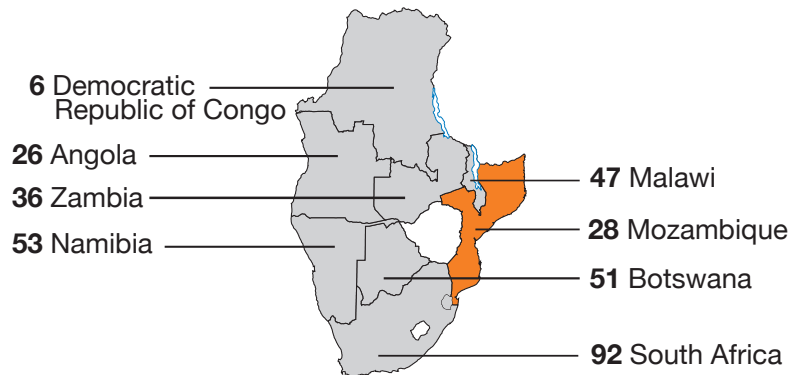
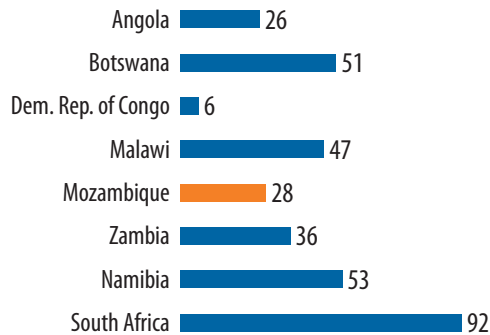


Overall score: 28 (Out of 100) Provides minimal information to the public in its budget documents during the year.

How Does Mozambique Compare to Its Neighbors?



Key Findings

The scores for 92 questions from the Open Budget Survey 2010 (see text box) are used to compile objective scores and rankings of each country's relative transparency. These scores constitute the Open Budget Index (OBI).

Mozambique's OBI 2010 score is 28 out of 100, which is just two thirds of the average score (42) for the 94 countries surveyed. Mozambique's score is one of the lowest in the Southern Africa region.

Mozambique's score indicates that the government provides the public with minimal information on the central government's budget and financial activities assessed by the survey. This makes it quite difficult for citizens to hold the government accountable for its management of the public's money.

Information in Public Budget Documents

Adequacy & Availability of Eight Key Budget Documents

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	E	Not Produced
Executive's Budget Proposal	C	Published
Enacted Budget	A	Published
Citizens Budget	E	Not Produced
In-Year Reports	E	Not Produced
Mid-Year Review	E	Not Produced
Year-End Report	E	Published
Audit Report	E	Published

* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey 2010. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents how the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. Mozambique produces the Proposta de Lei do Orçamento do Estado para o Ano de 2009 (budget proposal), but it is not sufficiently comprehensive. Major gaps in information are found in the following areas:

- It does not present comprehensive information that can help explain the relationship between the government's revenue and expenditure plans and its policy and macroeconomic goals. This information is important if the executive wishes to facilitate a broader debate about planned expenditures.
- It lacks comprehensive information on certain fiscal activities that can have a major impact on the government's ability to meet its fiscal and policy goals, including information on extra-budgetary funds, quasi-fiscal activities, tax expenditures, contingent and future liabilities, and financial and other assets. Absent this information, the public does not know the government's complete fiscal position.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Mozambique produces a Pre-Budget Statement, but it is not made public within a timeframe that meets international best practices for budget transparency. Therefore, the document is considered as "Not Produced" for the purpose of this research.

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide the public with the data it can use to assess the government's stated policy priorities and hold it to account. Mozambique produces a comprehensive Enacted Budget.

A **Citizens Budget** is a nontechnical presentation of a government's budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government's plans. Mozambique does not produce a Citizens Budget.

In-Year Reports provide a snapshot of the budget's effects during the budget year. They allow for comparisons with the enacted budget figures and thus can facilitate adjustments. The government of Mozambique does not publish In-Year Reports in a timely manner.

A **Mid-Year Review** provides a comprehensive overview of the budget's effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. Mozambique does not produce a Mid-Year Review.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. Year-End Reports can inform policymakers on tax policies, debt requirements, and major expenditure priorities, facilitating adjustments for upcoming budget years. Mozambique publishes the Conta Geral do Estado 2007 (Year-End Report), but it has serious deficiencies.

OPEN BUDGET SURVEY 2010

Mozambique

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

Research to complete this country's Open Budget Survey was undertaken by:

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An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. Mozambique publishes the Relatório e Parecer do Tribunal Administrativo sobre a Conta Geral do Estado de 2007, but it has serious deficiencies.

Public Participation and Institutions of Accountability

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Mozambique's budget process can be made more open. These include ensuring the existence of a strong legislature and SAI that provide effective budget oversight, and providing greater opportunities for public engagement in the budget process.

Are oversight bodies effective in their budget role?

Oversight Institution	Strength**
Legislature	Moderate
SAI	Weak

** Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey 2010 . An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey 2010, budget oversight provided by Mozambique's legislature is inadequate because it does not:

1. have full powers to amend the Executive Budget Proposal at the start of the year;
2. have full powers to approve some changes made to the budget over the course of the fiscal year; and
3. hold public hearings on budget discussions in which the public can testify.

According to the Open Budget Survey 2010, budget oversight provided by Mozambique's SAI is weak because it:

1. is not fully independent from the executive; the executive can remove the head of the SAI without seeking final consent from the legislature or judiciary;
2. does not have sufficient resources (specifically expert staff) to meaningfully exercise its mandate;
3. does not issue timely Audit Reports on the final expenditures of national departments;
4. does not have formal channels for appropriate communication with the public; and
5. does not have adequate reporting on the follow-up steps taken by the executive to address audit recommendations for remedial action.

Recommendations

Mozambique should:

- publish budget documents that are already being produced – such as the Pre-Budget Statement – on the government’s website;
- begin to produce and publish a Citizens Budget and Mid-Year Review;
- publish In-Year Reports in a timely manner;
- improve the comprehensiveness of the Executive’s Budget Proposal;
- provide opportunities for the public to testify at legislative hearings on the budget;
- increase the powers of the legislature to provide more comprehensive oversight not only when the budget is being approved but also during the budget execution period; and
- strengthen the budget oversight role of the SAL.