

VIII CONSTITUTIONAL GOVERNMENT

Proposed Law n.º ____/V Major Planning Options for 2024

Explanatory Memorandum

In accordance with article 95.3(d) of the Constitution of the Republic, the National Parliament must deliberate on the Plan and the General Budget of the State.

The deliberation on the plan substantiates the approval of the Major Planning Options Law, which, under the terms of Article 47.2 of Law No. 2/2022, of 10 February, the Budget Framework Law, consists of the identification of the budgetary strategy and the main options in terms of planning with an impact on the State Budget for the following budget year and the following four years, the multi-annual budget programming and the analysis of the projections of the main macroeconomic indicators with an impact on the State Budget and their evolution.

The Major Planning Options Law aims to establish a direct link between the planning process and the budget process, which enables program budgeting to be fully implemented.

The draft Major Planning Options Law for 2024 presents a set of 124 measures, annual and multi-year, which are based on the Strategic Development Plan for 2011-2030, the Program of the VIII Constitutional Government and the medium-term and annual plans of the services and entities of the Public Administrative Sector, as well as on other political and strategic documents of the Government, to be implemented in 2024, some of which continue measures implemented in 2023 and others continuing for subsequent years.

The Major Planning Options Law for 2024 is also articulated with the measures and actions of the National Plan for Territorial Planning.

The multi-year budget programming establishes the limit of the total expenditure of the Public Administrative Sector, the revenue projections of the Public Administrative Sector, the expenditure limits in the various sub-sectors and the public debt limit, in absolute values and as a percentage of gross domestic product, for 2024 and the four subsequent years.

The value of the overall expenditure of the Administrative Public Sector in the General State Budget for 2024 is set at US\$2,081,454,502.

Article 47 of Law No. 2/2022, of February 10, provides that the proposed Major Planning Options Law must be presented by the Government to the National Parliament by May 10 of each year.

Considering that parliamentary elections are scheduled for May 21, 2023, which will affect the normal course of the budget process, it was decided to advance the presentation of the proposed Major Planning Options Law, so that it can be in force when the new Government is appointed and can immediately move forward with the preparation of the State Budget.

However, the approval of the Major Planning Options Law does not limit the policy options of the new Government, and it may, if it so wishes, present a proposal to amend the Major Planning Options Law approved together with the proposed Law on the General State Budget, under Article 47.7 of Law No. 2/2022 of 10 February.

Thus, the Government presents to the National Parliament, under Article 97.1(c) and Article 115.2(a) of the Constitution of the Republic, the following draft law: