

MINISTRY OF ECONOMY CIRCULAR

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ECO: 11/65

From: Permanent Secretary for Economy Date: 17 February 2021

To: As per Distribution

Subject: 2021-2022 BUDGET PREPARATIONS AND TIMELINES

1.0 INTRODUCTION

- 1.1 This Circular serves to inform Ministries and Departments of the 2021-2022 Budget Preparations and Timelines.
- 1.2 Cabinet has approved the 2021-2022 Budget Strategy that provided the broad strategies to guide revenue, expenditure and debt estimates and projections for the financial year 2021-2022 and the medium term.
- 1.3 Government will consider expenditure in the 2021-2022 Budget based on realistic revenue targets and projected domestic and external financing.
- 1.4 All 2021-2022 budget proposals - new or recurrent - must be submitted together with the Ministry's and/or Department's most up to date person-to-post listing and Strategic and/or Costed Operational Plans.
- 1.5 Ministries are also required to submit expenditure estimates that will be locked-in for the next three financial years, starting from FY2021-2022.
- 1.6 As approved by Cabinet in 2020, gender responsive budgeting ('GRB') will be progressively implemented across whole of Government. For 2021-2022, GRB will be extended to include the Fiji Police Force, Ministry of Education, Heritage and Arts, Ministry of Women, Children and Poverty Alleviation, Ministry of Youth and Sports, Ministry of Agriculture, Ministry of Forests and the Ministry of Economy.

2.0 Expenditure Guide for 2021-2022 Budget

- 2.1 New operating or recurrent expenditure proposals must align to the following guidelines:

- zero-based budgeting for FY2021-2022 with caps on operating expenditure;
- freeze on wages and salaries, including for all grant recipient entities;
- freeze on new recruitments for vacant posts unless critical and reviewed by the Ministry of Civil Service;
- rationalise recurrent expenditure related to travel, communications, training & workshops, fuel & maintenance and purchase of supplies;
- funding for ongoing projects to be performance-based and measured against progress of planned outputs; and
- review service contracts and renegotiate pricing.

2.2 New and ongoing capital expenditure proposals must align to the following guidelines:

- funding for ongoing projects to be performance-based and measured against progress of planned outputs;
- review and downsize scope and design for all planned projects;
- re-scope projects in early stages of implementation; and
- cancel contracts if commencement and completion of projects in the later years will result in cost savings;

2.3 The Ministry of Economy will assess expenditure proposals with due consideration to the following:

- development impact, value for money and return on investment of the proposed expenditure;
- phased implementation and pilot testing for major initiatives;
- capacity of agencies to implement proposed programmes and projects;
- allocation of financial resources on a multi-year perspective;
- feasibility and economic cost benefit analysis for proposed capital projects; and
- maintaining an optimal capital and operating expenditure mix.

3.0 2021-2022 BUDGET TIMELINES

3.1 The following table outlines the broad preparation timelines for the 2021-2022 Budget.

Budget Key Milestones	Due Date
Economy Circular on the Budget process and timelines issued	29 January 2021
2021-2022 Budget submissions received from Ministries and Department	19 March 2021
Ministry of Economy assessment of Budget submissions	16 – 31 March 2021
Consultation with Ministries and Departments	April 2021
Budget tabled in Parliament	June 2021

4.0 Consultations

- 4.1 We emphasise the importance of consultation and close coordination between Budget focus group or focal points of your Ministry/Department and the Budget and Planning Division of the Ministry of Economy to ensure timely preparation of the 2021-2022 Budget.
- 4.2 All expenditure proposals must be submitted using the Budget Submission Template together with documents listed at 1.4 on or before 19 March 2021.
- 4.3 We look forward to your support and cooperation in the preparation of the 2021-2022 Budget.



Makereta Konrote
Permanent Secretary for Economy

As per distribution:

Acting Official Secretary, Office of the President
Permanent Secretary, Office of the Prime Minister
Solicitor General, Office of the Attorney General
Permanent Secretary, iTaukei Affairs
Permanent Secretary, Defence, National Security and Policing
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Acting Permanent Secretary, Foreign Affairs
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Chief Registrar
Acting Secretary General, Parliament
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