

PEMPAL BCOP SURVEY MARCH 2012

The survey was organized on the initiative of the Budget Community of Practices and was designed to gain an input to the next BCOP meeting on program budgeting and future event topics. The results of the survey will be presented at the proposed program budgeting meeting in Slovenia on March 27-29, 2012.

The survey started collecting responses in the 5th of March. The responses were collecting till the 14th of March, 2012.

The survey was designed in 3 languages: English, Russian, and Serb-Croatian.

Link to online version of the survey - <http://www.surveymonkey.com/s/BPKMW3C>

Invitation to take part in the survey was sent to all countries – BCoP members. Representatives of 17 countries filled in the questionnaire in electronic format. Albania, Armenia, Belarus, Bosnia-Herzegovina, Bosnia-Herzegovina – Republika Srpska, Bulgaria, Croatia, Georgia, Kazakhstan, Kyrgyz Republic, Macedonia, Moldova, Montenegro, Russia, Serbia, Tajikistan, and Turkey.

There are total 22 valid responses. Some countries filled out (or started) not one questionnaire. Kazakhstan left 4 responses. Russia and Kyrgyz Republic – 2. Multiple responses were consolidated. And in our report we will analyze only one response per country – 17 responses.

Survey consists of 20 questions. The survey questions were prepared by the BCOP Resource Team for this specific meeting: Deanna Aubrey, Naida Carsimamovic, Maya Gusarova and Victor Zafra. Questions were drawn from the the OECD budget practices and procedures questionnaire¹ and a survey conducted of the SEE region by IMF.²

This report has been prepared by Nina Duduchava who also converted the survey into electronic format for analysis through ‘survey monkey’. Please note if using these results, they have not been formally confirmed with the countries and could be subject to inaccuracies.

¹ Refer http://www.oecd.org/document/61/0,3746,en_2649_34119_2494461_1_1_1_1,00.html)

² Last D., Olden B., et al, 2011, Draft Seminar Paper, “Fiscal Consolidation in South-East European Countries: The Role of Budget Institution, Fiscal Affairs Department, October 2011, IMF.

1. What country are you from?

Albania, Armenia, Belarus, Bosnia-Herzegovina, Bosnia-Herzegovina – Republika Srpska, Bulgaria, Croatia, Georgia, Kazakhstan, Kyrgyz Republic, Macedonia, Moldova, Montenegro, Russia, Serbia, Tajikistan, and Turkey.

2. Has your country introduced program budgeting (or it may be called performance based budgeting, or results based budgeting)?

There are 17 (100%) responses. All countries are either piloting or implementing elements of program budgeting.

3. What progress has been made with these reforms ie what elements of program budgeting have been introduced or are being piloted? Choose one or more.

There are 17 responses (100%) and 1 comment.

<i>Answer Options</i>	<i>Response Percent</i>	<i>Response Count</i>
Defining and identifying programs	82.4%	14
Formulating program objectives	82.4%	14
Selection of non-financial performance indicators		
<i>Output</i>	76.5%	13
<i>Outcome indicators</i>	70.5%	12
<i>Efficiency</i>	47.1%	8
Consideration of relationship of programs to organizational structure	52.9%	9
Approaches to deal with cross cutting objectives and programs	29.4%	5
Allocation of expenditures by programs	82.4%	14
Reconciling indicators and targets established in sector plans/strategies with indicators and targets in budget programs	58.8%	10
Revising budget classification and Chart of Accounts to reflect programs	58.8%	10
Justification of budget expenditures done on a program basis	47.1%	8
Distribution of total program funding among the program activities	52.9%	9
Reports prepared on a program basis	35.3%	6
None of the above elements	0%	0
Other (please specify)		1

Comment: **Bosnia-Herzegovina** - Segments of program budgeting are partially implemented.

4. At what levels were the above elements introduced or piloted?

16 respondents left responses to this question. **Bosnia-Herzegovina** chose “Other” and left a comment..

<i>Answer Options</i>	<i>Response Percent</i>	<i>Response Count</i>
National only	75%	12
National and sub-national levels	25%	4 (Belarus, Croatia, Macedonia, Russia)
Sub-national levels only	0%	0
Other		1 (Bosnia-Herzegovina)

Comment: **Bosnia-Herzegovina** – Due to the constitutional order of BiH, it is not possible to give a precise answer, given that the implementation of program budgeting is separate at the state, entity and cantonal levels.

5. Are budget proposals from ministries/budget users based on programs?

10 respondents chose “Yes”.

<i>Answer Options</i>	<i>Response Percent</i>	<i>Response Count</i>
Yes	58.8%	10
No	11.8%	2 (Kyrgyz Republic, Turkey)
Part of them	29.4%	5 (Belarus, Bosnia-Herzegovina, Moldova, Russia, Serbia)
No reply		0

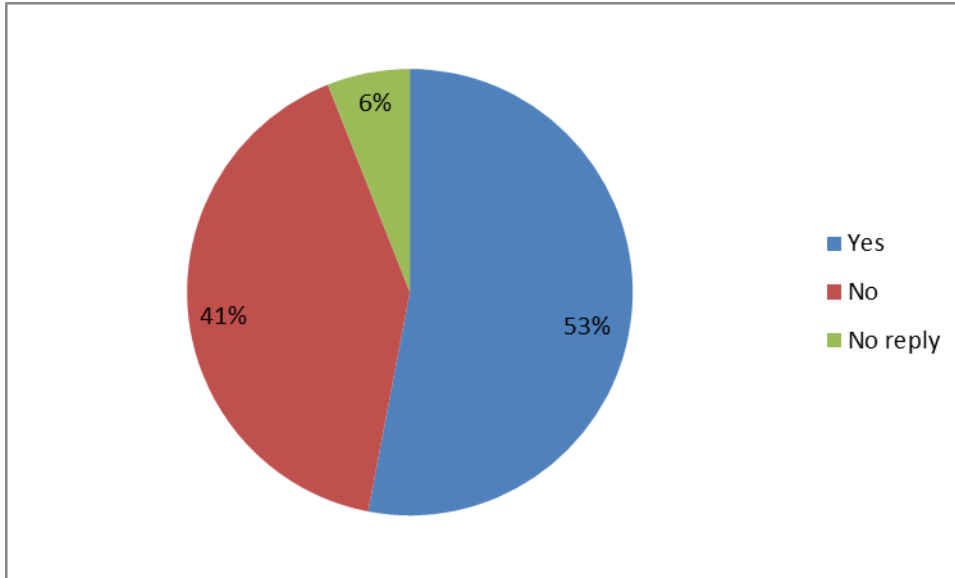
6. If there are ministry strategic plans, how do the program budgets relate to them?

There are 17 responses (100%)

<i>Answer Options</i>	<i>Response Count</i>
There are no strategic plans	0
There are no program budgets	1 (Turkey)
There are strategic plans, but there is no relationship	3 (Belarus, Croatia, Kazakhstan)
There is a requirement to justify the budget and the performance indicators in terms of how they contribute to, or progress, strategic plan goals	13

