



MoF Index e-Newsletter 29th Edition 2017

MoF Index

Main Subject

UAE ranks first globally in the ‘Efficiency of Government Spending’ index, and UAE Cabinet approves a Five-Year Federal Budget

The UAE has witnessed remarkable developments in different areas and has ranked first in the ‘Efficiency of Government Spending’ index, sub-criteria of the World Competitiveness Report 2017- issued by the World Economic Forum (Davos) in Switzerland, after ranking second for three consecutive years. Since 2010, the UAE has achieved high rankings among the top 10 countries in the “Efficiency of Government Spending” index, where the country rose from the 7th position globally, to 3rd in 2013, and then maintained the status of 2nd worldwide in 2014, 2015 and 2016 to now first in 2017.

The UAE's first place in the 'Government Spending Efficiency' Index confirms the value and confidence of the UAE Government's global efforts and recognises the outstanding management capabilities and effective monetary and financial policies of the UAE,” said His Highness Sheikh Hamdan bin Rashid Al Maktoum.

HH praised the efforts exerted by all the working teams in the Ministry of Finance as well as the fruitful cooperation between the various government bodies, which played a pivotal role in ranking and achieving first place.

The Ministry of Finance continues its efforts to adopt and implement the best practices in regards to effective financial management, based on a set of values and benchmarks aimed at protecting and developing the financial system and building a stable and sustainable economy that is flexible and diversified. This ensures prosperity and affluence for current and future Emirati generations, as well as achieving the global leadership of our beloved homeland.

The Ministry of Finance prepares the budget for the federal government according to a zero-budget model based on periodic plans every five years, and a medium-term strategic operational plan that works to control and raise the efficiency of the government's financial work to achieve the development goals of the nation. In the process of budget preparation, the Ministry is committed to re-calculating the cost of the activities carried out by various government entities from the beginning until reaching the real cost. This allows for comparisons between the cost of similar activities in various government entities and other private sector entities and the international community to maximize the positive effects in society in return for government spending.

Through its second strategic objective to arrive at a comprehensive and accurate vision of the financial obligation of government agencies, the Ministry seeks to improve federal government spending processes and improve cash management efficiency by making the transition to accrual accounting.

Under the guidance of HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, the Ministry of Finance has prepared a budget draft with plans for every five years to improve the level of social services, and upgrade the smart services of the government. This comes with the aim of increasing customer satisfaction regarding the federal government's efforts to enhance the welfare, prosperity, happiness and security of community members. These five-year plans work to control and raise the efficiency of the government's financial work to achieve the development goals of the nation. In the process of budget preparation, the Ministry is committed to re-calculating the cost of the activities carried out by various government entities from the beginning until reaching the real cost. This allows for comparisons between the cost of similar activities in various government entities and other private sector entities and the international community to maximize the positive effects in society in return for government spending.

MOF praised the important role played by local departments of finance, and the hand in hand work done with the Ministry of Finance, in terms of consolidating views and in the direction taken when preparing the general budget, which are both based on the best standards of disclosure and transparency within a government framework. This in turn contributed to implementing development projects carried out by government entities, and raising the country's competitiveness levels and its high-ranking status in international reports.

The Global Competitiveness Report of the World Economic Forum (Davos) in Switzerland is one of the most important global reports that annually monitors the performance and competitiveness of the economies of the world in terms of strengths and weaknesses and their impact on the standard of living, prosperity and well-being of their citizens and residents.

AED 50 billion revenues from e-dirham in the second quarter of 2017

The federal government revenue collected through e-Dirham reached AED 2,542,411,494 in Q2 2017, compared to more than AED 2 billion in the same period in 2016, achieving a growth rate of 25%. The federal government revenues collected through the e-Dirham payment gateway reached AED 958,461,182 in Q2 2017; while revenue through the service centres reached AED 1,583,950,310 during the same period.

The number of service transactions done through the e-Dirham system in Q2 2017 amounted to 10,837,965 transactions, compared to 9,966,134 in Q2 2016; while the total payment receipts amounted to 5,533,223, compared to 5,141,945 in Q2 2016. The total number of e-Dirham cards issued amounted to 2,730,720, compared to 2,102,466 in Q2 2016. The average execution time for e-Dirham transactions is now only 1.02 seconds online through the e-Dirham network and 1.03 seconds through e-Dirham POS devices.



