

STATE BUDGET 2021

DELIVERED IN QDPM- 19 FEBRUARY 2021
BY MOF'S DIRECTOR GENERAL OF PLANNING AND BUDGETING



CONTENT OF PRESENTATION

- Transition from traditional line item budgeting to Program-based Budgeting;
- Overview of 2021 State budget;
- Budget Execution FY 2021 Progress;
- Work Plan for 2022 Annual Action Plan and Budget;
- Other important information related recent PFM improvement tools.

LINE ITEM BUDGET TO PROGRAM BASED BUDGETING IMPLEMENTATION

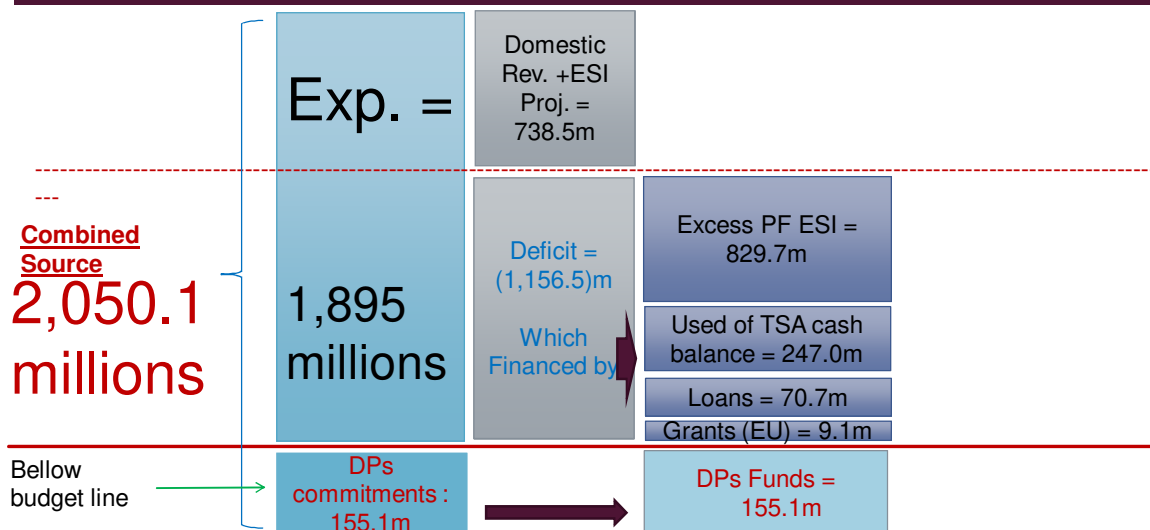
IMPLEMENTATION PROGRESS

- 2021 Budget was prepared based on Line Ministry programmes;
- The effort was started by VI Constitutional Government in 2016, gradually integrating line ministries into the platform each financial year;
- The Planning, Monitoring and Evaluation Unit (UPMA) within Prime Minister Office together with MoF play important roles in this effort along with all line ministries;
- UPMA has developed and used a software system called "Sistema Dalam ba Futuru (DBF)" – that uses the same Chart of Accounts used in the Ministry of Finance's Financial System to store all planning and reporting data – (DFAT Australia play important role).

CHALLENGES

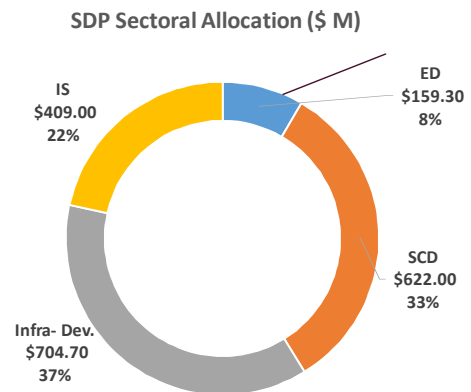
- Absence of written criteria to rationalize programmes of line ministries;
- How to make line ministries understand and be aware that programmes must be aligned to the Strategic Development Plan, Government Policy Plan and Priorities, Sectoral Strategic Plan and other strategic documents and reviews such as PEFA assessment; Court of Accounts recommendations, etc;
- Change the way things have beendone in the past was quiet hard (from thinking of budgeting on what into budgeting for what?).

BUDGET STRUCTURE 2021



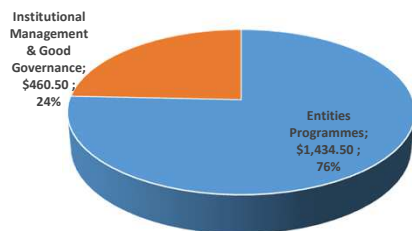
FY 2021 BUDGET PRIORITY AREAS

- **Social Capital Development (SCD):**
 - Education and Training; Health : Quality health services and accessible; Potable water and basic sanitation
- **Economic Development (ED)**
 - Facilitate private sector investment; Job creation; Macro Policy (economic diversification, growth, inclusive and sustainable); Agriculture development & food security
- **Fundamental Basic Infrastructures (INFRA-DEV.)**
 - Sectoral basic infrastructure ; Logistics : Processing, warehouse and transportations
- **Environmental Development**
 - Promote environmentally friendly practices; Principle of reduce, reuse and recycle
- **Institutional Strengthening (IS)**
 - Consolidate defense and security; Consolidate external relations
- **Reform in important pillars**
 - Public Administration, Economic, Judiciary and PFM reforms

