, RSs and LGAs should allocate resources to improve infrastructure and appropriate service delivery in specific centers such as elderly and children camps, and special schools. Moreover, it should be ensured that public facilities should easily be accessible to people with disabilities.

j) **Nutrition Interventions**

5.10 MDAs, RSs, and LGAs implementing nutrition interventions should allocate resources in line with National Nutrition Strategy and submit quarterly performance reports to Prime Minister's Office (PMO). On the other hand, LGAs should ensure a functioning Council Multi-Sectroral Nutrition Steering Committee and submit quarterly performance reports to PMO-RALG for consolidation. Furthermore, LGAs in collaboration with communities should prepare and implement a comprehensive nutrition programs which will enable provision of school meals to all students in day primary and secondary schools.

k) Public Sector Reforms

5.11 Although significant achievements have been recorded in recent years, there are still challenges that need to be addressed. Contextual changes and emerging initiatives in solving various problems could render the ongoing reform efforts ineffective and this may likely result into reform fatigue, leading to doing business as usual, thus running the risk of compromising the achievements that have hitherto been registered. Therefore, based on the above facts, MDAs should ensure the following:-

(i) Taking a leading role in setting priorities in reform interventions and engaging all stakeholders for mutually agreed activities to ensure ownership, accountability, and strictly adhering to the adopted planning and budgeting cycle; and

(ii) Reviewing and re-adjusting their reform programmes to realign with the Five Year Development Plan (2011/2012 – 2015/2016) and putting in place effective coordination frameworks and robust monitoring and evaluation systems.

l) Good Governance and Rule of Law

5.12 In order to ensure good governance and rule of law, adequate resources will be allocated for enhancing good governance and access to justice including finalization of the Constitutional Reform process; implementation and issuance of National Identity Cards by the National Identification Authority (NIDA); preparation for National General Election 2015; improving Voters' Registration Book; energizing Judicial Fund; and Post Code and Physical Address so as to perform effectively their planned priority activities for 2013/14.

m) Employment and Economic Empowerment

5.13 Economic empowerment initiatives through implementation of J.K, Youth and Women Funds have continued to be implemented with a view of creating more employment opportunities in the country. In order to strengthen efforts to create more jobs for the youths, the Government will invigorate these *Employment and Economic Empowerment Funds* in fiscal year 2013/14 so as to provide capital for the youths to establish more micro- enterprises to generate their incomes and job creations**.** In addition, during preparation of the plan and budget estimates, all MDAs, RSs and LGAs will be required to prepare report on new employment opportunities to be created and submit it to the Ministry of Labour and Employment.

n) Specific Instructions for RSs and LGAs

5.14 During preparation of Plan and Budget for 2013/14, RSs and LGAs shall undertake the following:-

(i) Enhance and strengthen the capacity of Local Government Authorities in tax collection;

(ii) Continue with construction/rehabilitation and equipping regional hospitals, Regional and District Commissioner's Offices, District Administrative and Divisional Secretaries Offices;

(iii) Continue speeding-up the construction, rehabilitation and equipping of social and economic infrastructure, especially in the sectors of Education (classrooms, houses, laboratories, hostels, offices, latrines and stores); Water (for domestic, industries and irrigation uses), Health, Agriculture, Livestock, Fisheries, and Roads, in line with national standards;

(iv) Continue to mainstream gender in Local Government Authorities;

(v) Strengthen coordination and ensure the attainment of targets set for food and cash crop production with special emphasis on the investment projects under SAGCOT and Tanzania Agriculture and Food Security Investment Plan (TAFSIP) in the spirit of *Kilimo Kwanza* initiatives;

(vi) Develop Regional and Council Data Centre for effective coordination of database and information in the Region;

(vii) Prepare land use plans and demarcation of plots and farms;

(viii) Strengthen and enforce various systems protecting children's rights including support to Most Vulnerable Children (MVC) especially street children, orphans, children with disabilities, harassed children and children with chronic diseases;

(ix) Continue to strengthen institutional interventions on prevention and to combat corruption and enhance integrity among staff and the local community;

(x) Enhance conducive business environment focusing on reducing unnecessary bureaucracy especial in respect of issuance of building permits and business licenses; and

(xi) On a phased arrangement, undertake training of functionaries and leaders at the lower local government level at the Institute of Rural Development Planning (IRDP), Dodoma and the Institute of Local Government Training, Hombolo, Dodoma to enhance their capacity to improve planning and implementation of the development projects at the local level.

