

Budget Module

Week 2: January 26, 2009

Learning Objectives

At the end of this week, you should be able to meet the following learning objectives:

- Explain the different stages of the budget process
- Discuss the roles of different actors in the budget process

Instructions:

Step 1: Read

Begin this week by reading **Unit 3: The Budget Process**

Step 2: Respond

Work through the end of unit questions listed at the end of the unit.

Step 3: Self-Test

Test your work against the sample answers listed on the "self-test" posted on the website's Workbook page. Sample answers to Unit 3 have been posted.

Step 4: E-Discussion

This unit provides a general outline of the budget process and, in particular, the stakeholders in the budget process, stages of the budget process, and how annual budgeting can be guided by a medium-term expenditure framework. There are four

self-test questions at the end of the unit and I encourage you to work through these questions. Sample answers to the questions will again be made available.

There are three discussion questions for Unit 3 which can be found on the discussion forum:

- 1. How can a legislature best influence the budget preparation/drafting process? To what extent does your legislature comment on expenditure priorities and influence the Executive's preparation of the budget?**
- 2. Is a medium-term expenditure framework (MTEF) part of the budget system in your country? If so, is it effective?**
- 3. The balance of budgetary powers will vary between the executive and the legislative branches throughout the different stages of the general budget process described in Unit 3. Three variables are important in determining the actual role of a legislature through this process: (1) institutional capacity; (2) constitutional and legal powers; and (3) political will of individual legislators? Comment on each variable as it applies to your legislature. Which variable is most important, and why?**

The next two units will examine the approval of the budget and the audit of public accounts. I am therefore particularly keen to spark a discussion this week on how legislatures can best influence the budget preparation and drafting process.

I would like to urge you all to participate in the e-discussions: you can relate your comments to your own personal experiences in the legislature and you don't need to be an expert in the field! The second discussion question for this week is also the self-test question at the end of the unit. You can therefore post your answer so other participants can share their country's experience. The discussion questions from last week will be left open so please feel free to continue these debates as well as contribute to this week's topics.

Anthony
