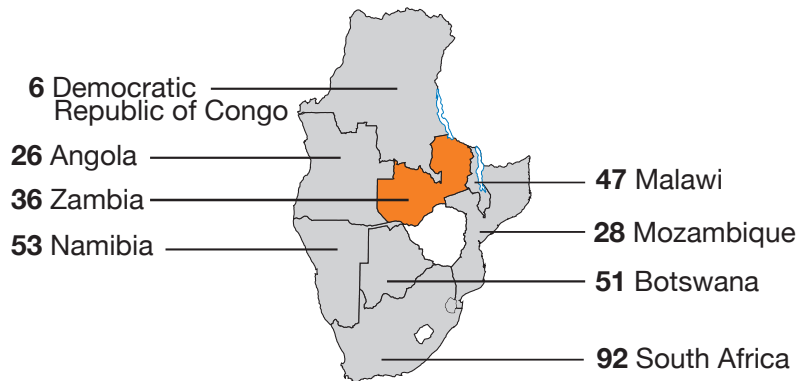
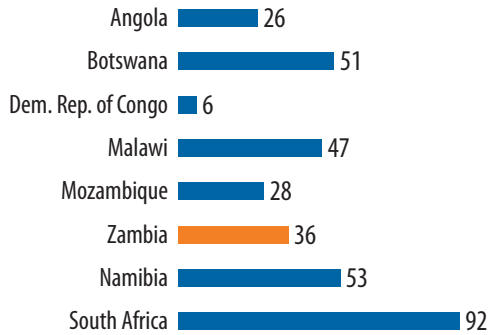




Overall score: 36 (Out of 100) Provides minimal information to the public in its budget documents during the year.

How Does Zambia Compare to Its Neighbors?



Key Findings

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

Zambia's OBI 2010 score is 36 out of 100, which is significantly less than the average of countries in Southern Africa. Zambia'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 extremely 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	A	Published
Executive's Budget Proposal	D	Published
Enacted Budget	A	Published
Citizens Budget	E	Not Produced
In-Year Reports	E	Produced, Not Published
Mid-Year Review	D	Published
Year-End Report	D	Published
Audit Report	D	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. 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 the ways the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Zambia, the Estimates of Revenue and Expenditure (budget proposal) is published but is far from being comprehensive. The Executive's Budget Proposal is available on payment of approximately US\$50. However, copies of this proposal are in short supply and sometimes are not even available for purchase by those who can afford to pay this fee. Major gaps in information in the budget proposal are found in the following areas:

- It lacks data on expenditures and revenues for multi-year periods, i.e., information on the prior year's budget and information on anticipated future year expenditures. Prior-year data are important because they provide a benchmark against which budget proposals can be assessed, while long-term spending projections can yield insights into the feasibility and sustainability of future budget proposals.
- It lacks 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 non-financial assets. Without this information, the public does not know the governments' true fiscal position.
- It lacks information on outputs and outcomes.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Zambia publishes a comprehensive Pre-Budget Statement.

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 data the public can use to assess the government's stated policy priorities and hold it to account. Zambia publishes 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. Zambia 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. Zambia produces In-Year Reports but does not make them available to the public.

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. Zambia publishes a Mid-Year Review that is far from comprehensive. For example, it lacks updated revenue estimates for the budget year underway.

OPEN BUDGET SURVEY 2010

Zambia

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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A **Year-End Report** compares the actual budget execution to the Enacted Budget. The Year-End Report can inform policymakers on tax policies, debt requirements, and major expenditure priorities, thus facilitating adjustments for upcoming budget years. Zambia publishes a Year-End Report that is far from comprehensive.

An **Audit Report** is an independent evaluation by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent monies in line with the authorized budget and whether the government's accounts of its revenues and expenses are accurate and can be relied upon to provide a reliable picture of the fiscal situation. The Audit Report also provides information on any problems identified by the auditors in the management of public funds during the budget year. Zambia produces an Audit Report, but it is far from comprehensive. The Audit Report does not include an executive summary or information on extra-budgetary funds. Recommendations from the SAI are not included in this report.

Public Participation and Institutions of Accountability

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

Are oversight bodies effective in their budget role?

Oversight Institution	Strength**
Legislature	Moderate
SAI	Moderate

** Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey related to each institution. 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, budget oversight provided by Zambia's legislature is inadequate because it does not:

1. have sufficient powers to change the Executive's Budget Proposal at the start of the year;
2. have sufficient time to discuss and approve a budget; and
3. have full powers to approve any amendments made to the budget over the course of the fiscal year.

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

1. have sufficient funds to meaningfully exercise its mandate; and
2. issue reports on the follow-up steps taken by the executive to address audit recommendations.

Recommendations

Zambia should:

- publish the Executive's Budget Proposal and In-Year Reports on the government's website;
- increase the comprehensiveness of the Executive's Budget Proposal, the Mid-Year Review, the Year-End Report, and the Audit Report;
- produce and publish a Citizens 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
- further strengthen the budget oversight role of the SAI.