

Let's get to know the budget

Citizen's budget 2016

General Budget of the Dominican Republic 2016

The Budget's resources are the Dominican people's
resources. Let's learn about it!



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Citizen's budget 2016

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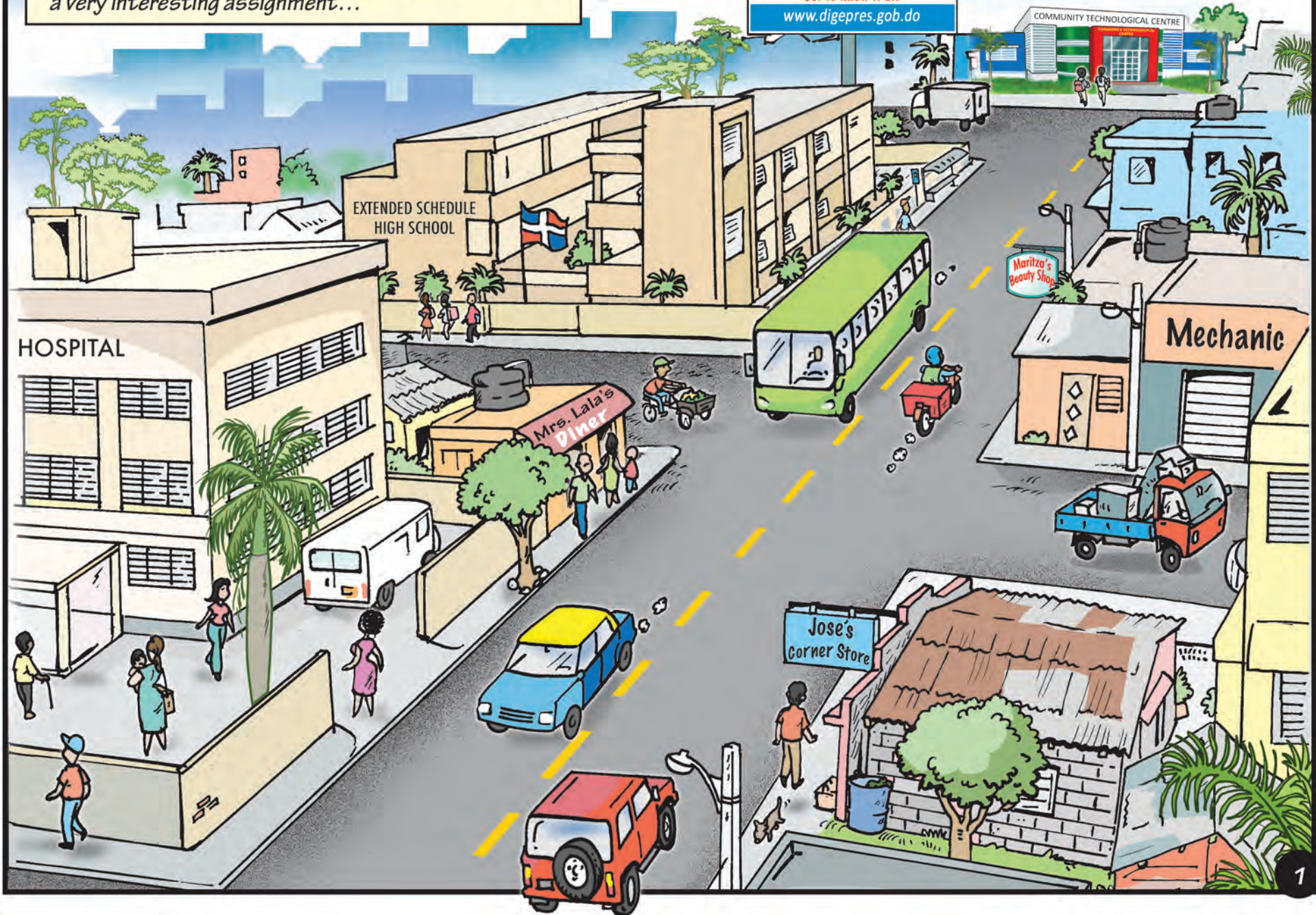


Al servicio
de las personas
y las naciones.



On an afternoon at the end of the day at the Extended Schedule High School, Miss Miguelina gave the class a very interesting assignment...