Medeya Salem Al-Roum, Director of Policies and Accounting Standards at MoF on "Training Federal Government Employees through the Chief Financial Officer (CFO) Programme"

1. What is the chief financial officer (CFO) programme?

The Ministry of Finance's launch of the CFO programme is to qualify and train federal government employees. Its strategy is to strengthen financial planning in the federal government, and achieve financial sustainability, through building the financial and economic abilities of federal government employees.

This programme highlights the Ministry of Finance's commitment to work towards the UAE 2021's vision, which is leading the nation to be the highest in the ranks of developed countries by 2021. The Ministry continues to strive for sustainable development through efficient management of financial resources, investment in the empowerment and rehabilitation of human resources working in the government sector and the development of their professional skills, thus enhancing the efficiency, quality and speed of services provided to clients.

2. What are the goals of the CFO's programme and its components?

The programme's objective is to prepare a generation of employees proficient in performing financial and accounting roles efficiently, and enhance their ability to adapt to the needs of their institutions to accelerate development and achieve the desired results. The programme mainly focuses on training federal government employees to obtain professional degrees in financial and accounting fields inclusive of:

- The Institute of Chartered Accountants in England and Wales (ICAEW)'s Accounting Skills Certificate (ASC)
- Certified Management Accountant (CMA)

- Association of Chartered Certified Accountants of the United Kingdom (ACCA)
- Certified Public Accountant (CPA)

Investing in human resources, and enabling them to carry out the tasks entrusted to them to the fullest, is considered to be one of the most important factors that support the achievement of sustainable development, and putting the future growth of the nation in the hands of qualified and efficient Emiratis.

3. What are the desired results in implementing the CFO's programme and what are the returns to the employees?

The Ministry of Finance works in coordination with various federal government agencies to develop the competencies of its employees in the financial and accounting sectors, to reach a knowledge-based economy led by talented Emirati talent, and enhanced by the best expertise to ensure prosperity and improve the status of the nation in the international arena. This programme will result in developing the competencies of the staff to possess the necessary accounting qualifications and information to support the strategic objectives of the federal government. It will also allow them to carry specialized professional certificates that support them in carrying out their daily tasks while ensuring the improvement of their performance.

4. What is the Ministry's message to the government and individuals?

Investing in human resources development is an important goal in achieving economic development, by raising the level of competencies and capabilities, meeting changing work requirements and contributing to the exchange and transfer of knowledge. For this, we need to work and strengthen the integration and cooperation between the various federal government agencies to create a pioneering business environment based on developing the capabilities of employees and creating a new generation of Emirati talent specialized in all sectors.

5. How can one participate in the CFO programme?

The Ministry of Finance will address the government entities to nominate the competent financial personnel to participate in the programme. The application must be submitted with all the required data by MOF (Eg CV, number of years of experience, qualification, knowledge of English, reading and writing). In addition, the applicant must attend a workshop on the programme, which will provide a detailed explanation of the basic professional certificates, and clarify the differences between these certificates and their requirements.

The workshop will assess the level of knowledge among the participants, especially in the field of the English language, accounting, finance and financial analysis, where these points will determine the overall level of readiness of participants to start training, and the appropriate scientific qualifications for each individual.

For the first batch of the programme, 16 employees joined the (ICAEW)'s Accounting Skills Certificate (ASC) and 8 joined the Certified Management Accountant (CMA).



Ministry of Finance signs cooperation agreement to assign the 'Mortgage of Movable Property' project to Emirates Development Bank.

The Ministry of Finance (MoF) signed a cooperation agreement with Emirates Development Bank (EDB) to create an electronic register to publicise related rights to 'Mortgage of Movable Property' under the management of EDB. The agreement aims to provide a legal and legislative environment for companies and projects to pledge their movable properties as security for loans from banks and financial institutions. The register grants the public access to the database, within a legal framework that regulates the electronic register.



