



MINISTRY OF FINANCE AND ECONOMIC PLANNING

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To: Decentralized Entity Chief Budget Manager (All)

Re: The First Planning and Budgeting Call Circular for the 2015/16 Fiscal Year

A. Introduction

1. In accordance with article 26 of Law N° 12/2013/OL of 12/09/2013 on State Finances and Property on Planning and Budget Calendar, I have the pleasure to communicate to you the following information to guide you in the planning and budget process for the 2015/16 financial year;
2. The 2015/16 first planning and budget call circular is not intended to request for budget submissions from decentralized entities but is rather aimed at giving advance information to facilitate timely coordination and effective planning within and across sectors to allow formulation of quality plans and investments to be submitted to MINECOFIN by 7th November 2014;

B. Improving Planning across Government for better Delivery of EDPRS2

3. MDA's (Ministries, Districts and Agencies) adherence to the 2014/15 planning reforms was appreciated though much more improvement is still needed for the planning process to better inform budget prioritization and allocations. To this end the following shall be the guiding principles and processes for the 2015/16 planning and budget cycle:

a) Greater impact of plans on budgets:

Experience from previous years has been that decentralized entities waited for the second budget call circular to start planning and preparing budget submissions. As a result, Districts found themselves struggling to plan and prioritize within the limited time at their disposal having started late. The practice therefore results in adoption of budgets that do not perfectly reflect the priorities of such districts due to information deficiencies. Such inadequate planning accounts for the routine requests for budget reallocations even before the lapse of the six month period that is allowable for budget revision.