

**TALKING NOTES BY THE PUBLIC ADMINISTRATION & INTERNATIONAL RELATIONS (PAIR) SECTOR CHAIRPERSON DURING THE OFFICIAL OPENING OF THE 2022/23-2024/25 MEDIUM TERM EXPENDITURE FRAMEWORK BUDGET PREPARATION RETREAT; 13<sup>TH</sup> SEPTEMBER 2021**

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1. It is my great pleasure to welcome you all to this PAIR Sector Working retreat which is part of the 2022/23-2024/25 Medium Term Budget preparation process.
2. According to the Guidelines issued by the National Treasury, the budget proposals should:
  - i. Address the policy, legal, regulatory and governance issues as a matter of priority to ensure attainment of the MTP III development strategy;
  - ii. Prioritize the PC-ERS and the Big 4' drivers and enablers in the Sector Budget Proposals;
  - iii. Establish the resources required for individual programmes and projects and the level of provision within the ceilings provided; and
  - iv. Justify each proposed programme for funding with supporting documents.
3. It is my expectation that PAIR Sector Working Group has undertaken a thorough review of the Sector budget to ensure that it is directed towards improving productivity and also aligned to the achievement of the above objectives.
4. Programme Performance Review (PPR) is key in successful programme performance budgeting. It is expected that the Sector has undertaken detailed assessment of the progress achieved towards the realization of the targeted outcomes and outputs in the implementation FY 2018/19 to FY 2020/21 Medium Term budgets.
5. I urge the Sector to consider the following:
  - i. **Personal Emolument:** The National Government expenditure on compensation to employees is not expected to exceed 35 percent of the National Government share of revenue in line with fiscal responsibility principles. To ensure the wage bill remains within the medium-term targets, the Sector should not allocate resources for new recruitment, interns, casuals or upgrading unless there is prior approval from the National Treasury.
  - ii. **Budgeting for Subscriptions/Contributions:** All subscriptions to international organizations shall remain consolidated under the National Treasury. You are therefore expected to review and justify both current and proposed requirements for international subscriptions/payments.
  - iii. **Decentralization of ICT Equipment and Services:** In the recent past, ICT services were consolidated under the Ministry of Information, Communication and Technology. It should be noted that this policy was reversed with effect from FY2021/22. In this regard, you will be required to budget for ICT Services.
  - iv. **Preparation, Appraisal and Approval of New Projects:** you are expected to only consider new projects approved by the Executive Office of the President in line with the directive that no new projects should be started without prior approval.
  - v. **Ongoing and Stalled projects:** emphasis should be put on completion of ongoing and stalled projects. In particular, projects nearing completion should be funded adequately to ensure citizens benefit from such public investments.

- vi. ***Publication participation:*** It is a constitutional requirement to ensure adequate public participation in the budget making process. I therefore hope that there is documented evidence of engagement of the key stakeholders.
  - vii. ***Place more focus on intra sectoral linkages to maximize benefits to project and programme beneficiaries.***
6. As I conclude, let me appreciate the good work that you have done so far and I wish you fruitful engagement as you embark on the remaining steps of this noble exercise.