The General Budget of the Dominican Republic was approved,
Get to know it at:
www.digepres.gob.do



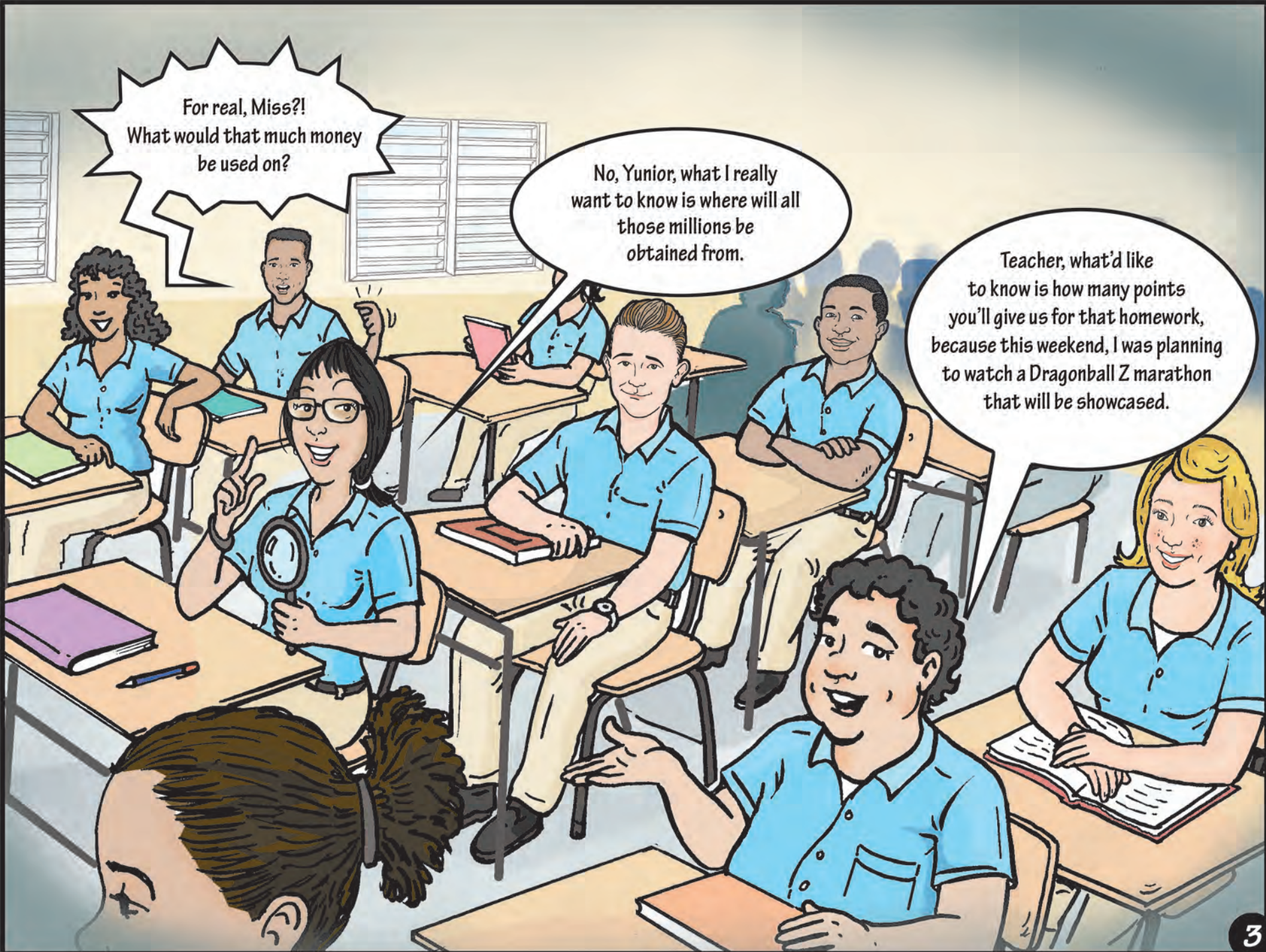
Alright, guys, remember the assignment you have due on Monday: This week Congress approved the Executive's Budget Proposal for 2016, and as citizens, it is quite important that we get to know it, because it defines how the government will raise and spend public resources next year.

