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Beyond The Budget Speech: Strengthening Parliament's Ex-Ante Budget Scrutiny Role For A Credible Public Budget

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About BIDPA

The Botswana Institute for Development Policy Analysis (BIDPA) was established in 1995 through a Deed of Trust as a partnership between the Africa Capacity Building Foundation (ACBF) and the Government of Botswana. Seed funding was provided by both Botswana Government, ACBF, and the Norwegian Government.

BIDPA was established following the realisation that there was a need to have an independent research institute that can effectively conduct research, policy analysis, and publish on development policy issues relevant to Botswana and the region.

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EXECUTIVE SUMMARY

In both the 2025/2026 and 2026/2027 budget speeches, the Vice President and Minister of Finance, Ndaba Gaolathe alluded to the fact that the country faces financial challenges borne from the dwindling diamond sales experienced in recent years. In his maiden budget speech presentation of 2025/2026, Gaolathe pointed out that at the time, the budget came at a difficult point where the country was faced with severe financial crisis and thus called for strict reform measures to ensure that Parliament conducts its budgetary supplementary reviews effectively. In his subsequent 2026/2027 budget speech, the Minister continued to advocate for further reform in the country's public financial management systems, practices and process, and further pledged commitment to strengthening oversight institutions to safeguard public resources. This Policy Brief argues that Parliament's pre-spending budget oversight and scrutiny, presents a great opportunity for safeguarding public finances even before any government commitment and spending takes place. It is unfortunate that this role is however undermined by some limitations surrounding the conduct of this function, ranging from inadequate amendment powers, limited time, capacity and skills for scrutiny as well as access to budgetary information and poor reporting on pre-spending budget analysis. Addressing these limitations can help enhance Parliament's capacity to scrutinise budget appropriations, ultimately contributing to the approval of a sound and credible public budget that is closely aligned with national development priorities.

INTRODUCTION AND BACKGROUND

Taking over the reigns from the Botswana Democratic Party (BDP), in the historic general elections of October 2024, the Umbrella for Democratic Change (UDC) lamented inheriting a government facing severe fiscal constraints and cashflow problems amongst other challenges (Boko, 2024 Sate of the Nation Address). The country's challenging financial status was reiterated by the Vice President and Minister of Finance, Ndaba Gaolathe who in his opening remarks of the 2025/2026 Budget Speech alluded to the deterioration of public financial management systems, practices and processes over the years. The state of the country's financial resources points to a struggling Public Financial Management (PFM) system underpinned by weak budgetary oversight. Therefore, key corrective measures must include ensuring the implementation of prudent reforms in the country's financial management systems. Such reforms are necessary to strengthen fiscal discipline. The budget scrutiny role of Parliament is thus necessary to ensure efficient resource allocation and alignment of public spending with national development priorities, especially where the country is faced with resource constraints.

Parliament's budget scrutiny and approval role exercised in the floor of Parliament and through the Finance and Estimates Committee (FEC), provides an opportunity to scrutinise public finances before government funds are committed and spent.

However, effective pre-spending scrutiny cannot be realised where there are limitations surrounding this role.

Drawing from the author's paper published through the Botswana Institute for Development Policy Analysis (BIDPA) Working Paper Series, (Working paper no. 88), titled "Mitigating Performance Limitations and Challenges Faced by Parliament's Budgetary Oversight Committees in Botswana", this policy brief presents an analysis of some of the limitations which once addressed, the ex-ante role of Parliament can be significantly improved, leading to the adoption of a more credible public budget. Consistent with the original paper, this policy brief adopts a qualitative approach and draws primarily on desk research, supplemented by data from key informant interviews conducted during the preparation of the aforementioned working paper.

Important Pre-Conditions for Effective Ex-Ante Budget Scrutiny

For Parliament and its FEC to undertake effective pre-spending budget scrutiny, several enable conditions must be in place. While these pre-conditions are not sufficient on their own, the presence of most of them can create an environment conducive for better budgetary control. These enabling conditions include;

i. *Amendment Powers*

Amendment powers refer to the formal powers given to parliaments for their scrutiny role. Amendment powers are an important factor in determining how far parliaments can go in amending the budget proposals presented before them. These powers differ between Presidential and Westminster parliaments. Legislatures from Presidential systems have wider amendment powers where they can alter the budget proposal submitted before them. On the other hand, Westminster-type of parliaments cannot realistically amend spending proposals, and many are barred from substituting a budget of their own. Instead, they are confined to assenting to spending proposals that are put before them with little to no room for adjustment.

ii. *Time Allocated for Budget Scrutiny*

Another important pre-requisite for effective budget scrutiny is the time given to parliament to go over the budget bill. Parliament must be given sufficient time for scrutiny of the budget. International best practice suggests at least two to three months as enough time to be allocated to Parliament for the review and debate of budget proposals (Krafchik and Wehner, 2004:10).

