

**Results of the Pre-Meeting BCoP  
Survey on the PEMPAL Countries’  
Experience and Issues:  
*Designing Programs and  
Performance Measures***

BCoP Resource Team



- Survey prepared by BCOP Resource Team and sent out electronically in early January.
- 21 PEMPAL country responses (out of 22 countries present in Tirana)
  - In all but one of these countries (Uzbekistan), some type of program budgeting/pilot program budgeting has been introduced



Survey consisted of 45 questions, divided into three main themes of this Plenary meeting:

- *Design of programs and performance measures*
- Budget documentation
- Performance monitoring and evaluation

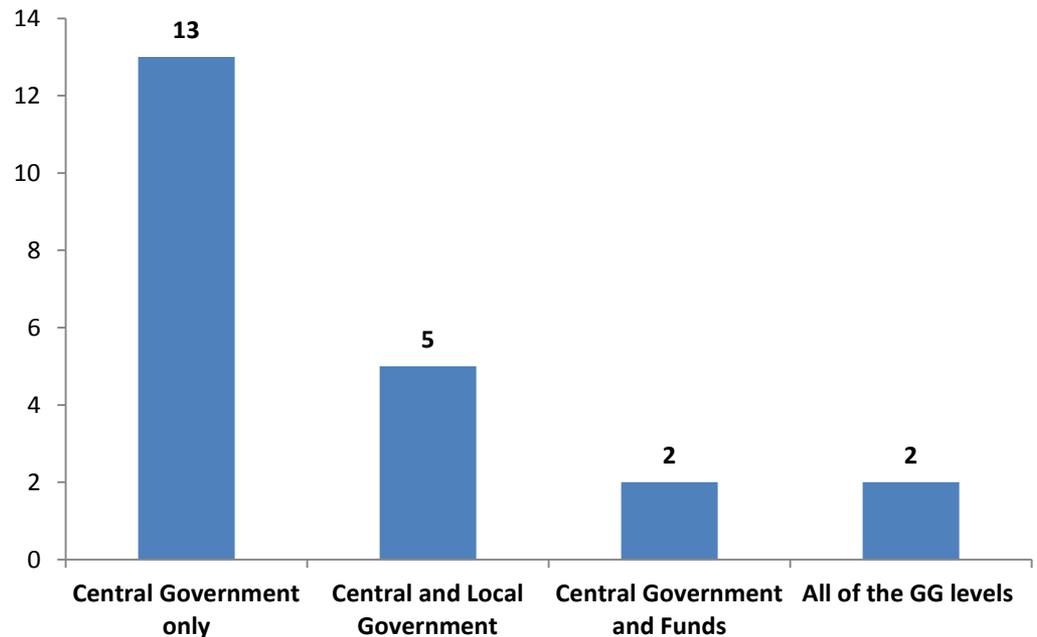
**Thank You to all who filled out this survey  
from the Resource Team!**



## Which Levels of General Government Introduced PB?

For all 22 responses (excluding Uzbekistan and including three government levels in BiH), program budgeting (PB) is introduced at central level. Only two countries introduces PB at all General Government (GG) levels.

All countries, except for 1 have introduced Medium Term Expenditure Frameworks (MTEFs).

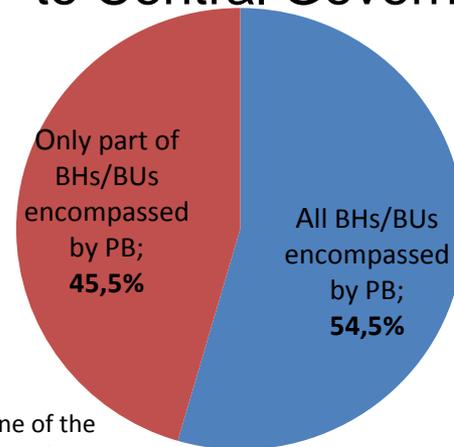




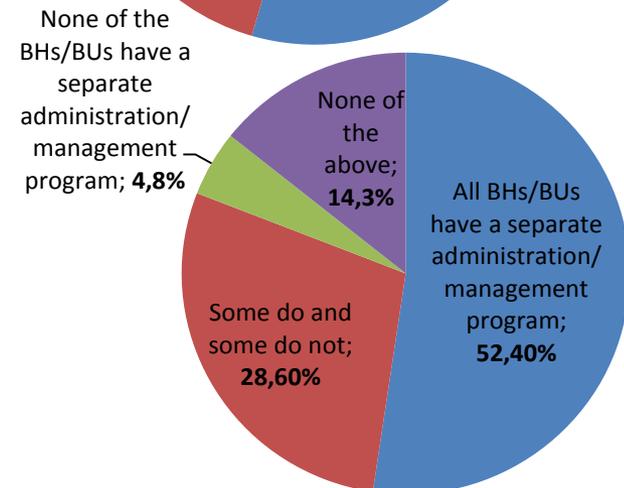
## Coverage of PB

NOTE: all questions from this point on refer only to Central Government.

For 12 out of 22 responses, PB includes all Budget Holders/Budget Users (BHs/BUs).