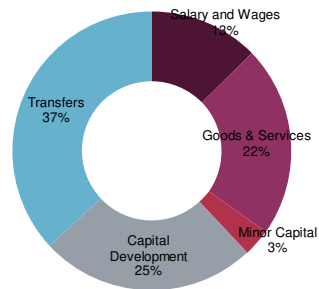


FY 2021 BUDGET BY PROGRAM & ECONOMIC CATEGORIES

Program Composition Allocation (\$M)



Economic Category Classifications (\$M)



ALLOCATION TO ECONOMIC RECOVERY PLAN & COVID-19 FUND

- \$123.9 M – allocate to Economic Recovery Plan Programs to achieve 3 main objectives:
 - Increasing employment: [ensuring all jobs are both productive and dignified](#);
 - Realization and consolidation of public social investment: [Education, Health, Housing or Social Protection](#);
 - Review productive sectors and promote [areas that contribute to economic growth](#)
- Focus of 2021 Budget for COVID-19 Program Prevention & Mitigation, with \$31m allocated to:
 - Ensure adequate Quarantine = \$7.2m
 - Identify Covid-19 cases and contact tracing = \$2.9m
 - Isolate and treat COVID-19 cases = \$12.7m
 - Strengthening social distance measures, hygiene and personal protection= \$0.9 m
 - Prevention & Mitigation operations= \$0.015 m
 - Contingency Plan COVID-19 = \$7.2m

FY 2021 BUDGET EXECUTION FINANCIAL PROGRESS

As of 12 Feb 2021

Original Budget (\$M)	Commitments (\$M)	Obligations (\$M)	Actual (\$M)	% Cash Execution	Un-committed Balance (\$M)	% Un-Committed
1,895.00	145.90	37.70	83.00	4%	1,628.40	86%

CONSOLIDATED GOVERNMENT CASH POSITION

FY 2021 Cash Flow Execution (15 Feb 2021)	\$ M	\$ M	\$ M
Opening Balance		305.60	
Taxes and Fees Collected	15.5		
Transferred from PF	0		
Grants realization	0		
Loans cash inflow	0		
		15.5	
			321.1
Payments made			(83.00)
Treasury Single Account (TSA) Running Balance			238.10

WORK PLAN FOR 2022 ANNUAL PLAN AND BUDGET & OTHER IMPORTANT INFORMATION

- Planning component of UPMA transferred to MoF
 - Key resources of UPMA moved to MoF-DGPO; Ensure Program based budgeting continuity.
- New Budget Framework affected planning and budgeting
 - Develops structure of 2022 Major Option of the Plan; Program Logical Frame & Program Selection Criteria.
- Discussion with DFAT to obtain possibilities of Technical Assistance in the area of core PFM.

MoF in 2021 has introduced :

- Advance Payment Tracking System; Invoice Tracking System; and Plan to implement Quarterly GDP projection;
- Apart from new PFM law, there are 18 legislative initiatives led and/or participated by MoF such as :
 - Omnibus Procurement Decree Law, VAT Law, etc. (full list of 2021 legislative initiatives from MoF is provided in next last slide)

LIST OF LEGISLATIVE INITIATIVES LED AND/OR PARTICIPATED BY MOF

No.	Título do Projeto de Legislação	Data/Mês
1	Decreto-Lei sobre Regime aprovisionamento, contratos públicos e respetivas infrações	Janeiro-março
2	Decreto-Lei sobre plano de contas	Abril- junho
3	Decreto-Lei sobre classificação orçamentais	Abril- junho
4	Decreto-Lei sobre regulamentação do orçamento por programa	Abril- junho
5	Decreto-Lei sobre Tesouraria do Estado	Abril- junho
6	Decreto do Governo sobre aprovação de despesas	Abril- junho
7	Decreto-Lei sobre sistema de conrança do Estado	Abril- junho
8	Decreto-Lei que aprova o Regime de garantia e empréstimo	Abril- junho
9	Projeto da revisão e alteração da Lei Tributaria	Julho – agosto
10	Projeto de Lei sobre o Imposto de Valor Acrescentado	Julho – agosto

No.	Título do Projeto de Legislação	Data/Mês
10	Projeto de Lei sobre o Imposto de Valor Acrescentado	Julho – agosto
11	Lei sobre dívida pública	Julho – agosto
12	Decreto-Lei sobre o Procedimento tributaria	Julho – agosto
13	Decreto-Lei sobre Contra-ordenação fiscais	Julho – agosto
14	Decreto-Lei sobre inspeção fiscais	Julho – agosto
15	Decreto-Lei sobre Empresas Publica	Julho – agosto
16	Decreto-Lei sobre Gestao Patrimonio do Estado	Julho – agosto
17	Decreto-Lei sobre a criação de automia financeiro e adminiatrativo da Estatísticas	Julho – agosto
18	Projeto do Decreto-Lei do Regime Carreira Especial da Gestão Finanças Públicas	Julho – agosto

Thank you !