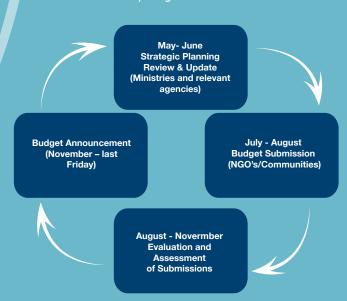
10. How can communities monitor the national budget process? Communities are encouraged to take active roles in participating in the budget process. This is through following updates made through the media on radio, television or newspapers and through the Commissioner's Office. They can also make direct enquiries to the Ministry of Finance.

The Ministry of Finance will also be making invitations to the public and communities during this period which the public and communities are welcomed to participate in.

Diagram of Budget Submission Cycle.

The annual budget cycle for submissions can be summarized in four key stages as shown below.



Short explanatory notes on submission cycle diagram.

Strategic Planning, Review and Update May-June

- Update of expenditure and revenue trends
- Baseline expenditure and revenue discussed with relevant agencies
- Review of selected and key revenue and expenditure policies
- Strategies refined and developed for the next budget and medium term
- High level expenditure allocations set for each economic sectors
- Rolling over and reprioritization of capital projects
- Budget strategy and targets approved by Cabinet

Budget Submission July - August

- Budget strategy presented to agencies and stakeholders
- Invitation for budget submission both government agencies, public and private sector

Evaluation and Assessment August - November

- Central Agencies evaluate and assess submission.
- Central Agencies include Ministry of Finance, Fiji
 Revenue and Customs Authority, Ministry of Strategic
 Planning, Development and Statistics and Public Service
 Commission.
- Final Budget presented to Cabinet for discussion and approval
- Announcement by Minister for Finance

National Budget Cycle & Process
Information Brochure

The International Budget Partnership



Transparency International Fiji (TIFiji)
72 Pratt Street, P.O.Box 12642, Suva
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Supported by the Ministry of Finance

For more information on the National Budget Cycle and Processes please contac The Ministry of Finance Budget Division

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Frequently Asked Questions

1. What is the national budget?

It is a legal document that is passed by Cabinet after it is approved by the Prime Minister. It sets out the expenditure and the revenue for the next financial year.

These are the two main elements of the budget, the revenue and expenses. Revenue is obtained from taxes and expenditure includes Government expenses which economists term as government consumption, government investment or capital expenditure such as infrastructure investment or research expenditure as well as transfer payments like unemployment or retirement benefits.

2. When does the budget cycle begin and end?

The annual budget cycle begins around May/June every year and ends with the budget announcement on the last Friday of November.

The four stages of the budget process are:

- Budget formulation: when the budget plan is put together by the executive branch of government;
- Enactment: when the budget plan may be debated, altered, and approved by the legislative branch;
- Execution: when the policies of the budget are carried out by the government; and
- Auditing and assessment: when the actual expenditures of the budget are accounted for and assessed for effectiveness.

Prior to the beginning of the budget cycle in May/June, two processes are undertaken and coordinated by the relevant Ministry and department. The Ministry of Strategic Planning, National Development and Statistics undertakes the capital budget planning process followed by the operating consultation and formulation process that is coordinated by the Budget division of the Ministry of Finance. The overall budget policies and strategies are managed by the Ministry of Finance.

3. What is a submission?

A submission is a written proposal addressed to the Permanent Secretary for Finance outlining a specific request to be considered in the national budget. There is a standard budget submission form or template which communities must use for the budget process.

Submissions relating to projects from communities are to be submitted to/through the four Divisional Commissioners or Provincial Development Boards. Communities should contact their respective Divisional Commissioners or Provincial Development Boards for templates and requirements relating to community submissions.

There are two budget submission templates. The two templates are normally filled and submitted by line Ministries through their Permanent Secretaries to the Permanent Secretary of Finance. This can be downloaded from the Ministry of Finance website on www.finance.gov.fi.

The operating expenditure submission is made to the Permanent Secretary of Finance while the capital expenditure submission is addressed to the Permanent Secretary of Strategic Planning, National Development and Statistics.

Submissions relating to projects from communities are to be submitted to/through the four Divisional Commissioners or Provincial Development Boards. Communities should contact their respective Divisional Commissioners or Provincial Development Board for templates and requirements relating to community submissions.

4. What are some of the issues or points that should be addressed in a submission?

Issues which may be raised in your submissions could range from requests to increase allocations to social welfare support, construction of a new ice plant, road or hospital to reductions in import duty rates on machinery or raw materials. The write up and information contained in the submission must be very clear, concise and accurate to provide sufficient background details and (technical) information to support the request. Contact details must be provided to facilitate further information exchange and clarifications during assessment.

For capital projects, the submission should address a development issue or problem that exists. It should state the cost of the project, the duration required for assitance, the level of community contribution, beneficiaries of the project in terms of gender and provincial distribution.

For capital infrastructure projects, a detailed cost benefit analysis of the project is required. The submission should also highlight how the project would be sustained after initial government funding.

5. What are some development needs you could ask for in your submissions?

Everyone's development needs are to be addressed in their submission. This includes communities and the business sector. For example:

- bus fare reduction for school children, assistance for vulnerable and diadvantaged groups such as the elderly, single mothers and children, people with disabilities etc
- the price of basic food items, duty rates, corporate tax and income tax rates etc.
- Infracture needs such the building of roads and water pipes
- Access to health services such as hospitals and clinics
- Education facilities such as classrooms, equipment etc
- Rural development needs such as rural electrification, bridges, sea wall, wave breakers etc

6. What are the proper channels of sending submissions to the Government from communities?

The Integrated Rural Development Framework provides the platform for budget submission from communities. Submissions must be made through the Provincial Development Boards after being certified and endorsed by the Village, District, Provincial and Advisory Councils.

It is recommended that Budget submissions from communities be handled at the office of Divisional Commissioners; therefore communities should give in their submissions through their respective Divisional Commissioners office.

Government's decentralisation plan requires the Commissioners and Divisional Planning Officers to verify and assess all submission submitted for the national budget. Coordination at divisional level very important as this process will help support and strengthen community level demands to government plans at the various divisions.

7. What happens after you send submissions to the Government for consideration?

The proposal will go through the process shown in the diagram in the diagram. (refer to diagram of budget submission cycle) Once communities and business sectors have given in their submissions, it is then carefully evaluated and assessed by the Ministry of Finance. This process determines which projects or development needs will be funded or assisted in the next budget cycle. Projects with funding allocation can be traced through the Budget Estimates while those submissions not funded could be reconsidered or prioritised for the next year.

If your submission is successful and has been accepted and approved by the Ministry of Finance, you will be informed through the relevant line Ministry. However if your submission is unsuccessful you may refer to the relevant line Ministry or Commissioners Office.

8. Can communities still engage after the budget is announced?

The engagement is through the Offices of Divisional Commissioner's. Yes, their engagement is in terms of ensuring timely implementation of projects and monitoring. In most cases part of the project planning awaits the announcements of the budget. For example, land acquisition. In some instance communities demand compensation for the use of their land or fail to give consent for the use of their land.

9. What can you do if your submissions were unsuccessful?

These submissions could be resubmitted for reconsideration for next budget cycle in the following year.