



Medium Term Budget Program (MTBP)

...a good planning process leads to better value for money of public spendings..

Medium Term Budget Program (MTBP), is the core element of the Integrated Planning System (IPS). The MTBP process is led by Ministry of Finance and requires each ministry to develop a three-year plan within a specified expenditure ceiling to achieve programme policy objectives as intermediate steps to achievement of NSDI, sector and crosscutting strategies goals. The aim is to ensure an explicit linkage between budget allocations and programme policy objectives, reaching greater predictability and effectiveness in resource allocations.

Detailed MTBP procedures have been put in place a few years ago. The MTBP calendar is an integral part of overall IPS calendar. Putting MTBP under the IPS umbrella transformed the whole philosophy from a budget based on inputs into one based on outputs and performance.

MTBP preparation process was significantly improved in 2008 in terms of discipline in respect to IPS calendar and the quality of submissions. For the first time, all line ministries submitted their request timely and of a considerably increased quality. MoF guidance and supervision made a difference throughout the process. DSDC leads the Program Policy Statement Review making sure that MTBP submissions from line ministries fully comply with sector and crosscutting strategies and overall NSDI policy objectives.

New Public Investment Management (PIM) procedures were adopted as integral part of MTBP procedures. New PIM procedures impose a mandatory cycle in project preparation that require that line ministries go through detailed analyses and appraisals of investment projects prior to their submission for funding. Procedures throughout the investments cycle are closely linked to the policy design and review, as well as the strategic planning stages of the Public Expenditure Management cycle.

The MTBP procedures are supported by the **MTBP system which operates through "govnet" system.** The interfacing between MTBP and the Treasury systems remains the future challenge. The IPS Information System (IPSIS) is expected to introduce some facilitation in this respect along with improving the monitoring systems of both NSDI and MTBP.

On July 2008 the new Budget Law was approved by the Parliament. The new law provides an encouraging legal framework for qualitative public expenditures management.

The MTBP system monitors, on a quarterly basis, country's economic and fiscal performance.

A year-end assessment is mandatory before the end of the first quarter by each line ministry.

MTBP calendar for 2009 was already adopted in December of the previous year.

In view of application of new PIM procedures, encouraging line ministries to consolidate their investment portfolios, the number of investment projects in the annual budget declined from 1860 projects in 2006 to less than 900 projects in 2009.