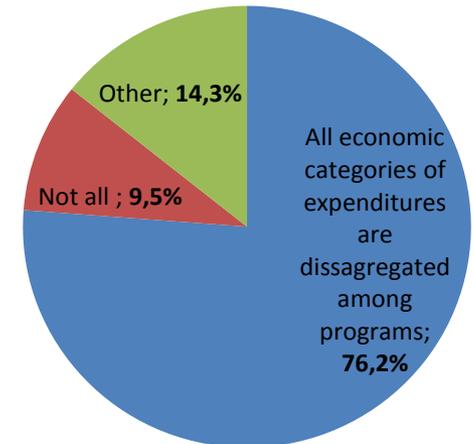
Out of 21 responses, 11 show that BHs/BUs have a separate program for administration/management costs, in 1 case there is no separate program, while a mixed approach is used in 6 cases.





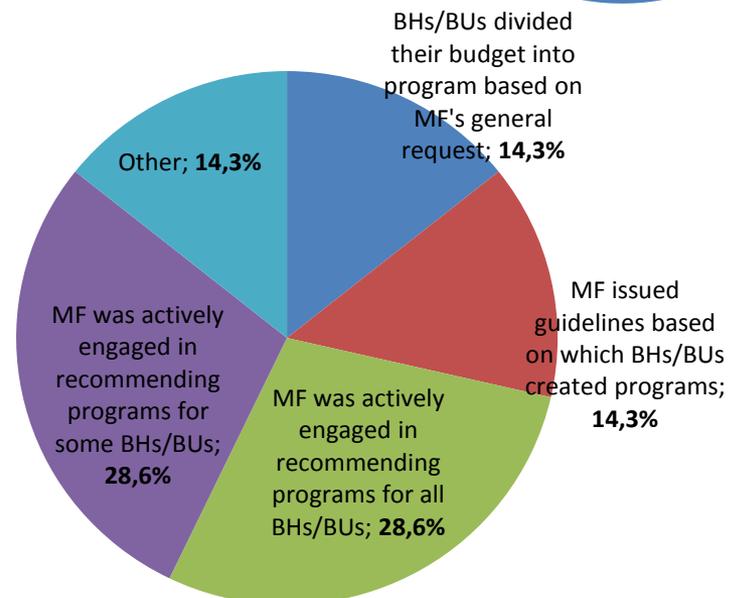
## Coverage of PB

For 16 out of 21 responses, all expenditure (including all wages and utility costs) is distributed among programs, for 2 responses this is not the case.



## Program Creation

Out of 21 responses, 14 (this is including comments on 2 countries which choose option Other) state that MF is involved in program creation.

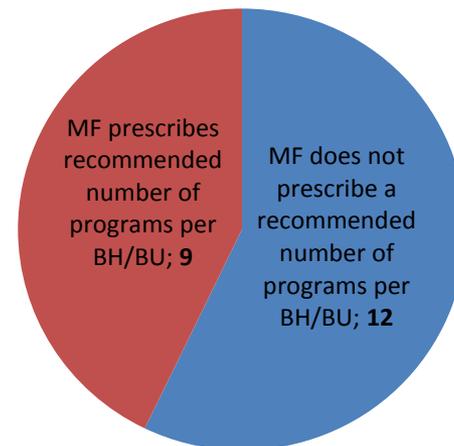
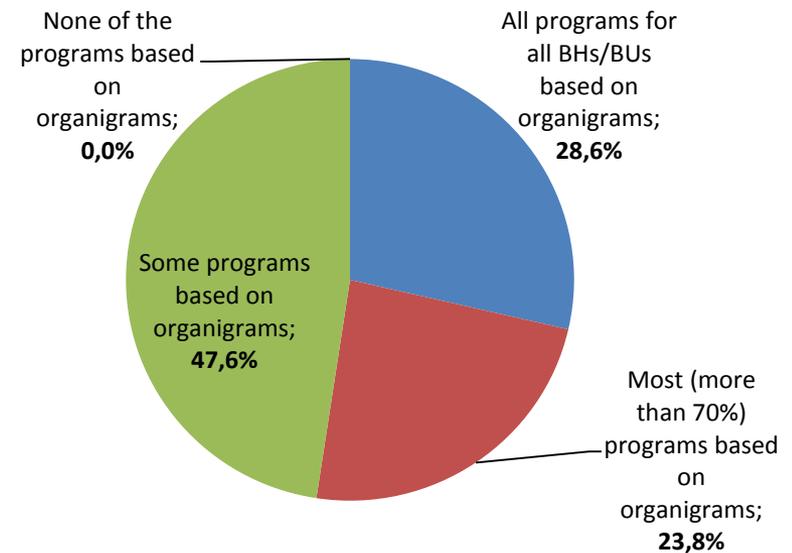




## Characteristics of Programs

All of the 21 responses noted that organizational structure is used for program creation. For 11 responses, more than 70% of programs are based on organizational structure.

