



Le Ministre – The Minister

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DATE: Wednesday, 28 March 2012

Financial Circular 02 of 2012

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 2013 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 deadlines 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 2013 National Budget are finalized in a smooth and timely manner. Please note that this is an **updated version of the timetable and so it is essential that all Line Agencies take serious note of the major changes** and make every effort into ensure that the 2013 Budget Appropriation be tabled on time.

Timetable for Budget 2013

The outlined tasks will help the Government meet the requirements specified in the 1998 PFEM Act, as well as enable the preparation of the National Budget to be passed by Parliament by August 2012.

The proposed timetable requires Ministries to devote extensive time and effort towards budget preparation. At this stage, it is important that all Directors General consult with the staff of the Treasury to begin work on identifying the recurrent and development budget priorities for the 2013 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 2013 budget submissions will be circulated together with the Ministry Ceilings.

Budget Cycle / Timetable for Preparation of the 2013 Budget

Date	Activity	Responsible Agencies
20 th February – 6 th March	MFEM to meet with PMO to discuss policy priorities.	DOFT & <u>DSPPAC</u>
12th March – 12th April	Pre-Election Economic and Fiscal Update (preparations while waiting for official gazette)	DOFT
19 th – 28 th March	Submit budget policy priorities to DCO for information.	<u>DSPPAC</u> & PMO
19 th – 28 th March	Submit budget policy priorities to COM for approval. Inform Ministries to start amending their narratives in line with Government priorities.	<u>DSPPAC</u> PMO
21st March – 30th March	Budget Policy Statement to be submitted to Minister and DG MFEM followed by its Publication.	DOFT
22 nd March – 30 th March	Fiscal aggregates and macroeconomic framework developed by MFEM in consultation with RBV & NSO: <ul style="list-style-type: none"> ➤ Draft overall expenditure envelope (for whole of Government) established ➤ fiscal priorities established 	<u>DOFT</u> , NSO & RBV
2nd April – 5th April	2013 Ministry ceilings screened by MBC.	DOFT & MBC
2 nd April – 5 th April	2013 Ministry ceilings approved by COM. DCO information paper should be submitted at the same time <i>After approval by COM the ceilings are distributed to every Ministry and Department along with the Budget Guidelines</i> <i>Ceilings will be set at the Ministry level only.</i>	DCO, <u>COM</u> & PMO <u>DOFT</u>
10 th April	VBMS is open for budget entries.	<u>DOFT</u>

Date	Activity	Responsible Agencies
10 th April – 16 th April	Donor consultations (Policy priorities) and to agree final numbers for VBMS.	<u>PMO and Aid Management</u> along with MFEM to organize.
30 th April	Ministers/DGs submit 2013 budget submissions to DOFT.	DOFT to lock-down VBMS for all Ministries.
1 st May – 18 th May	Reviews budget submissions, narratives and NPP's. Narratives sent to language service for translation.	DOFT PMO officers to provide their analysis on each sectors Output. PMO
21 st May – 1 st June	Ministers present Ministry budgets to MBC MBC approval of draft Project proposal and 1. NPP database updated: new approved programs added, programs not funded for two years deleted	All agencies, MBC, and Aid Coordination Unit
4 th June - 8 th June	MBC considers final draft of budget estimates. DOFT to Draft COM Paper	<u>DOFT</u> & MBC
11 th June – 15 th June	Draft final budget papers sent to DCO for information Final Budget forwarded to COM. Appropriation Bill prepared by SLO	COM, DCO, <u>DOFT</u> , SLO
15 th June – 13 th July	Final budget books prepared, translated and printed in French and English.	DOFT, Language Services
30 th July	Half Year Economic and Fiscal Update Published	DOFT
31 st July	2013 Appropriation Bill distributed to MPs	Clerk of Parliament

Key:

MBC



COM



Publication

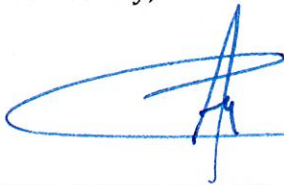


Notes:

1. Where more than one agency is responsible for a task the lead agency is underlined.
2. 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 August, 2012.

Yours sincerely,



Hon. Moana Kalosil Carcasses
Minister of Finance and Economic Management

cc: All Ministers – For Information