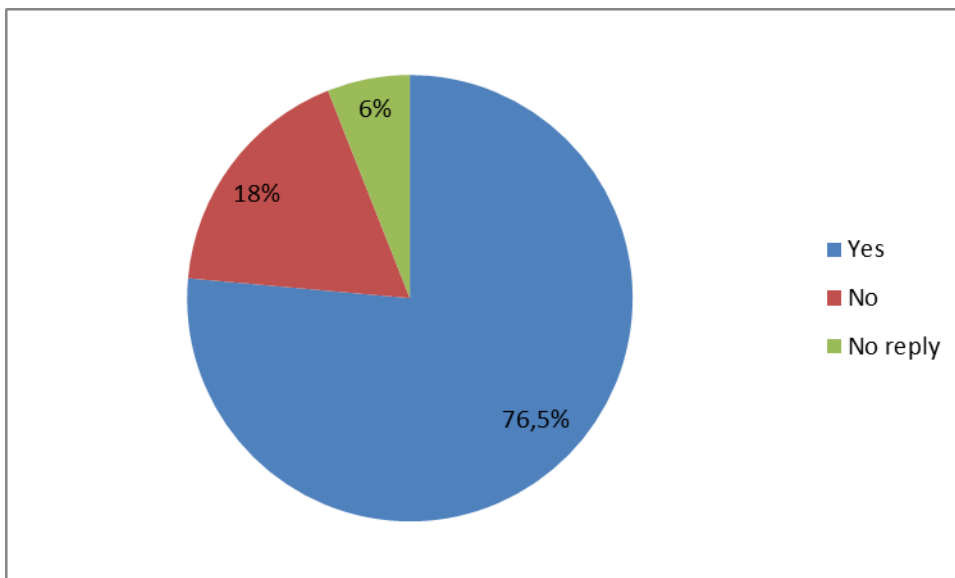
7. Do budget proposals from ministries/budget users include performance measures?

16 responses were left. **Macedonia skipped this question.** Representative of 9 countries replied “Yes”, 7 – “No”(Albania, Belarus, Montenegro, Croatia, Kyrgyz Republic, Serbia, and Turkey)



8. Are there objectives and targets associated with each expenditure program?

16 responses were left. **Macedonia skipped this question.** Representative of 13 countries replied “Yes”, 3 – “No” (Albania, Montenegro, Serbia)



9. Are performance measures used to inform budget decisions?

100% of respondents replied on this question.

<i>Answer Options</i>	<i>Response Percent</i>	<i>Response Count</i>
Performance data used to evaluate every line ministry/budget user budget request	23.5%	4 (B&H – Republika Srpska, Croatia, Kazakhstan, Tajikistan)
Performance data usually used to evaluate every request if available	17.6%	3 (Albania, Montenegro, Macedonia)
Performance data used to evaluate requests for new or expanded expenditures only	5.9%	1 (Russia)
Requests evaluated on financial and/or policy basis, performance data rarely used	47.1%	8
Other	5.9%	1 (Kyrgyz Republic)

Representative of **Kyrgyz Republic** chose ‘Other’ and left a comment:

Performance measures are just developing. For this moment they were analyzed only for 6 pilot ministries.

10. Is the achievement of program objectives and performance targets monitored at least annually?

16 responses were left. Representative of **Kyrgyz Republic** skipped this question.

<i>Answer Options</i>	<i>Response Percent</i>	<i>Response Count</i>
There are no program objectives or performance targets for expenditure	12.5%	2 (Montenegro, Serbia)
Program objectives and performance targets are established but not systematically monitored	50%	8
Program objectives and performance targets are set with systematic reporting on progress on at least an annual basis /	37.5%	6 (Belarus, Bulgaria, Georgia, Kazakhstan, Russia, Turkey)

11. Are there comprehensive sector or spending reviews on a regular basis (eg evaluations conducted with the intent of identifying savings and or funds for re-allocations)?

16 responses were left. **Representative of Croatia skipped this question**

<i>Answer Options</i>	<i>Response Percent</i>	<i>Response Count</i>
Expenditure reviews are not part of the budget process	12.5%	2 (Kazakhstan, Kyrgyz Republic)
Expenditure reviews are infrequent or incomplete (reviews are not complete or comprehensive reviews are ad hoc and/or happen more than every 3 years)	37.5%	6 (Albania, Armenia, Bosnia-Herzegovina, Bulgaria, Georgia, Moldova)
All expenditure programs are systematically reviewed	50%	8

12. Is program approach used for the purpose of the legislative appropriation for expenditure?

100% of respondent replied on this question.