Your mission, dear detectives, is to go on the Budget Directorate's Webpage (www.digepres.gob.do) and find out the key details about the National Budget approved for 2016. The goal will be to inform everyone else in the class well and that we all get to know it, because the Budget's resources is the money of all the Dominican people.

Miss, I saw on the news that the 2016 Budget will reach RD\$ 663,558 million!

General Budget of the Dominican Republic 2016





For real, Miss?!
What would that much money
be used on?

No, Yuniar, what I really
want to know is where will all
those millions be
obtained from.

Teacher, what'd like
to know is how many points
you'll give us for that homework,
because this weekend, I was planning
to watch a Dragonball Z marathon
that will be showcased.



Well, young man, considering how you did in your last exam, I really recommend that you leave Dragonball Z for another weekend,

...such that you can earn the 15 points that will give to those who complete this mission successfully.

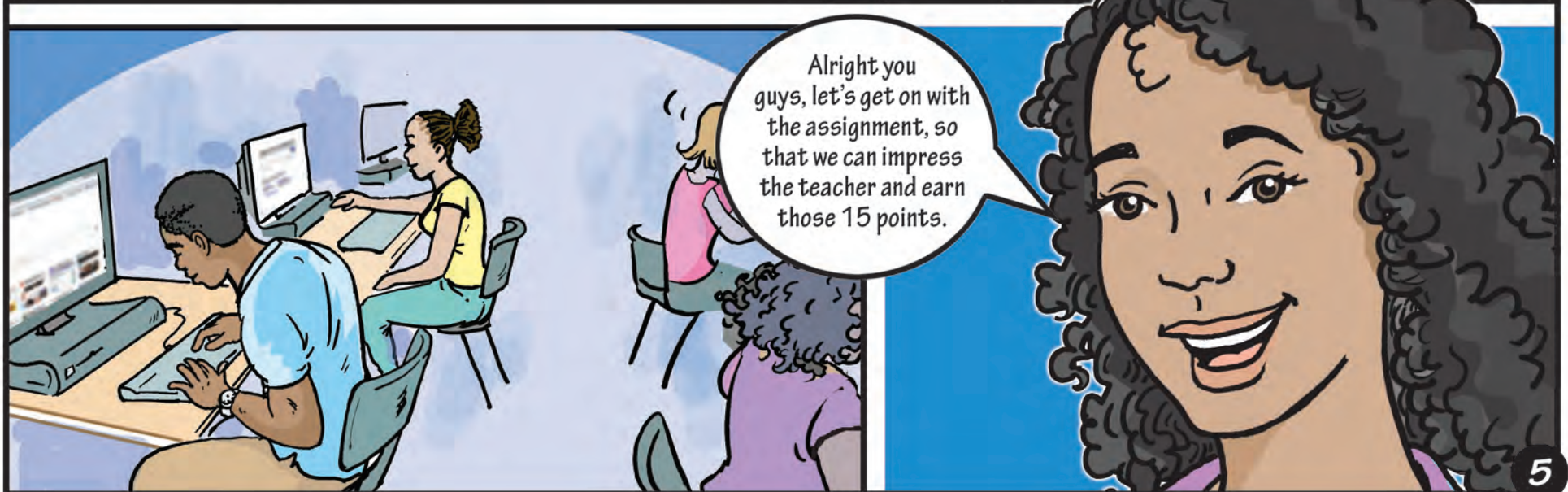


Actually, in that case, Miss, I think that Goku can wait, while I work hard and become a "Super-Saiyan" of the National Budget.



That's the right attitude, Jorge! I do hope that you and every other student can inform well about the Budget this Monday. See you guys then, God willing!

That afternoon, as the students got together to work on their assignment...



OK, let's do it. What's the webpage she asked us to research on?

It's www.digepres.gob.do. Here's the information we are looking for!



Caribbean

And, back at the high school,
Monday morning...



Good morning,
class, happy start
of the week!

Good morning,
teacher!

Did you complete
your assignment on the
National Budget?

Yessss,
teacher.

Great Then let's see what
you learned.

Alright, who can tell me what
is an Executive's Budget
Proposal?





Me, me, me!

OK, Detective Rosa, go ahead.



Every year the government makes a plan to determine how much money it is going to use and where it will raise it from to provide the public services and build the public infrastructure the country needs. That plan is sent to Congress in the form of a bill proposal, for revision and approval, and it is the Executive's Budget Proposal.