iii. *Skills and Capacity for Budget Scrutiny*

Parliament's capacity including members' skills for budget analysis also play a crucial role in whether parliament gets to pass a credible budget or not. As Coghill et al (2014:51) posit, "… some suggestions for enhancing parliamentary oversight {speak to} enhancing MPs' capacities to undertake their role in a more considered and effective manner." It is no secret that not all MPs have any accounting and financial background to understand the language of budget preparations and so it is important for them to consult with researchers and economists already involved in the work of budget analysis. Budget allocations are made at different types, levels and classifications such as the vote level, programme level or by economic classification. Legislators must be capacitated and they must also familiarise themselves with these types of allocations so that their budget analysis is rightly categorised.

iv. *Access to Budgetary Information*

Access to comprehensive and reliable budgetary information has widely been cited as an important factor which if not adhered to, parliament may not necessarily do justice to the budget bill or hold those making budget requests accountable. Parliament should have access to audit reports, budget execution reports, performance reports, and evaluation findings to assess whether proposed expenditures are justified and likely to achieve intended outcomes.

v. *Reporting*

Lastly, reporting is an important aspect of budget oversight that ensures availability of information for accountability purposes. Upon completion of their scrutiny of budget proposals, oversight committees must prepare and produce reports of their deliberations to be tabled before Parliament. So, Parliament and the FEC must prepare and produce reports of their pre-spending oversight work. In other jurisdictions, a Budget Analysis Report (BAR) is prepared and made available to the public.

ANALYSIS

The foregoing discussion highlights the pre-conditions necessary for effective Parliamentary pre-spending budget scrutiny. Using these pre-conditions this section examines the budget scrutiny role of Parliament of Botswana, identifying areas requiring further strengthening and improvements. As already alluded to, Parliament performs its budget approval role in the floor of the House as well as through its Finance and Estimates Committee (FEC), which according to Section 97 of the Standing Orders, (i) examines whether funds are well allocated within the limits of the policy implied in the estimates; (ii) to suggest the form in which the estimates shall be presented to parliament; (iii) considers and recommends for approval all proposals by the government entailing supplementary expenditures for which the sanction of the Assembly is required as well as (iv) examine items concerning any part of the estimates of a ministry or ministries for examination during the financial year.

However, there have been arguments surrounding the effectiveness of Parliament on its budgetary oversight role and many have deemed Parliament as weak and only working to rubberstamp decisions made by the Executive (Mmegi, 17 April 2015). This is mainly because Parliament is generally restricted to only either approve or reject budget proposals, with limited scope to alter expenditure allocations. The issue of limited capacity comes as no surprise because members of parliament, especially those serving in the FEC, do not have the technical expertise to scrutinise budget proposals. As such, they require support if they are to successfully carry out their budget scrutiny work. While this can be said to be addressed through induction exercises that have recently been adopted by the Parliament of Botswana post 2024 elections, it is important to ensure that these inductions provide guidance on how to effectively carry out the specific task of financial scrutiny.

While there have been improvements in the time given to Parliament to review budget allocations, the Parliament of Botswana however operates within a limited space of time as allocated within the parliamentary timetable. Additionally, other important stakeholders such as the Leader of Opposition, are given a short window (48 hours) to respond to the budget appropriation bill. A further constraint to effective pre-spending budget scrutiny is limited access to comprehensive information on fiscal assumptions, revenue projections as well as expenditure estimates. When scrutinising the budget, Parliament and its FEC rely on documents produced and shared by the Executive, which has the prerogative of budget formulation and implementation.

Lastly, although reporting is also viewed as a necessary prerequisite for effective budget analysis, there is no legal provision for the preparation and production of budget scrutiny reports in the Parliament of Botswana. However, the Parliamentary Committees Manual of the Botswana Parliament (2014) does acknowledge the need for reporting as it states in part that, "one of the main duties of committee secretaries is to produce reports." However, this only pertains to the production of supplementary budget reports by the FEC. It is necessary to also produce a report of the review and analysis of the Budget Appropriations Bill which happens in the floor of the House.

CONCLUSION AND POLICY RECOMMENDATIONS

This Policy Brief posits that Parliament's pre-spending budgetary oversight role presents a great opportunity for public budget scrutiny prior to government commitment and spending. The effectiveness of Parliament in this role rests upon the existence of certain pre-conditions deemed necessary for prudent pre-spending budget scrutiny. The following recommendations are made to enhance the Parliament of Botswana's ex-ante budget scrutiny role;

i. Improve Parliament and the Finance and Estimates Committee's Budget Amendment Powers to include Budget Reversionary Powers.

ii. Allocate Parliament, its Finance and Estimates Committee and other relevant stakeholders such as the Leader of Opposition adequate time to respond to the Budget Appropriation Bill and scrutinise supplementary requests.

iii. Institute budget analysis tailored induction and professional development programs for members of Parliament to improve their capacity and skills for budget analysis.

iv. Grant Parliament and its Finance and Estimates Committee comprehensive and unrestricted access to relevant budgetary information for informed decision making on budget requests.

v. Make a formal requirement for Parliament to prepare and produce a budget analysis report, outlining how the budget proposals were reviewed and the recommendations made to the Minister of Finance as a result.

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