MoF signs agreement for the avoidance of double taxation with the Republic of Cameroon

The Ministry of Finance (MoF), signed a final agreement for the avoidance of double taxation with the Republic of Cameroon at the Ministry's premises in Dubai today. The agreement comes in line with the Ministry's strategy to strengthen bilateral trade and economic relations between the two countries, in order to expand its network of international relations and tax agreements abroad.

The agreement was signed by HE Obaid Humaid Al Tayer, Minister of State for Financial Affairs; and HE Ousmane Mey Al Amine, Minister of Finance of the Republic of Cameroon; in the presence of HE Khalid Ali Al Bustani, Assistant Undersecretary for International Financial Relations at MoF and a number of executives from the Ministry.

MoF and the Federal Authority for Government Human Resources launch two strategic projects.

The Ministry of Finance (MoF) and the Federal Authority for Government Human Resources have launched the first phase of the 'e-link' project between the Financial Planning System, the electronic federal budget, 'Hyperion', and the Human Resources Information Management System in the Federal Government, 'Bayanati'. The project has been launched to enhance financial planning and cash forecasts, support Federal Budget automation, contribute to financial sustainability in ministries and federal agencies, and ensure the efficient allocation of financial resources and optimal use of modern technologies. MoF, in collaboration with the Federal Authority for Government Human Resources has also launched the 'Multi-Business Groups' project, which allows ministries and federal entities that operate the 'Bayanati' and federal financial system, to be flexible in implementing human resource laws and regulations, as well as financial systems amongst their own employees.



MoF visits the Emirates Center for Strategic Studies and Research

The Ministry of Finance (MoF), represented by the Resources and Budget Department, visited the Emirates Center for Strategic Studies and Research Headquarters in Abu Dhabi. The purpose of the visit was to introduce the Ministry to the Center's functions and operations. The two parties also discussed the Center's role in the country's economic, political and social sectors.



MOF participates in Sidreh of Wishes

As part of its commitment to the directives of the wise leadership and the announcement of 2017 as the Year of Giving, the Ministry of Finance (MoF) participated in the Sidreh of Wishes initiative, which was launched by Sharjah Social Empowerment Foundation (SSEF). The initiative aims to make 1000 new wishes of orphans belonging to the Foundation come true for the second consecutive year. MoF participated in achieving 20 wishes for orphans, and the e-dirham system team presented gifts through an official visit in the presence of the Foundation's representatives.



MOF organises the "Youth Council of the Ministry of Finance" event

As part of its commitment to support young generations and empower their roles at work and in the community; and develop an environment to showcase their abilities, the Ministry of Finance (MoF) organised "Youth Council of the Ministry of Finance" event at the Ministry's premises in Dubai. The event was held in line with the International Youth Day and the UAE's policy to activate youth capabilities. The UAE policy included various initiatives and procedures which aim to develop an agenda that keep pace with the rapid changes and future aspirations.

MoF publishes research on double deficit phenomenon in oil-exporting countries

The Ministry of Finance published a study entitled 'Testing the phenomenon of double deficit in oil exporting countries' in the leading scientific journal 'Experimental Economy'. The research investigates, in a practical approach, the existence of a double deficit in the oil-exporting countries, namely the deficit in the current account balance and the deficit in the government budget, given the large impact of oil revenues on these economies. This study comes as part of the UAE's ambition to become among the most innovative governments in the world by 2021, and emphasises the importance of innovation as one of the main priorities of the national agenda.



UAE President issues VAT decree-law with one of the lowest rates in the world.

His Highness Sheikh Khalifa Bin Zayed Al Nahyan, President of the UAE, has issued Federal Decree-Law No. (8) of 2017 for Value-Added Tax (VAT), a preliminary step to implementing VAT in the UAE as of January 2018. With one of the lowest rates in the world, the 5% tax is set to be imposed on the import and supply of goods and services at each stage of production and distribution including what is deemed to be a supply.

MoF organises book fair

The Ministry of Finance launched the 'Iqra' initiative aimed at raising readership level among its employees, as well as the dissemination of cultural awareness in all its aspects. The first of its activities included organising a book fair in collaboration with Magrudy's bookstore in its premises in Abu Dhabi and Dubai.