Excellent, Rosa. Anyone would like to add anything else?

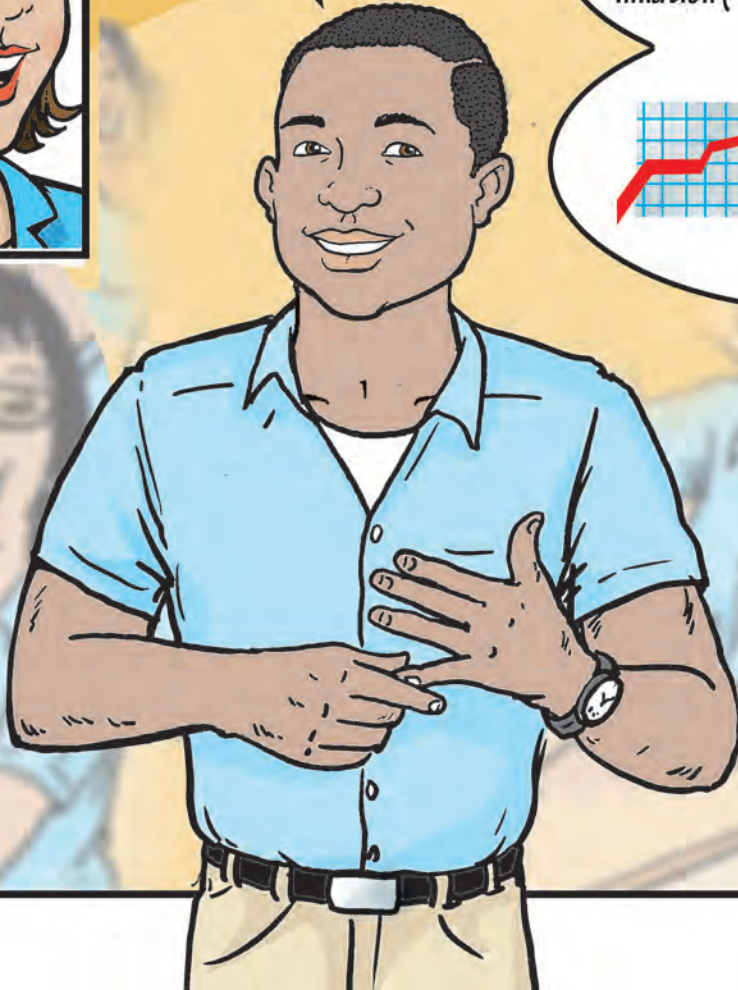
Well, teacher, that once it is approved by Congress and promulgated by the President, the proposal becomes the General Budget Law for the coming year with which the government must comply. Right, Miss?

Very well,
that's right,
Junior.



Yeah, teacher,
Junior and I found out that plan is
defined by taking into consideration a couple
of key variables that allow the government to
better estimate how much money it will get next
year and what it will be spent on. Listen here
everyone, I'm about to get my points!

For example, Miss, the variables
used for the National Budget
estimation are the
following:



1 Exchange rate of the dollar,
which on 2016 is estimated to
reach RD\$ 47.2 per dollar.



2 The price of petroleum,
which is estimated to be
USD \$50 on 2016

3 The general increase
in prices or rate of
inflation (4%)



4 The rate of
economic growth (5%)

Oh, yes, he does
deserve those points, teacher!
Miss, those variables are
called "macroeconomic
assumptions".



I'm quite
impressed with
you guys, very
good!



Teacher, I also read that in order to make the Budget, the government takes into account its broader goals for the year, which for 2016 will be the following:



1 People are the centre of public policies



2 Support to productive sector, by means of credit

3 Continue to strengthen public safety



4 Responsible public finance management

5 Continue to advance in government transparency and accountability



Little Miss Know-it-all has spoken, people!



Excellent point, Ana! Later on we will see if anyone can provide examples on how the Budget reflects these objectives. But first, the basics. Who would comment on how much is the Budget approved for 2016?



Me, me, me, me, teacher!



Someone else other than Ana?



Me, teacher.

I saw that the Budget of the Central Government will be a total of RD\$ 663,558 million, of which RD\$ 556,191.8 million will fund public spending and investments and RD\$ 97,366.3 million will be used to pay public debt.

