



Medium-term Expenditure Framework Statement laid in Parliament today;

MTEF projections provide a focus to the spending Departments and also give a general direction to the Fiscal Management.

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The Medium-term Expenditure Framework Statement (MTEF) was laid in Parliament in national capital today. The MTEF Statement sets forth a three-year rolling target for the expenditure indicators with specification of underlying assumptions and risks involved. The MTEF is essentially a vertical expansion of the aggregates of the expenditure projections in the fiscal framework presented along with the Annual Financial Statement and Demands for Grants.

The objective of the MTEF is to provide closer integration between Budget and the FRBM Statements. It provides medium term perspective to the fiscal management and furthers the Government's commitment towards fiscal consolidation. In FY 2016-17, an additional Statement giving demand wise revenue-capital breakup of expenditure over medium-term was annexed to the MTEF. To give a focus to the expenditure pattern and projections of the Government a scheme-wise projection in respect of some selected schemes which include all Centrally Sponsored Schemes and some Central Sector Schemes is also annexed with this year's MTEF statement. It is expected that these projections will provide a focus to the spending departments and also give a general direction to the fiscal management of the entire country.

The document can be accessed on http://dea.gov.in/sites/default/files/MTEF%202017-18%20uploaded_english.pdf. Section 3 of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 requires the Government to place three Statements of Fiscal Policy viz., the Medium-term Fiscal Policy Statement, the Fiscal Policy Strategy Statement and the Macroeconomic Framework Statement in both the Houses of Parliament along with Annual Financial Statement and Demands for Grants. This Section was amended to require the Government to lay a Fourth Statement viz., the Medium Term Expenditure Framework (MTEF) Statement in both the Houses of Parliament, immediately following the Session of the Parliament in which the Budget has been presented.

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