

TECHNICAL TERMS, DEFINITIONS AND EXPLANATORY NOTES

Medium Term Fiscal Framework (MTFF): An MTFF is the first, necessary step towards an MTEF. It typically contains a statement of fiscal policy objectives and a set of integrated medium-term macroeconomic and fiscal targets and projections;

Medium Term Budget Framework (MTBF): An MTBF builds on this first step by developing medium term budget estimates for individual spending agencies. The objective of an MTBF is to allocate resources to the nation's strategic priorities and ensure that these allocations are consistent with overall fiscal objectives. This gives some degree of budget predictability to spending agencies, while ensuring overall fiscal discipline. In fact, a MTBF is the most basic type of MTEF;

Medium Term Expenditure Framework (MTEF): An MTEF develops the approach further by adding elements of activity and output based budgeting to the MTBF. These methods seek to improve the value for money of public spending, in addition to reinforcing fiscal discipline and strategic prioritisation.

Programme: A grouping of main activities, which contribute to a common strategic outcome. Programmes are usually further divided into main activities, which contribute to specific objectives.

Outcome: An outcome is the description of the intended result, effect or consequence that will occur from carrying out a programme beyond its direct outputs.

Main Activity: A grouping of miscellaneous activities, which contribute to at least one specific objective.

Inputs: Inputs are the resources used to produce the service – e.g. doctors, nurses, hospital equipment and medicines. The value of inputs is measured by their cost.

Specific Objective: A specific objective is also known as a Key Result Area i.e. where the results should be expected, in order to demonstrate that the mission is being fulfilled.

Outputs: Outputs establish what activities should be carried out and completed and what is to be accomplished; how much is to be accomplished; by whom and by when. Outputs have to be specific, realistic, measurable and time bound.

Intermediate Output: An intermediate output is a key element generated by preliminary activities aiming at generating final outputs (e.g. Policy paper; Sector strategy; Service delivery survey, etc.).

Performance Indicators: Performance indicators are defined and then used to observe progress and to measure actual results compared to expected results. The budget performance is preferably measured in terms of Quantity / Quality / Efficiency / Effectiveness according to the relevance of the situation.

- **Quantity Indicator:** Quantity of service provided.
- **Quality Indicator:** Quality of service provided according to customers or stakeholders.
- **Efficiency Indicator:** Cost per unit of output; Processing time.
- **Effectiveness Indicator:** The degree to which the intended objective of the service is being met.

Performance Budget: A performance budget is any budget that presents information on what government agencies have done or expect to do with the money provided to them.

Programme-Based Budget (PBB): PBB – embedded in a 3-year MTEF – is a new approach being currently introduced in Mauritius to change the focus of the budgetary process from an input-based annual activity to a performance based exercise that will improve the efficiency and effectiveness of expenditures and lay the foundations for greater modernization of public management.

ILLUSTRATION: PRIMARY HEALTH CARE AND HEALTH PROMOTION

Outcome: A reduction in the infant mortality rate to a one-digit figure.

MAIN ACTIVITY	SPECIFIC OBJECTIVE	OUTPUT	INTERMEDIATE OUTPUT	PERFORMANCE INDICATOR
Provision of maternal and child health services	To achieve the UN Millennium Development goals related to health	Reduce child mortality	Immunisation coverage rate as a % of registered live births increased from 98% in 2005/06 to 98.5% in 2007/08.	Infant Mortality Rate (IMR) reduced from 13.4 per thousand live births in 2005/06 to 12.0 in 2007/08