Teacher, there's something fishy there, because I saw that the government will only get RD\$ 490,298.3 million in income during 2016, and if my math doesn't fail me, that won't be enough to cover expenses. And don't mind my average score in math, 'cause I actually did this homework.

Good observation, Enrique.

But that's no fishy thing, that is a fiscal deficit. This happens when the amount of money government is going to spend is higher than the money it will get by means of taxes and other income it collects. So, to cover that spending the government has to take a public loan.


Oh yes, Miss, from my research, I actually found out that in 2016 the fiscal deficit will be RD\$ 75,893.5 million, equivalent to 2.3% of Gross Domestic Product (GDP). This means that with respect to GDP, the deficit has been decreasing, because it was equivalent to 2.8% in 2013 and 2014, and to 2.4% in 2015. Ah, and to cover the deficit next year, the National Budget includes RD\$ 173,259.7 million in public loans.

Teacher, that deficit thing, is that common in other countries of the world?

Yes, it is, Yuniar, but what's important is that the government plans well, such that the deficit is always kept under control and that the excess expenditure that generates the deficit contributes to improve the population's quality of life.

We must say that it has been an achievement to keep that tendency of decrease on the fiscal deficit with respect to GDP, even when 2016 is an electoral year, in which is common to see relatively higher deficits.

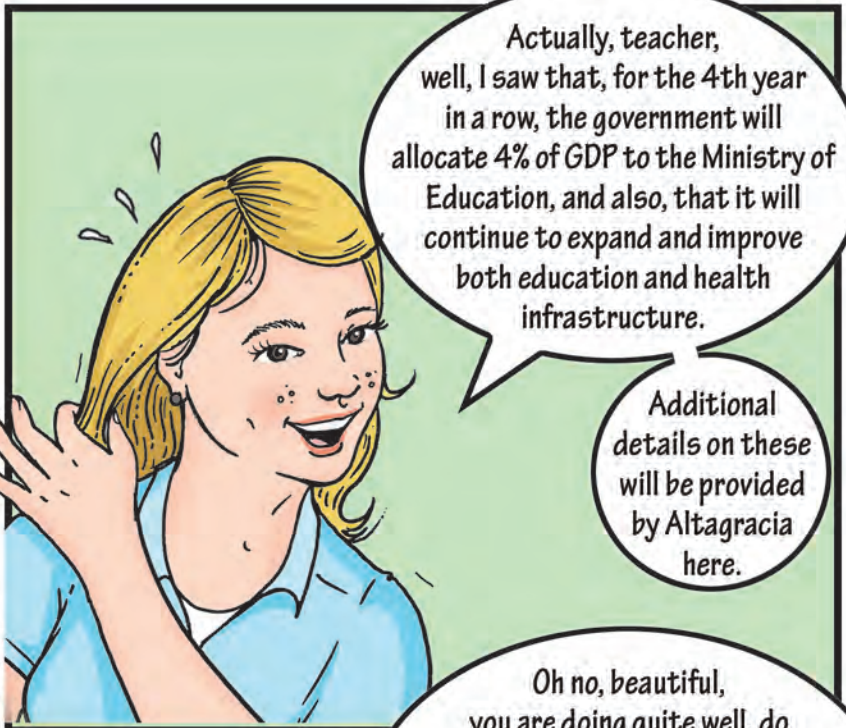




Now, do any of you know what kind of investments that would improve our quality of life are considered a priority in the 2016 Budget?

Lucy, are you not going to say anything? That's the part you worked on.

Miss, she wants to say something.



