On the base of the state basic budget and special budget and the results of the public Spending Review for the years 2024, 2025 and 2026

# Scope

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|  | ***On 17 March 2023 the Cabinet of Ministers approved the following:***   1. Analysing financing policies under the supervision of line ministries:    1. to conduct a comprehensive analysis of the budget expenditures of the Ministry of Health, assessing the use of invested resources in relation to the defined performance indicators;    2. to provide an assessment of the prepared higher education analysis, as well as an analysis of the funding allocated to national research programmes, their projects and the results achieved;    3. to provide assessments and proposals for the management of ICT[[1]](#footnote-1) of state budget institutions;    4. to provide an analysis and proposals on the funding allocated to educational programs of interest and vocational and analyse the results achieved. 2. Horizontal review of state budget programmes, including:    1. allocated funding to priority measures;    2. review of the State budget base expenses;    3. expenses of mobile apps created and maintained;    4. translation costs. 3. Proceed analysis of data and information related to rental and maintenance costs of real estate in the regions of Latvia. |

## Financial Results of the Spending Review

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|  | *Results were adopted by the Cabinet of Ministers on 15 August 2023.*  *In fiscal terms efficiency gains of* ***EUR 112,0 million*** *for 2024 were achieved, which provided additional funds for reprioritizing expenditures both within line ministries and for general government priorities:*   * *EUR 1,3 million were allocated for government priorities;* * *EUR 110,7 million were identified as ministerial internal resources.* |

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| Method of the Spending Review | 2024 | 2025 |
| **Review of base expenditures by line ministries**  *Internally revised resources for internal redeployment in line ministries with implications for the coming years.* | **101 529 895** | **54 685 730** |
| **Review of the funding allocated for priority measures**  *Review of the funding allocated for priority measures from 2022 to 2024, assessing the relevance, results achieved and effectiveness of the priority measures.* | **10 342 839** | **10 108 469** |
| ***Covering the costs of maintaining the Unified Website Platform of state and local – government authorities***  *In order to cover the costs of the Unified Website Platform of state and local - government authority websites, the State Chancellery has prepared a proposal to reduce the planned funding for ministries and other central State institutions for 2024 and beyond.* | **159 250** | **159 250** |
| ***TOTAL:*** | **112 031 984** | **64 953 449** |

**Draft basic budget and special budget base**

In accordance with paragraphs 13 and 17 of the Cabinet of Ministers Regulation No 15[[2]](#footnote-2), the Ministry of Finance submits to the Cabinet of Ministers for approval the draft basic budget and special budget base in accordance with the budget preparation schedule, accompanied by a list of measures not included in the basic expenditure. The 2024, 2025 and 2026 budget bases of the ministries are established in accordance with the requirements of Regulation No 15 and taking into account the decisions taken by the Cabinet of Ministers.

**Detailed information on benefits and results of the Spending review**

Methods of the Spending Review:

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|  | **Horizontal review of the resource allocation in favour of current priorities** |

* **Review of base expenditures by line ministries**

A summary of reallocations of resources through spending reviews proposed by line ministries, reviewing, streamlining and redirecting funding to sectoral priorities and current issues.

* **Review of the funding allocated for priority measures**

The following components of the priority measures were evaluated: flexibility (reallocation of allocated funding); efficiency (implementation of expenditure and performance indicators); actuality of priority measures; public interest (whether the priority measure can be continued with less funding); the role of government (whether the priority measure is included in the Government Action Plan).

* **Analysis of performance indicators of the basic functions of the basic budget of 2022**

To provide the public with an overview of the tangible and intangible benefits they and the country as a whole derive from the use of public budget resources, the Report includes performance analysis of the main functions of the basic budget. The correlation of performance of indicators with the level of performance of expenditures were analysed. In total, 1,646 operational performance indicators are included in the 2022 budget explanations and the average operational performance indicators execution in 2022 is 90.0%.

* **Horizontal review of individual functions**

Analysis of the developed and maintained mobile apps and their costs was carried out, the translations in public administration were analysed, the use of electronic procurement system and training services in the public administration, as well as the covering the costs of maintaining a common platform of the websites of state and local authorities were considered.

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|  | **Analysis of financing policies under the supervision of line ministries** |

* **Health sector**

International comparison of the health sector, assessing performance indicators and the WHO study on the fiscal space for financing the health sector in Tajikistan is considered.

* **Education sector**

An evaluation of higher education was carried out and an analysis of the funding allocated, and results achieved for national research programmes and their projects, and for programmes of interest and vocational training.

* **Analysis of ICT expenditure of the State budget institutions**

Analysis of spending trends, opportunities for improvement and future challenges.

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|  | **Analysis of costs of real estate (office premises) rental and maintenance of line ministries, other central State institutions and independent institutions** |

Evaluation of real estate used for the needs of ministries, State budget institutions, other central State institutions and independent institutions in the regions. Analysis of maintenance costs, work organisation models, space utilisation, rental income, and a possible real estate (office building) optimisation model.

1. Information and communication technologies [↑](#footnote-ref-1)
2. Cabinet of Ministers Regulation No 15 of 17 January 2023 "Procedure for determining the total maximum allowable amount of State budget expenditure and the total amount of expenditure for each ministry and other central State institution for the medium term [↑](#footnote-ref-2)