Appendix I

Programme-based Budgeting: Some Basic Principles

1.0 There are several principles involved in formulating a programme budget. They can be summarized as follows:

(i) As a first step, regroup activities (see definition, below) with a common goal and objectives into a spending unit (e.g. Pre-primary Education, Secondary Education etc.)

(ii) Make explicit the mission of the spending unit

Each spending unit (or cost centre) has a mission. A mission is a broad statement of a spending unit’s purpose or raison d’être. The mission can usually be stated in a single sentence or two. An example of a mission statement is:

Ministry of Education and Scientific Education (MOESR) – “To provide educational opportunities so that the citizens of Mauritius may benefit from, and contribute to, the social and economic advancement of the Nation.”

(iii) Identify and name the programme’s activity structure within each spending unit

A programme is a group of independent, but closely-related, activities designed to achieve a common objective or objectives. At a minimum, a two-level program structure is developed. This should consist of:

- the programme; and
- the activities that make up the programmes.

A more detailed approach, such as “sub-programmes” and “sub-activities,” and “programme elements,” can be adopted, but two levels are generally sufficient.

A programme activity is the means or method of achieving a programme objective(s). It answers the question, “how will you achieve the objective?” or “what will you do with the funding to achieve the objectives?”

The general rule is that an activity should describe the way or means through which a programme attempts to achieve an objective.

The following questions can be useful in identifying and naming programmes:

- “What specific purposes do the current activities serve?”
- “Are the beneficiaries served by the activities distinct from others?”
- “Does the government want to allocate and control individually funding for these activities?”
A complete set of programmes that cover all expenditures and activities of a spending unit should be developed. A coding system with a unique identifier for each programme should be established.

Programme and Activity Structure could be:

- **Programme**: Enhancing the quality of teaching Programme

- **Activities**:
  1. Teachers’ salary,
  2. Training,
  3. Public information and education, and
  4. Programme management and direction.

Some examples of Programme Activities are the following:

- Operation and maintenance of buildings,
- Collection of labour force statistics,
- Training of teachers,
- Research grants, and
- Teacher salaries.

(iv) **Distribute all revenues and expenditures according to program and activities.** Recasting the traditional annual budget into MTEF poses accounting problems, which needs to be resolved. For example, some of the line items might not be relevant to the proposed programme structure.

(v) **Develop multi-year programme budget expenditure projections**
   The projections must take into account:

   - demographic changes;
   - inflation;
   - policy directions, that is, programme growth or contraction that reflects Government priorities.

(vi) **Develop programme objectives for current and future years**
   Each programme should have one or more objectives. A programme objective or goal is a performance target which describes the purpose of the programme and which the programme seeks to attain. It is expressed as a tangible, measurable and realistic aim against which outturn can be assessed.

A programme objective should be:

- specific;
- measurable; and
- achievable within an explicit timeframe; and should include an estimate of the resources required.
Some examples of programme objective are:

- to increase the percentage of success in sixth standard examination from X% to Y% by the year Z
- to increase the pass rate in School Certificate Examination from X% to Y% by the year Z

(vii) Define programme indicators

Programme indicators are the measures used to track annual progress, i.e., results in meeting programme objectives. There are various types of programme indicators, including the following principal ones:

- inputs;
- outputs (or workload or production);
- efficiency measures; and
- outcomes (or performance measures or results).

Outputs indicate the quantity of goods or services produced by a program. An "output measure" records the actual level of activity or effort that was realized, and can be expressed in a quantitative or qualitative manner. Efficiency measures indicate cost per unit of service or goods provided or productivity of an input. Efficiency measures are useful in evaluating different methods of service delivery or the production of goods.

Efficiency measures may be expressed either as “cost per output”, “units per input”, or “cost per outcome.”

Outcomes indicate the effectiveness of a program in solving a problem or achieving a desired result. Outcomes can be used to help determine if a programme:

- is effective;
- is properly designed;
- is well-managed; and/or
- deserves additional resources.