6) BUDGET SCRUTINY AND APPROVAL

a) Budget Submission, Scrutinization and Data Entry

6.1 Budget scrutinisation will be conducted by MoF in collaboration with the PO-PC, PO-PSM and PMO-RALG, in March 2013. The scrutinisation will focus on:-

(i) The policy objectives and budget estimates (MTEFs) to see whether they have adhered to the Plan and Budget Guidelines for 2013/14;

(ii) Performance of implementation of the budget for 2011/12; and

(iii) The first half of 2012/13 budget including all commitments made for which payment will be made in 2012.

6.2 MDAs, RSs and LGAs are therefore required to prepare the above documents accurately and submit to MoF and POPC at **end of February 2013** to pave the way for detailed scrutiny from first week of March 2013.

b) Budget Analysis and Authorization by the Parliament

6.3 After the scrutinization of budget estimates is completed by end of March 2013, the MDAs, and RSs should make final adjustments to the budget proposals ready for submission to the Parliamentary Sectoral Standing Committees in the **first week of April 2013** for detailed analysis and approval. After the Parliamentary Standing Committees have scrutinized all budget estimates, all MDAs, RSs and LGAs shall update their budget estimates by accommodating all necessary adjustments as agreed upon during the scrutinization process. Finally, the budget estimates shall be re-submitted to the MoF for finalization of the budget books by **<u>end of April 2013</u>**. The MoF will then publish budget books (Vol. I, II, III, & IV) in the **<u>first week of May 2013</u>**.

c) Finalization of Plan and Budget Estimates

6.4 Preparation of the budget estimates will be finalised by using a computerized data system (IFMS) and the newly introduced budget classification and chart of accounts. The MoF will provide technical backstopping to ensure that the estimates are prepared in accordance with the new budget requirements. On the other hand, all Accounting Officers are required to provide necessary support to budget officers during the data entry process in order to promptly accomplish their tasks to enable the MoF to print the budget books on time.

d) Presentation of Ministerial Policy Statements

6.5 Soon after approval of the National Budget by end of June, 2013, ministries shall present their ministerial policy statements to Parliament. Conversely, since the Parliament will have already endorsed the national budget including financing options for sectoral priority areas in June, during this time the ministries will present their brief ministerial policy statements including sector financing options for implementing their plans and budgets during FY 2013/14. Therefore, ministries are urged to prepare and present their policy statements to Parliament during July 2013. As it was the case in the previous years, the policy statements will enable the general public to hear through Parliament broad sectoral policy objectives, plans, programmes and strategies to be pursued in the fiscal year 2013/14.

7) CONCLUSION

7.1 The instructions given above have been summarized to guide plans and budgets preparation, implementation and reporting. MDAs, RSs and LGAs are hereby referred to the Annexes which further elucidate specific issues to be addressed as integral part of the Guidelines for the preparation of the plans and budgets for the fiscal year 2013/14.

7.2 Strict adherence to these instructions is of paramount importance for effective implementation of the next budget which will eventually enable the Government to pursue the aspirations of the Five Year Development Plan 2011/12-2015/16 and

MKUKUTA II. Therefore, it is expected that those involved in this decisive exercise will spare no efforts in coming up with high quality plans and budgets for the year 2013/14.

7.3 In order to meet the constitutional obligation to submit the 2013/14 plans and budget estimates to Parliament before commencement of the budget session in June 2013, drafted budget estimates should reach MoF and POPC by end of **February 2013** for detailed scrutiny. Scrutinization by Sectoral Parliamentary Standing Committees will be done in April 2013 and it is therefore planned that, budget estimates will be submitted to these Committees by **first week of April 2013** for detailed scrutiny and approval. The new Budget Cycle is attached (**Attachment B)** for information and action.
