

The paper provides a comprehensive and analytical insight of the budgetary process and the existing budget practices from the international experience perspective, including a thorough analysis of the medium-term framework and of the performance budgeting. It offers a detailed review of the budget mechanisms and techniques used in designing the budget system. It then provides an analytical review of the Moldovan current budget planning system. The main findings are: 1) Budgeting is not anymore a mechanical process; it reflects priority and objective policies and obligations a state assumes. 2) Budget procedures and methods used are result-oriented and based on performance indicators. 3) Modern budgetary procedures are used in all developed countries and are being implemented in developing countries. OECD, IMF and the WB recommend the approaches. 4) Moldova makes efforts to harmonize with international standards. While MTEF is already functional, the performance budgeting still does not cover all budget sectors and it is still not entirely used in the decision making process regarding the budget planning.

The research is based on a large volume of existing relevant international literature, as well as on Moldovan approved normative and legislative acts, reports and assessments done mostly by international organizations.