



Ministry
of Finance

Republic
of Poland

MULTIANNUAL STATE FINANCIAL PLAN IN POLAND (MSFP)

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Multi-annual state financial planning as a key element of the public finance reform

- Implementation of the multi-annual public finance planning is one of the main pillars of the reform of public finance in Poland, developed from 2008, accomplished in 2010 (first MSFP 2011-2014), and significantly reformed in 2013 (new MSFP 2014-2017)
- It is an important mechanism in the management of public finances, allowing for strengthening and rationalization / modernization of budgetary planning process in a multiannual perspective
- The implementation of multi-year fiscal planning enables more effective and rational budget allocations, linked more precisely to long-term economic and social priorities, better targeting of public expenditure and support public finance reforms
- Long-term fiscal planning processes support the adaptation and stabilization of fiscal policy, also in the context of the challenges and current global and international economic and financial trends – resulting from the dynamic, spanning over the prospect of an annual process changing external environment

Multiannual State Financial Plan as a crucial part of MTBF

**Multiannual State Financial Plan (MSFP)
is important element of Medium Term Budgetary
Framework (MTBF) in Poland**

**According to national public finance system and law
present framework of MTBF comprises:**

- **Multiannual State Financial Plan (MSFP) (integrated from the end of 2013 with Convergence Programme)**
- **State Debt Management Strategy**
- **multiannual financial forecasts of local government units**

General characteristics of MSFP

The obligation to adopt the plan is imposed by the provisions of Act on Public finance – in accordance with the art. 105.1. of the act on Public finance (effective 28 December 2013, applied for the first time in 2014);

- **Project of MSFP is always prepared by the Ministry of Finance and submitted to the Council of Ministries**
- **MSFP is adopted and officially published in form of a resolution of the Council of Ministries, (MSFP is an integral appendix to this resolution)**
- **MSFP must be adopted every year no later than 30 April, each time for a period of given year, and three consecutive years (on a rolling basis- every year an additional year is added to existing plan**
- **MSFP constitutes the basis for preparation of the draft budget act for a subsequent year (t+1).**

The contents of the structure of MSFP

In accordance with the amended art 104.2. of the Act on Public finance (effective 28 December 2013, for the first time applied in 2014), MSFP contains Convergence Programme, which comprises all elements required and additionally determines the following:

- **key objectives of social and economic policy**
- **planned actions and their impact on the level of revenues and expenditures of the general government sector (GG), including long-term stability of the public finance**
- **planned preliminary amount of expenditures calculated according to art 112 aa.1 of the Act on public finance (in compliance with new stabilizing expenditure rule binding from 2014)**
- **changes regarding actions and targets - in relation to the previous Convergence Programme**
- **preliminary forecast of macroeconomic values accompanied by assumptions on the basis of which it was elaborated.**

Information about implementation of MSFP

- Annual reports on the implementation of the MSFP are prepared and published since 2012 (**Information about the progress of the implementation of the Multi-State Financial Plan 2011-2014**)
- According to binding provisions of Art. 108 Act on Public Finance:
 - **The ministers, not later than 15 th April, shall submit to the Minister of Finance information on the implementation of the Multiannual State Financial Plan to the extent specified in Art. 104.1.2.**
 - **Art. 104.1.2 concerning „targets with indicators of level of realization, in structure of main function of state”**
 - **Article 182.2 - Council of Ministers presents to the Parliament and the Supreme Chamber of Control, before the end of May (31 May) of the following year, the annual report on the implementation of the Budget and: (Article 182.6.1.) information about the progress of the implementation of the Multiannual State Financial Plan, relating to the information specified in Art. 104.1.2.**

**Thank you
for your attention**

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