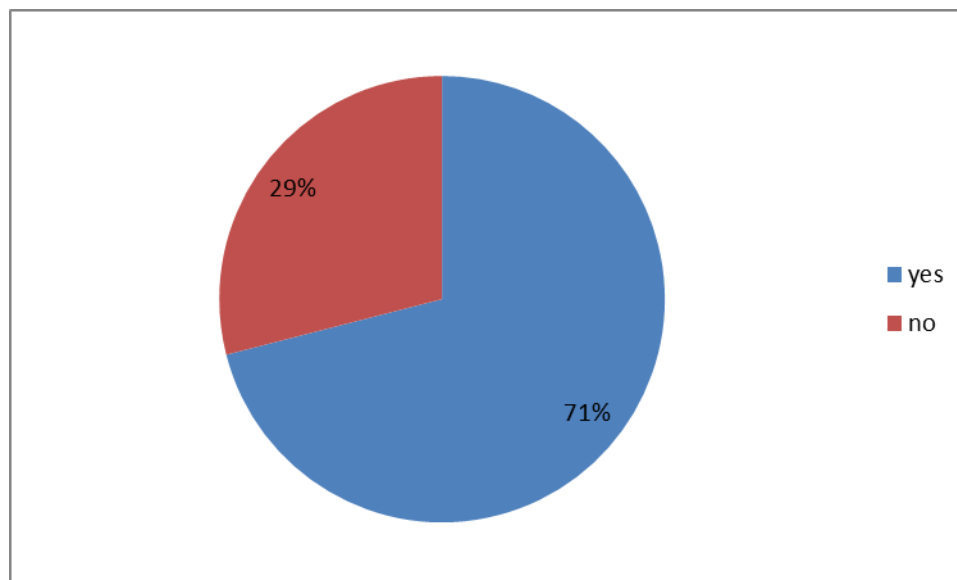
<i>Answer Options</i>	<i>Response Percent</i>	<i>Response Count</i>
Budget document does not include a program classification	11.8%	2 (B&H - Republika Srpska, Turkey)
Budget document includes a program classification for information but program classification is not the basis for legislative appropriation	41.2%	7
Legislative appropriation is made at the program level	41.2%	7 (Albania, Bulgaria, Montenegro, Georgia, Macedonia, Serbia, Tajikistan)
Other	5.9%	1 (Kyrgyz Republic)

Representative of **Kyrgyz Republic** chose 'Other' and left a comment:

6 pilot ministries budgets on program base were first time included in Kyrgyz budget-2012 for information of the Parliament.

13. Is budget execution tracked on a program basis?

100% of respondents replied on this question. 12 of them (71%) replied “Yes”, 5 (29%) – “No” (Bosnia-Herzegovina, B&H-Respublika Srpska, Kyrgyz Republic, Russia, and Turkey)



14. When setting performance targets, against what benchmark(s) are they generally set against?

16 respondents replied. Macedonia skipped this question.

<i>Answer Options</i>	<i>Response Count</i>
Relative to the program’s past performance	11
Relative to the performance of similar programs	5
Relative to international benchmarks of similar programs	3 (Belarus, Georgia, Moldova)
Not applicable, performance targets not set/used	3 (Turkey, Montenegro, Serbia)
Other	2 (Belarus, Kyrgyz Republic)

Representative of 2 countries chose ‘Other’ and left comments:

Belarus – *On the base of benchmarks determining by state planning documents (including sectorial development strategies) as well as on the base of benchmarks set in orders of the Government.*

Kyrgyz Republic – *Pilot ministries determine control indicators themselves and now only for information. There are difficulties during determining control indicators*

15. Are performance measures specifically linked to senior managers'...

100% of respondents replied on this question.

<i>Answer Options</i>	<i>Yes</i>	<i>No</i>
Tenure	3	14
Promotion	1	15
Salary/Compensation	3	14

16. Has MoF, or another central budget agency, provided line ministries guidance on:

100% of respondents replied on this question.

