

## Foreword

Implementation has been the major thrust in the formulation of this year's (FY 2010-11) budget. In the coming year's budget, the government will pay utmost importance on fulfillment of election commitments as embodied in the government's strategy-"Vision 2021". The core of our political philosophy, policies and strategies is to establish Bangladesh as a country free of poverty and economically prosperous.

The world's economies are in the process of bouncing back from the recession. Many economies are recovering at a rate faster than it was expected a year back, after experiencing one of the worst financial crisis and economic recession since the 1930s. Especially, the recovery of developing Asia is quite remarkable. Bangladesh managed to maintain its macroeconomic stability in the face of external shocks and coped well with the on going global financial crisis. We have formulated this year's budget to tackle the lagged effects of global recession by developing appropriate policies and strategies and further expediting economic development reflecting the hopes and aspiration of our people.

I would like to emphasise that a budget is an instrument for ensuring the government's accountability, transparency and henceforth to the rule of law. Budget is also the process of transforming political philosophies, policies, strategies and visions of the government into actions and tangible results. Through the budget, government identifies the sources of its revenue and allocates resources for various expenditure initiatives. These sources of revenue and expenditure pattern have different impacts on people in terms of income distribution, producers and consumers, women and men, poor and rich, children and aged, urban and rural people. It also indicates how different groups of people contribute to and benefit from changes in revenue and expenditures.

To improve the efficiency and effectiveness of public expenditure and to ascertain the attainment of the goals set out in the strategic documents, government is in the process of moving away from the formulation of budgeting in the traditional manner and has introduced a Medium Term Budget Framework since 2005-06. The FY2010-11 budget has been prepared within the three year context of MTBF. As of now, 33 ministries/divisions prepare their annual budgets under the MTBF approach. In FY 2011-12, all remaining ministries/divisions will be brought under the MTBF purview. The MTBF period will be extended to five year to make it consistent with the Five Year Plan.

In the MTBF process, a distinct linkage is established between the policies and priorities of the ministry to resources and resources to performance of the department and agencies. This will help efficient utilisation of scarce public resources and will enhance pro-poor growth and poverty reduction. We are also taking measures to ensure that estimated government revenue, expenditure, budget deficit and financing of this deficit are consistent with other key macroeconomic variables. In the MTBF, scope has been created for the public to monitor the quality and access to public services.

I am heartened to learn that under the MTBF process, 33 line ministries/divisions were directly involved in the implementation of financial management reforms. I commend them for their forward looking attitude. In order to make the MTBF process meaningful and effective every division must strengthen their planning and implementing unit. I am noting with satisfaction that this strengthening is proceeding well. Congratulation for that also. I would also like to take this opportunity to thank all the involved personnel for their unrelenting efforts in formulating the Medium Term Budget Framework for FY 2010-11.



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