The use of outcome measures is therefore highly recommended in that they allow the determination to be made as to whether spending on a programme has been justified or not. In other words, the ultimate success of government activities can be gauged by examining outcome measures.
Appendix II

Explanatory Notes

1.0 General

1.1 MTEF, like the traditional one-line item budget, has a Chart of Accounts. To capture a maximum number of items of expenditure, a 16-digit code system comprising:

Ministry/Dept. or Division/Programme/Sub-programme/Expenditure Category

has been devised for this MTEF.

1.2 The Programme Tables have been designed in two parts: Part I includes ‘Rs’ data showing the resources ‘projected’ for the programme activities, while Part II includes ‘non-Rs’ data, which are meant to assess progress towards the attainment of objectives. Thus, resources are linked to performance and results of the spending/management units.

1.3(a) Projected expenditures for the Programmes in this MTEF are expected to be met from their:

(i) direct revenue (if any);
(ii) foreign grants (which are fast dwindling); and/or
(iii) allocations from the Consolidated Fund (CF), and

(b) For most of the Programmes, there are little or hardly any foreign grants and their expenditures would therefore have to be met from allocations from the CF.

1.4 The expenditures of the Headquarters (HQs) of Ministries/Management Spending Units (MSU) relating to salaries or administrative and other items are presented as separate programmes (Departmental Management) with their own indicators.

2.0 Recurrent Expenditure

2.1 The item “Staff Costs” includes salaries, overtime, wages, travel and transport, and staff welfare.

2.2 The item “Other goods and services” includes utilities, maintenance and operational costs.

2.3 The item “Other” includes all those expenditures which are not included in the two above-mentioned items of expenditure.

2.4 Projections of recurrent expenditures for FY 2005/06 and 2006/07 take into account:

(a) the automatic adjustment in salary scale; and
(b) the normal increase in the use of consumables (goods and services).

2.5 The forecasted allocations from the Consolidated Fund to the MTEF programmes do not include salary compensation and filling of vacancies and new posts.

2.6 Projections for FY 2005/06 and 2006/07 do not take into account any inflation factor. Adjustment for inflation will be done on an annual basis at the time of the actual budget preparation.
3.0 Capital Expenditure

3.1 As regards the capital budget, the projected expenditures for FY 2005/06 and 2006/07 are for projects retained for implementation during the period FY 2004/05, 2005/06 and 2006/07, as known at the time of preparation of this document. Expenditures on any new projects that may crop up during this period are not reflected in the projections.

3.2 Figures have been rounded to the nearest million.

4.0 Other

4.1 The table in Part II on “Posts” brings in a summary form the number of Administrative and Supporting staff posts projected for the next 2 years, and relate mainly to the recurrent budget.

4.2 The item “Managerial, Administrative and Technical Staff” includes posts for managerial/administrative/technical tasks.

4.3 The item “Supporting Staff” includes posts for non-managerial/non-technical tasks.

4.4 The item “Other Staff” includes posts that do not fall into the two above-mentioned categories.

4.5 The Programme Indicators in Part II are the measures used to track annual progress. The principal types of indicators that have been used are inputs, outputs (or workload or production), efficiency measures (unit cost); and outcomes (or performance measures or results).

4.6 Many of the indicators are being worked out for the first time and for some of them even raw data are not available. For those for which no figures are indicated, work is under way for future editions of this document.

4.7 A ‘course’ is defined as a discrete component of learning or training to equip an individual with the relevant knowledge, skills, attitudes and habits.

4.8 ‘Direct revenue’ refers to own revenue generated by spending/management agencies of the MTEF programmes.