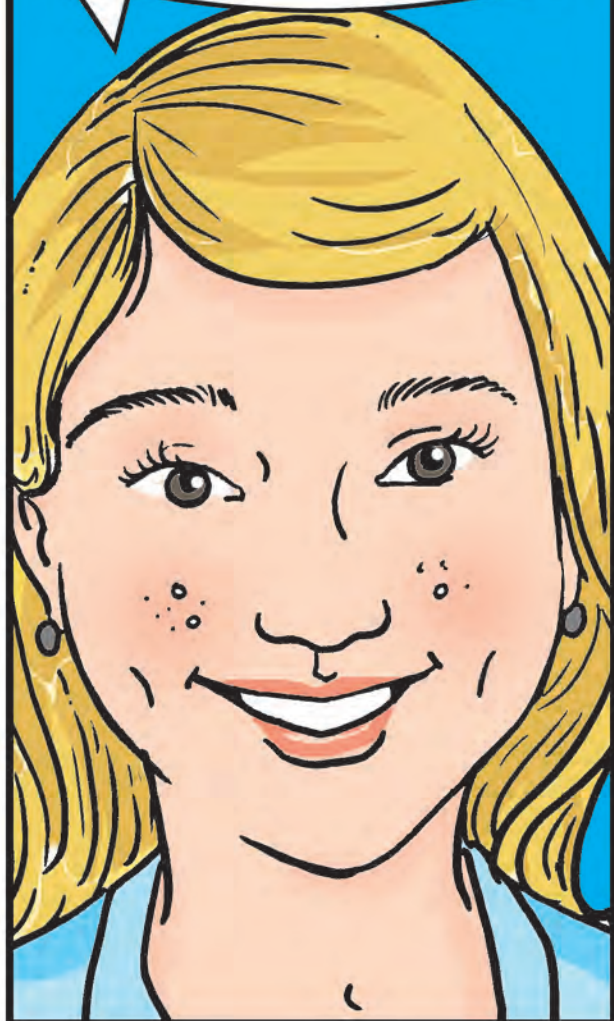
Actually, teacher, well, I saw that, for the 4th year in a row, the government will allocate 4% of GDP to the Ministry of Education, and also, that it will continue to expand and improve both education and health infrastructure.

Additional details on these will be provided by Altagracia here.



Oh no, beautiful, you are doing quite well, do continue please! Remember that since health, education and social protection are the highest expenditure items in the budget, we reviewed that several times, so you know it.

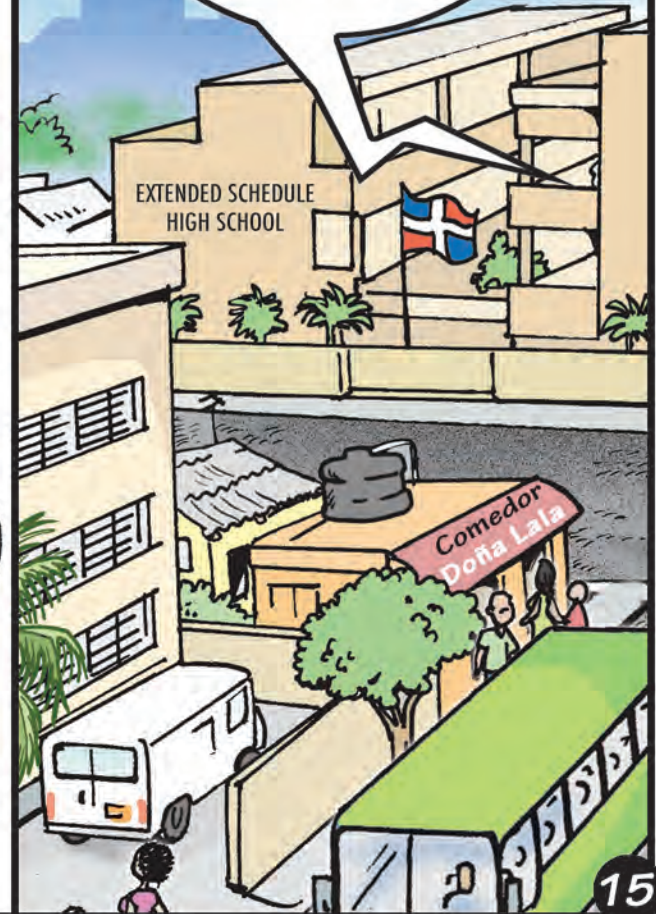
With the education budget, the government plans to build, expand and/or rehabilitate 11,200 schools. This budget will also cover school enrollment for 2.4 million students, training for 70,636 teachers, the School Food Program for almost 3 million students and the Extended Schedule Program for 850,000 students, including us...




I'll help her out, Miss. The Budget prioritizes investment in health centers, too, including 49 projects to construct, rehabilitate and remodel hospitals and diagnostics centers countrywide. Among these, there is the reconstruction of the Luis E. Aybar (Morgan) Hospital and the Marcelino Velez Hospital in the capital area, the José María Cabral y Báez in Santiago province, the Regional Hospital of San Francisco de Macorís and the Municipal Hospital of Higüey, among other hospitals in the public health network.




