2.3 At paragraph 2.2 of my 2004-05 Audit Report, the following were addressed in respect of the Medium Term Expenditure Framework (MTEF).

- Overview of MTEF and Results based management.
- The pre-requisites for a successful introduction of MTEF as recommended by Consultants.
- The extent other Countries have been successful in introducing MTEF.
- Extension of the introduction of MTEF in five other sectors in 2005-06 despite previous pilot projects in two sectors did not proceed any further and were left to estimates only.

**Follow up**

As expected, the extension of MTEF to five other sectors has not produced the desired results. MTEF was again left to the level of estimates only and therefore as a concept rather than as a tool for reforming public expenditure planning.

MTEF requires strengthened system for collection, analysis and use of results information, improved structures and coordination mechanism. The pilot Ministries had to submit quarterly return showing expenditure outturn, evolution of performance indicators and an update of policy orientation. This was not done. The officers of the different sectors simply seemed not to have understood MTEF. I have a feeling that it is the same for the Central MTEF Unit (CMU) of the Ministry of Finance.

As mentioned in my 2004-05 Audit Report, studies have shown that in many developing countries where MTEF was introduced, their level of success has been relatively modest and many of the assumed benefits have not necessarily been obtained.

Though MTEF is a tool, which improves effectiveness and efficiency of expenditure by focusing limited resources to results, it is becoming difficult and complex to implement. I suggest the Government go for a simpler form of output-based public expenditure framework.