4.9 Education Zones: The country is divided into 4 education zones both for primary and secondary education, as follows:
   Zone 1 - Port-Louis and North
   Zone 2 – Beau-Bassin-Rose-Hill, Centre and East
   Zone 3 – Curepipe and South
   Zone 4 – Quatre-Bornes, Vacoas-Phoenix and West

5.0 Symbols

5.1 Zero (0): Nil or Negligible

5.2 Dash (-): Not Available/Not Applicable

5.3 Rs m: Rupees Million

6.0 Sources of Data

6.1 Data on Education and Training have been drawn either from official publications or compiled by the Central Statistics Office.
## Appendix III

### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BAC</td>
<td>Baccalaureate</td>
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<tr>
<td>BATC</td>
<td>Bel Air Training Centre</td>
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<td>CATS</td>
<td>Civic Action Teams</td>
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<tr>
<td>CF</td>
<td>Consolidated Fund</td>
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<td>CMU</td>
<td>Central MTEF Unit</td>
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<tr>
<td>CPE</td>
<td>Certificate of Primary Education</td>
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<tr>
<td>DUST</td>
<td>Diplôme Universitaire Supérieur de Technologie</td>
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<tr>
<td>FY</td>
<td>Financial Year</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>HEA</td>
<td>Hindu Education Authority</td>
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<td>HRDC</td>
<td>Human Resource Development Council</td>
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<td>HSC</td>
<td>Higher School Certificate</td>
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<td>HSM</td>
<td>Hotel School of Mauritius</td>
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<tr>
<td>ICT</td>
<td>Information Communication Technology</td>
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<tr>
<td>IOR</td>
<td>Indian Ocean Rim</td>
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<tr>
<td>IVTB</td>
<td>Industrial and Vocational Training Board</td>
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<td>LIB</td>
<td>Line Item Budgeting</td>
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<td>MBA</td>
<td>Master in Business Administration</td>
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<td>MCA</td>
<td>Mauritius College of the Air</td>
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<tr>
<td>MES</td>
<td>Mauritius Examinations Syndicate</td>
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<tr>
<td>MGI</td>
<td>Mahatma Gandhi Institute</td>
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<tr>
<td>MIE</td>
<td>Mauritius Institute of Education</td>
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<tr>
<td>MOESR</td>
<td>Ministry of Education and Scientific Research</td>
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<td>MOFED</td>
<td>Ministry of Finance and Economic Development</td>
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<td>MRC</td>
<td>Mauritius Research Council</td>
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<td>MTC</td>
<td>Mahebourg Training Centre</td>
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<tr>
<td>MTEF</td>
<td>Medium Term Expenditure Framework</td>
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<td>MQA</td>
<td>Mauritius Qualifications Authority</td>
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<tr>
<td>NITS</td>
<td>National Integrated Training Strategy</td>
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<tr>
<td>NPCC</td>
<td>National Productivity and Competitiveness Council</td>
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<tr>
<td>NRC</td>
<td>National Resource Centre</td>
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<tr>
<td>OLIM</td>
<td>Open Learning Institute of Mauritius</td>
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<tr>
<td>PBB</td>
<td>Programme-based Budgeting</td>
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<tr>
<td>PEM</td>
<td>Public Expenditure Management</td>
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<td>PGCE</td>
<td>Post Graduate Certificate in Education</td>
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<td>PSSA</td>
<td>Private Secondary Schools Authority</td>
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<td>PTA</td>
<td>Parents Teachers Association</td>
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<td>RBB</td>
<td>Results-based Budgeting</td>
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<td>RCEA</td>
<td>Roman Catholic Education Authority</td>
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<td>R&amp;D</td>
<td>Research and Development</td>
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<td>SC</td>
<td>School Certificate</td>
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<tr>
<td>SITEC</td>
<td>School of Information Technology, Electronics and Communications</td>
</tr>
<tr>
<td>SOD</td>
<td>School of Design</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
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<tr>
<td>STC</td>
<td>Surinam Training Centre</td>
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<tr>
<td>SSS</td>
<td>State Secondary School</td>
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<tr>
<td>S&amp;T</td>
<td>Science and Technology</td>
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TEC  Tertiary Education Commission  
TEIS  Tertiary Education Institutions  
TSDP  Training and Skills Development Programme  
TSMTF  Technical School Management Trust Fund  
UOM  University of Mauritius  
UTM  University of Technology, Mauritius  
ZEP  *Zone d’Éducation Prioritaire*  
     (Education Action Zone)