

New approach to budgeting for development projects

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MALAYSIA intends to adopt a two-year development planning approach starting with the Budget 2003 to ensure effective utilisation of allocated funds.

Prime Minister Datuk Seri Dr Mahathir Mohamad said the system is aimed at facilitating planning and implementation of development projects.

"We will table the usual budgets but beginning this year we will also identify projects that will not involve allocations and targeted for implementation in 2004.

"The Government is now identifying projects for 2003 and by this time next year all

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the administrative aspects of the projects like land acquisition, price negotiation and so forth will already be settled," he told reporters after speaking at the Third Civil Service Dialogue Series in Kuala Lumpur yesterday.

Dr Mahathir said the two-budget approach addresses weaknesses in project implementation.

"One budget is for the actual implementation of development projects and another to identify projects for the next year," he added.

Of the allocations for last year, only about 87 per cent has been spent, he noted.

And only half of the two stimulus packages totalling RM7.3 billion have been utilised.

"The delays were unavoidable because sometimes land acquisition can take up to one year and by the time it is settled it's already the end of the year."

Sometimes delays involve the Ministry of Finance but allocations are also left unspent because some ministries are not able to fully implement their development budgets, Dr Mahathir said.

Asked if he was unhappy with the level of project implementation so far, Dr Mahathir said: "I am never satisfied. I want to do things meant for tomorrow yesterday".