

KEY QUESTIONS

the big six

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What are important milestones in Sweden's annual budget process?

The government allocates funding to specific areas from June - August

The Swedish budget process runs over a two-year period. It starts in the year that precedes its implementation and continues during the current fiscal year; the ongoing budget can be amended in spring and autumn. In 2019, the Spring Budget Bill might significantly change the ODA budget. This is because a new government has been sworn in since the approval of the 2019 budget by Parliament. The budget approved by Parliament in December 2018 had originally been put forward by the conservative Moderates and Christian Democrats.

- Sida develops its draft budget: By March 1st of the year before, Sida submits its draft to the MFA. Sida's full budget is organized by strategies consisting of regions, countries, and broad thematic priorities (such as 'sustainable social development'). Sida's leadership and regional departments are the main decision-makers regarding budget requests.
- Ministry of Finance develops the 'Spring Budget Bill': From March to April, on the basis of each ministry's expenditure estimates, the Ministry of Finance develops the Spring Fiscal Policy Bill (the budget bill). It includes ministerial expenditure ceilings for the next three years.
- Government presents the Spring fiscal policy bill to Parliament: In mid-April, the government submits the budget bill to Parliament. A first decision on the overall ODA volume is made. Once determined, major changes to the ODA volume are rare; the ODA budget is tied to the GNI level. This is followed by a debate in Parliament, which approves the budget bill in June.
- Minister for Development decides on specific budget lines: In July and August, the MFA's Minister for Inter-

national Development Cooperation and Climate allocates further funding to expenditure areas within the main ODA budget. Broad budget lines (e.g., Sida's own budget) and allocations to specific budget items (e.g., Sida's thematic budget line on 'sustainable social development') are decided at this time.

- Government presents its budget bill to Parliament: The government presents its budget bill to Parliament in mid-September (at the latest on the 20th), except during election years when this may be postponed until November 15th.
- Parliament debates and amends budget bill: Debates take place from early October to early December. The Committee on Finance discusses the government's draft expenditure ceilings for all budget areas; the Committee on Foreign Affairs may propose amendments to specific allocations within the ODA Budget Area 7. Usually under a minority government such as the current one the government has to negotiate closely with the opposition on the budget.
- Parliament votes on the budget bill: In mid-December, the Parliament makes the final decision on the budget bill. The government then sends its annual letter of appropriation to Sida, which specifies overall funding to Sida and the allocation of funds by regions or thematic issues.

The Spring Budget Bill may also be used to divert or reallocate funds originally allotted for the current year. It is likely to be the case in 2019, as the new government was sworn in after the budget was approved by Parliament. The ongoing budget can also be amended in September, when the government presents its budget bill to Parliament for the next year.

SWEDEN'S ANNUAL BUDGET PROCESS