<i>Answer Options</i>	<i>Response Percent</i>	<i>Response Count</i>
How to define programs	82.4%	14
How to develop performance measures or indicators	76.5%	13
Costing methodology	41.2%	7
None of the above	5.9%	1 (Serbia)
Other	0	0

17. Rate each of the following potential challenges to program budgeting on a scale of 1 to 5.

There are 16 responses to this question. Macedonia skipped it.

<i>Answer Options</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>RC</i>	<i>Average</i>
Lack of leadership/commitment in promoting or supporting program budgeting	2	6	2	4	2	16	2.9
Lack of framework/guidance on program budgeting	3	6	3	2	2	16	2.6
Information overload – too much information is presented and not always clear which are more useful for decision-making	2	6	6	1	1	16	2.6
Program budgeting procedures too bureaucratic, lengthy, complicated	3	6	5	2	0	16	2.4
Allocation of costs eg overheads	4	4	4	3	0	15	2.4
Assigning responsibility for programs to managers (eg budget request is done by finance/budget area of ministry with little input from specific program area)	0	4	7	2	2	15	3.1
Lack of capacity/training for staff/civil servants	0	2	6	5	2	15	3.5
Lack of resources (time, staff, funds)	1	4	5	3	2	15	3.1
Performance information provided not relevant for budgetary decision-making	0	3	6	2	4	15	3.5
Focus on performance decreases once funds allocated	1	2	9	4	0	16	3.0
Unclear what role, if any, performance information presented in the budget has played in allocation decisions	1	2	9	3	1	16	3.1
Unclear policy/program objectives make it difficult to set performance measures/targets	2	3	7	4	0	16	2.8
Lack of accurate and timely data to serve as input for performance measures	1	2	5	7	1	16	3.3

18. Are there any additional issues you would like to clarify that were not addressed in the questionnaire?

Representatives of 5 countries (29.4%) left valid responses:

B&H – Republika Srpska - *No, the questions are sufficiently precise and comprehensive*
Montenegro - *No further questions, it is covered in detail.*

Georgia – *2012 State Budget of Georgia is the first Budget Law which has been adopted on program basis and thus this is the first year we are actually having program Budget, thus it's still a challenge to prepare performance reports and during the year their certainly will be some aspects which will need future elaboration to make program budgeting work better.*

Kyrgyz Republic – *How to motivate ministries to switch to program budgeting? What kind of stimuli for ministries exist?*

Serbia – *Is a numerical expression of performance the mandatory precondition, so that it can be monitored?*

19. On Day two of the BCOP Program budgeting meeting agenda, you will have the opportunity to discuss with your peers and experts, specific issues that are of interest to you and your country's reform agenda. If you are not interested in discussing these questions, please specify a question of interest in the space provided

There were left 15 responses. **Croatia and Macedonia** skipped this question.

How to link budget allocation decisions to performance information ie avoid case where program budgets are presented but do not influence decision-making or budget allocations?
– **10 responses**

Sequencing program budgeting reforms – where to start within the context of my country? – **2 responses** (**Bosnia-Herzegovina, Kyrgyz Republic**)

How MoF can train, assist and/or legislate line ministries to develop budget submissions in a program budget format? – **2 responses** (**Bulgaria, Tajikistan**)

Representative of **Belarus** chose 'Other' and left a comment: *Working out of effectiveness criteria for program realization. Program progress monitoring and using of its results for decision-making about program correction (cancellation). Who and how is responsible for program failure?*

Representatives of **Kazakhstan** also left a comment: *Approaches to defining budget programs (subprograms), addressed to exercising operational costs and development costs*

20. Please choose which language you will use for the discussions:

100% of respondents gave responses.

<i>Language</i>	<i>Respondents</i>
<i>English</i>	4
<i>Russian</i>	7
<i>Serbian</i>	6