

**GOUVERNEMENT DE
LA REPUBLIQUE DE
VANUATU**

**MINISTERE DE FINANCES
ET DE LA GESTION
ECONOMIQUE**

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**GOVERNMENT OF THE
REPUBLIC OF VANUATU**

**MINISTRY OF FINANCE AND
ECONOMIC MANAGEMENT**

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Le Ministre

Our/Notre réf: M01/13
Your/Votre réf:

DATE: Monday, 17 February 2014

Financial Circular 03 of 2014

FROM: Minister of Finance and Economic Management

**TO: All Directors General
All Directors
All Heads of Constitutional Bodies
All Heads of Grant Bodies (Statutory Bodies)**

Subject: Budget Cycle / Timetable for the 2015 Budget

Introduction

At the beginning of each budget cycle the Ministry of Finance and Economic Management circulates a budget timetable, which provides a schedule of tasks and the deadline within which the tasks are to be completed. It is important that these deadlines are adhered to so that all tasks and commitments required for the completion of the 2015 Budget are finalized in a smooth and timely manner.

Timetable for Budget 2015

The outlined tasks will help the Government meet the requirements specified in the PFEM (amendment) Act. 1998, as well as enable the preparation of an accurate budget to be passed by Parliament by the end of November 2014.

The proposed timetable requires Ministries to devote extensive time and effort towards budget preparation. At this stage, it is important that all Director Generals' consult with the staff of the Treasury to begin work on identifying the recurrent and development budget priorities for the 2015 Budget. This is to ensure conformity of Ministry or Department priorities and the overall Vanuatu Government development strategy, policies and objectives.

Further information and guidelines regarding the preparation of the 2015 budget submissions will be circulated in May at the time when the Ministry Ceilings are distributed.

Budget Cycle / Timetable for Preparation of the 2015 Budget

Date	Activity	Responsible Agencies
24 th March – 28 th March	MFEM to meet with PMO to discuss policy priorities.	DOFT & <u>DSPPAC</u>
31 st March – 5 th April	DSPPAC to start consultations with line ministries regarding 2015 budget policy priorities.	<u>DSPPAC</u> & PMO
7 th – 11 th April	Submit budget policy priorities to DCO for information. Submit budget policy priorities to COM for approval. Inform Ministries to start amending their program and activity Inform Ministries to start amending their narratives in line with Government priorities.	<u>DSPPAC</u>
11 th April	Fiscal aggregates and macroeconomic framework developed by MFEM in consultation with RBV & NSO: ➤ Draft overall expenditure envelope (for whole of Government) established ➤ fiscal priorities established	<u>DOFT</u> , NSO, RBV and <u>DSPPAC</u>
14 th – 18 th April	Budget Training	<u>DOFT</u>
14th – 25th April	Budget Policy Statement to be submitted to Minister and DG MFEM followed by its Publication.	DOFT
29 th April	Q1 Expenditure Report	DOFT
29 th April	Donor consultations (Policy priorities).	MOFA to organize the meeting. MOFA, PMO and Aid Management to organize presentations along with MFEM.
1 st May	2015 Ministry ceilings screened by MBC.	<u>DOFT</u> & MBC

Date	Activity	Responsible Agencies
12 th – 16 th May	<p>2015 Ministry ceilings approved by COM. DCO information paper should be submitted at the same time</p> <p><i>After approval by COM the ceilings are distributed to every Ministry and Department along with the Budget Guidelines</i></p> <p><i>Ceilings will be set at the Ministry level only.</i></p>	<p>DCO, <u>COM</u> & PMO</p> <p><u>DOFT</u></p>
20 th May	Open VBMS and preparations of Budget to line agencies for Budget 2015 entries.	DOFT
27 th June	Ministers/DGs submit 2015 budget submissions to DOFT.	DOFT to lock-down VBMS for all Ministries.
27 th June	DG MFEM presents Expenditure Report Regulation 2.1 to PSC	DOFT
31st July	Half Year Economic and Fiscal Update Published	DOFT
31 st July	Q2 Expenditure Report	DOFT
1 st – 31 st July	Reviews budget submissions and NPP's.	DOFT PMO officers to attend bilateral meetings.
1 st – 31 st July	<p>Review and finalization of Narratives</p> <p>Narratives sent to language service for translation</p>	DSPPAC
4 th August – 15 th August	<p>Ministers present Ministry budgets to MBC</p> <p>MBC approval of draft Project proposal and</p> <ol style="list-style-type: none"> 1. NPP database updated: new approved programs added, programs not funded for two years deleted 	All agencies, MBC, and Aid Coordination Unit


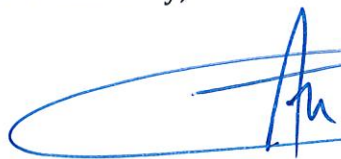
Date	Activity	Responsible Agencies
18 th -22 nd August	Donor consultations to agree final numbers for VBMS	MOFA to organize the meeting. MOFA, PMO and Aid Management to organize presentations along with MFEM.
25 th – 29 th August	MBC considers final draft of budget estimates. DOFT to Draft COM Paper	DOFT & MBC
25 th – 29 th August	Draft final budget papers sent to DCO for information Final Budget forwarded to COM. Appropriation Bill prepared by SLO	COM, DCO, DOFT, SLO
2 nd September	Appropriation Bill distributed to MP's	Clerk of Parliament
23 rd September – 2 nd October	Final budget books prepared in French and English.	DOFT, Language Services
13 th -17 th October	Distribution of 2015 Budget Books to MP's	DOFT and Parliament

Notes

- Where more than one agency is responsible for a task the lead agency is underlined.
- COM = Council of Ministers
DCO = Departmental Committee of Officials
DOFT = Department of Finance and Treasury
DSPPAC = Department of Strategic Policy, Planning and Aid Co-ordination
NSO = National Statistics Office
SLO = State Law Office
RBV = Reserve Bank of Vanuatu

It is important that all Ministries strictly abide by the schedule in order to have the budget documents ready to be submitted to Parliament by the end of November 2014.

Yours sincerely,



Hon. Moana Kalosil CARCASSES
Prime Minister of the Republic of Vanuatu/
Acting Minister of Finance and Economic Management

cc: All Ministers