Additionally, Miss, the Vaccination Program will cover 3.5 million people and 400,000 new beneficiaries will be enrolled the subsidized National Health Insurance scheme. With this, many more people that need this protection will be able to cover their health expenditure, like my grandma, for example, who enrolled last year.







Excellent presentation, guys, congratulations! Does anyone else would like to add other details about the key investments in the 2016 Budget?




What I liked the most, teacher, was that they increased the budget assigned to the Autonomous University of Santo Domingo (UASD) to improve the quality of learning at that important academic institution. This will benefit all of us who want to start our college education next year. I also saw that the government prioritized the 9-1-1 System, as well as continuing to improve the National Police. With that, we hope to be more secure and quiet in our neighbourhood.



That's right, Miss. Something else I'd like to point out is that there will be an increase in the budget of the Central Electoral Committee, to fund the presidential, congressional and municipal elections the coming year. I hope that'll be benefit us all, because most of us are going to vote for the first time next year.




Teacher, we are forgetting to highlight how the Budget will support productive sectors.




The Budget includes funding for the recently-created National Exports Bank to support those who want to sell their products abroad, and also there will continue the funding of loans to support the agricultural sector through the Special Fund for Agricultural Development (FEDA).

And for the small, medium and micro enterprises, credit will continue to be available through the Solidary Bank of the National Council for the Promotion and Support of Small, Medium and Microenterprises (PROMIPYME). With that, the small family business in our neighbourhood will have more investment opportunities to improve their quality of life.



Always quite precise, young Ana, that's an excellent analysis. You know, the one I haven't heard from much during this discussion is Jorgito.



Hah, that's not unusual, Miss, is it?

Don't mind him, Miss.
The thing is that I have a surprise for you.
Since I wasn't able to watch the Dragon Ball Z
marathon, I actually worked quite hard and made
some drawings on the National Budget for you.
I thank Ana and Juan "Hordford", who helped me
crunch some of the numbers, 'cause they
are always right on with the math. Can I
show the drawings to you?

Of course, Jorge,
go ahead!

Miss, classmates,
I hereby present an illustration
of the National Budget's distribution
as it was just of RD\$ 100.



First, in this image we can see where the National Budget's money will come from in 2016. We see that for each RD\$ 100 that the government gets during 2016, RD\$ 74 will come from taxes, such as the Value-added Tax (VAT), income taxes, excise taxes imposed on the sale of fuel, etc., and RD\$ 26 will come from loans.

Where will the National Budget's money come from in 2016?