MoF organises health awareness campaign for its employees

The Ministry of Finance in cooperation with Universal Hospital in Abu Dhabi, organised a medical check-up for the Ministry's employees. The campaign aims to spread health awareness among the Ministry's employees, by encouraging them to lead on healthy and balanced lifestyle, reducing their dependence on drugs, avoiding smoking and partaking in regular physical activity.

MoF organises an internal fundraising campaign for a patient

The Ministry of Finance organised an internal fundraising campaign for one of the patients. The Ministry's staff and senior officials participated in the campaign. This campaign comes as part of the Ministry's contribution to the 'Year of Giving' initiative announced by His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE.



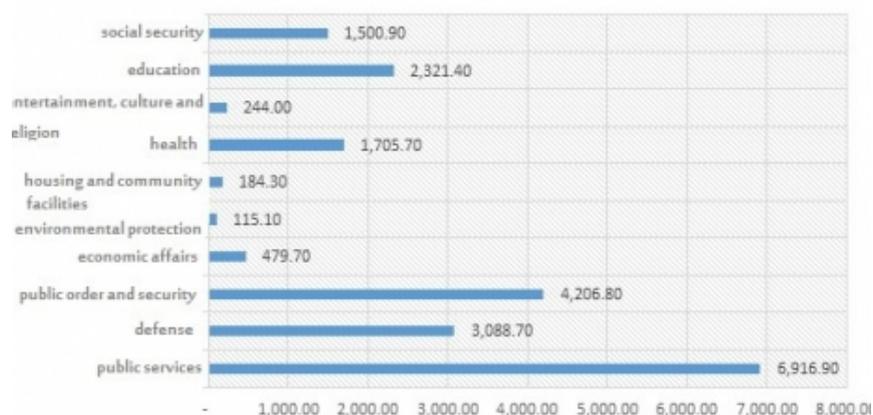
The Ministry of Finance receives a delegation from the Ministry of Finance of the Kingdom of Saudi Arabia.

In a bid to strengthen its relations with regional and global entities, the UAE Ministry of Finance (MoF) received today a delegation from the Ministry of Finance of the Kingdom of Saudi Arabia (KSA) in its premises in Dubai. The meeting aimed to exchange experiences in government finance practices.

Ministry of Finance organises Brainstorming Workshop entitled "Satisfying Customers through a Unified Call Center"

As part of its continuous effort to enhance the services provided to meet the customers' expectations, the Unified Call Centre team at the Ministry of Finance (MoF) held a brainstorming workshop titled "Satisfying Customers through a Unified Call Centre". The workshop took place at the Innovation Lab at the Ministry's premises in Dubai.

Total expenditures for the first half of 2017



Financial Report: Implementing the General Budget for Federal Entities for the first half of 2017

The Ministry of Finance is keen to provide a financial performance report for federal entities in accordance with the best international practices, as part of its commitment to achieve the highest standards of transparency. These are in accordance with the provisions of Article 9 and Article 50 of Federal Law Decree No. 8 of 2011 on the rules of preparation of the general budget and final account, and the rules governing the disbursement of expenses and collection of revenues. As well as the periodic reports of the Council of Ministers on the implementation of the budget. The financial performance report on the implementation of the general budget during the first half of 2017, distributed across the government function sectors 'COFOG' according to the GFS standards of the International Monetary Fund, is reviewed below:

<i>Criteria</i>	<i>Total expenditures for the first half of 2017</i>	<i>Percentage</i>
<i>Public Services</i>	6,916.90	33.3%
<i>Defense</i>	3,088.70	14.9%
<i>Public order and security</i>	4,206.80	20.3%
<i>Economic affairs</i>	479.70	2.3%
<i>Environmental protection</i>	115.10	0.6%
<i>Housing and community facilities</i>	184.30	0.9%
<i>Healthcare</i>	1,705.70	8.2%
<i>Entertainment, culture and religion</i>	244.00	1.2%
<i>Education</i>	2,321.40	11.2%
<i>Social security</i>	1,500.90	7.2%
<i>Total</i>	20,763.50	100%

