

Honorable Finance Minister, Please keep Your Word
**Without District Budget there is no alternative to
Achieve Vision 2021**

**1. 'District Budget' on the last Budget
Speech of the Finance Minister.**

In his last budget speech finance minister promised to start district budget for at least one district in each division. It was what we really needed. To achieve vision 2021 reformation of budget process was must; district budget could be an important initiative on that regard. A concept paper on district budget was also distributed in the parliament.

But it seems that, finance minister has turned back from his commitment. So far, we have not found any evidence of initiative of district budget. We think that district budget is an important step towards reformation of budget process. We strongly urge government to fulfill the commitment of district budget.

**2. Result of Traditional Budget Process and
its Failure.**

For some concrete strategic weakness, the existing central budget process faces some immense problems regularly. We can excerpt some problems from a concept paper published by the finance ministry itself (Unified Budget and District Budget, June 2010, section 4.3, page 10), such as:

- Desired revenue can not be collected even though there are huge potentialities.
- In the expenditure projection there is no reflection of public demand
- Regional disparity on resource allocation
- Target can not be achieved due to absence of implementation monitoring.
- No scope of target setting from centre to make the potential districts self reliant.
- Creates full dependency to the centre.

These are the problems stated in the above mentioned concept paper of Finance Ministry.

Besides these, there are more negative impacts, such as:

- Corruption due to lack of local participation, and
- Utilization rate of budget can never go more than 80%.

**3. Who are the Beneficiaries of Central
Budget? Are they so Powerful?**

In general, the beneficiaries of central budget are the bureaucrats. They are trying to hold their status as 'Approval Authority', which is clearly a colonial mentality. Their main jobs should be monitoring, support in policy making and capacity building in the lower strata. With that bureaucrats there are some politicians, who also prefer to be authority rather than creating scope for the local participant. To get power by public vote and in response to return this power to the public by decentralizing power structure is the democratic process, but our centralized political power structure always avoids this universal mechanism.

The Finance Minister has turned back from his promise; it seems that like the earlier predecessors the current finance minister has also been defeated by the bureaucrats. Or, he doesn't have much courage to change the old color.

4. Example of District and Central Budget

Though Bangladesh is small country in size, it has a large administrative unite in terms of population. Even then, the process of budget preparation, implementation and monitoring has been conducted centrally. There are no such instances across the globe (Unified Budget and District Budget, June 2010, section 4.3, page 10).

This kind of declaration from the Finance Ministry in a government publication is really

praiseworthy. But what can be the general people's perception if there is no initiative according to that declaration? Turning back from word is also questionable.

In the aforesaid concept paper published by the finance ministry we can find some example of district budget process in Nepal. Though Nepal is behind of Bangladesh in terms of human development index, it is clearly a head in terms of decentralized budget process. Britain had been implementing local budget or decentralized budget even when it had lower education rate compared to Bangladesh.

5. Finance Minister's last Budget Promise and Civil societies Demand

In the concept paper titled Unified Budget and District Budget, there was an action plan on implementing district budget. (Page 16 and 17, section 6.2). The finance Ministry was to arrange a workshop on that issue. After that workshop a high profile committee was to be formed on budget process reform and the finance department was to act as the secretariat of that committee. But, still we are not sure that whether this have been happened or not!

In the introduction (page 9, paragraph 3) of the aforesaid book it is mentioned that, the finance

minister declared to propose district budget along with the upcoming budget for the financial year of 2010-11 to reflect of public demand and to ensure transparency and accountability. The finance Minister expressed commitment to make some changes in existing budget process and he also made commitment to propose district budget for at least one district from each division. The concept paper also mentioned that budget process must have to change if the government wants to achieve vision 2021 and achieve 8 % growth by 2012-13.

Under these circumstances, on the eve of the 2011-12 budgets we demand that,

- Finance Minister must declare a process of reform in budget process
- Ministry must initiate district budget in view of its concept note and
- Government must ensure available information on sector wise allocation in each of the district offices for mass monitoring.

Organization

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