Loans:
26 pesos

VAT:
25 pesos

Income taxes:
21 pesos

Excise tax on fuel:
7 pesos

Excise tax on alcoholic beverages:
3 pesos

Aid:
1 pesos

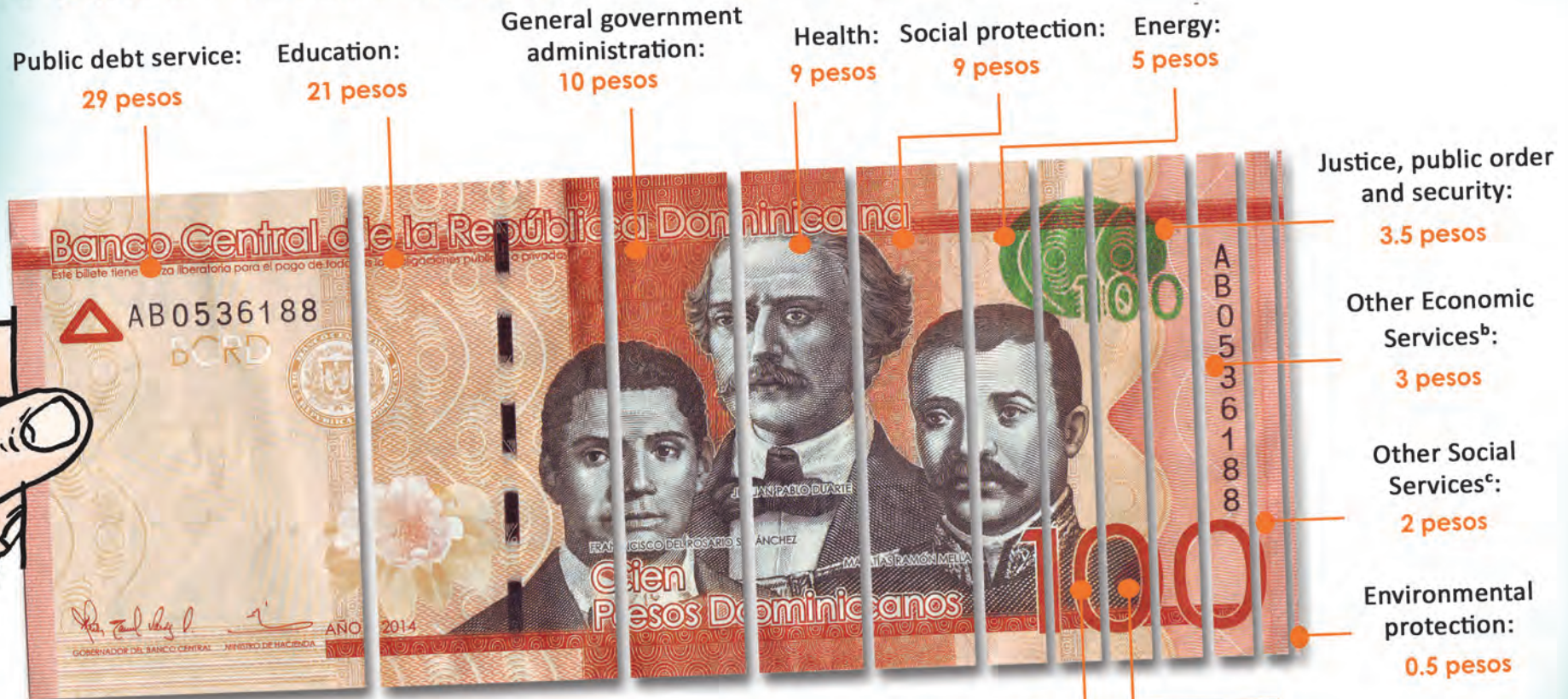
Other government income sources:
10 pesos

Import tax: 4 pesos
Property and transaction taxes: 3 pesos



On the other hand, in this other image I present where the National Budget's money will go to in 2016. You see that, for each RD\$ 100 the government pays in 2016, RD\$ 21 will go towards education, RD\$ 10 will go to general government administrative expenses, RD\$ 9 will go to health, RD\$ 9 will go to social security and assistance programs, and RD\$ 5 will be spent in the energy sector, while RD\$ 29 will be for paying public debt obligations, and so on.

Where will the National Budget's money go to in 2016?



- a. Other General Services: includes national defence and international relations
- b. Other Economic Services: includes agriculture, forestry, irrigation, hunting, fishing, industries, commerce, economic and labour affairs, banking and insurance, communications, mining, manufacturing and construction.
- c. Other Social Services: includes housing and community services, sports and recreation, and culture and religion.

Wowwww!
Very creative, Jorge! Those illustrations are impressive! An incredible effort, congratulations, my boy, you have earned your 15 points!

Jorgito, Jorgito,
Jorgito!

You did an excellent job, class. You got informed and informed us well about the origin and destination of public resources in 2016. Those you participated today have earned the 15 points in Civic Education, don't you worry.

Teacher, even though those points are very important, I believe that it is our citizen responsibility to inform ourselves well about how public resources will be invested and where they'll come from each year.

I completely agree, Rosa. Hey, guys, everyone, now that we know, let's let everybody know about the National Budget for 2016!

You should become spokespeople of this valuable information, do share it with your family and friends. Remember that the money in the National Budget is all of our money, and that's why we should get to know well how it will be used each year. We will be discussing more about this topic during the next class.

iRiiiiiii-iiiiiiiiiii-iiinnng!
iRiiiiiii-iiiiiiiiiii-iiinnng!

A well-deserved break, you guys. Go ahead.

The end

For more information on the 2016 National Budget, visit the webpage:

www.digepres.gob.do

If you wish to request any specific information, you can send an email to info@digepres.gob.do contact the Access to Information Office with attention to:

Budget Directorate Access to Information Office Representative

Telephone: 809-687-7121, Ext.1038, fax: 809-221-7202

Address: Juan Pablo Duarte Government Offices Building (Formerly "El Huacal"). México Ave, with Leopoldo Navarro, 5th floor, Gazcue sector, Santo Domingo, National District.





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