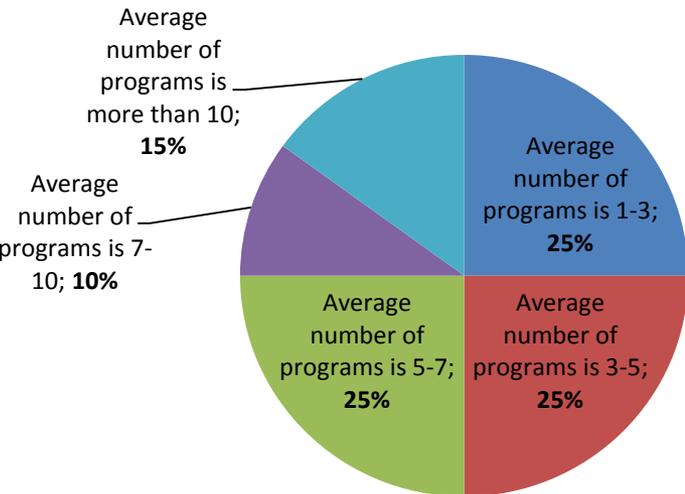
12 out of 21 responses note that MF does not prescribe recommended number of programs per BH/BU.





## Number of programs

Out of 20 responses, 10 show that average number of programs is up to 5 per BH/BU.



## How can programs be changed/eliminated?

13 out of 21 responses show that Government approval is needed for BH/BU to change programs.

11 out of 21 responses show that Government approval is needed for BH/BU to eliminate programs.



## Presentation of Program Data in Other Classifications

Out of 21 responses, 11 show that programs are connected to COFOG functional classification.

Out of 21 responses, 17 show that budget expenditures are presented in cross-sectional way to show main economic categories of expenditures for each program. For two countries this is not the case, while for additional two countries this is the case for some programs.

## Support of PB by IT system

16 out of 21 show that IT System for budget planning supports PB. In 4 countries, FMIS does not support budget planning at all.



## Performance Measures (PMs) Coverage and Types

All of the 21 responses show that there are PMs for at least some programs. 13 show that all programs have PMs.

Out of 21 responses:

- 9 use inputs, outputs, outcomes and efficiency indicators
- 3 use outputs, outcomes and efficiency indicators
- 1 uses inputs, outputs and outcomes
- 3 use outputs and outcomes
- 2 use inputs and outputs
- 1 uses inputs, outcomes and efficiency indicators
- 1 uses only outputs

In total, 13 responders use inputs (note: this number is probably higher, since inputs are basically financial indicators which are likely used by all but with different terminology), 19 use outcomes, 17 use outputs and 13 use efficiency indicators.



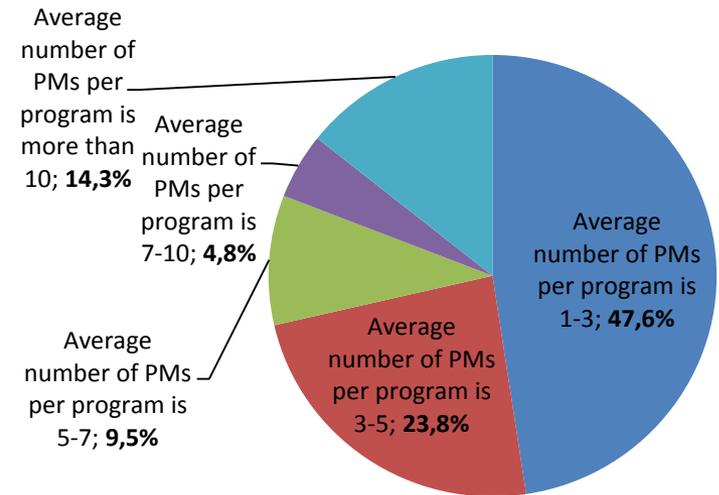
## Creation of Performance Measures (PM)

- For 13 out of 21 responses, performance measures were jointly created by MF (or Government or other relevant central agencies) and BHs/BUs (e.g. detailed guidelines issued by Ministry of Finance or Government or other relevant central agencies).
- For 6 responses, performance measures creation was largely driven by the BHs/BUs.
- None of the responders selected option that PM creation is driven by indicators defined in the national long-term or mid-term strategies.
- For 12 out of 21 responses, majority of PMs are quantitative, while for 9 responses, qualitative PMs are also used.



## Number of PMs

Out of 20 responses, 15 show that number of PMs per program is up to 5.



## Can multiple programs have same PMs?

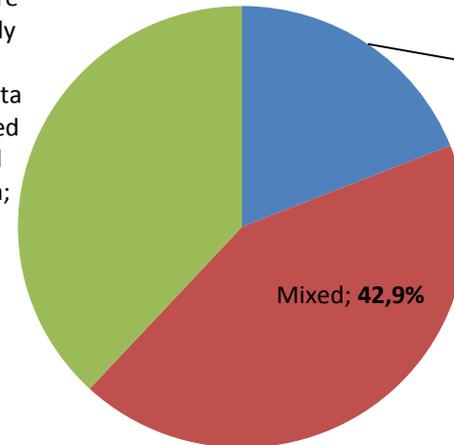
11 out of 21 responses show that in the case of shared responsibilities, more than one program can have same PMs. Examples include: road safety indicators shared between ministry of infrastructure and police, and crime rates shared between courts and police.



## Characteristics of PMs

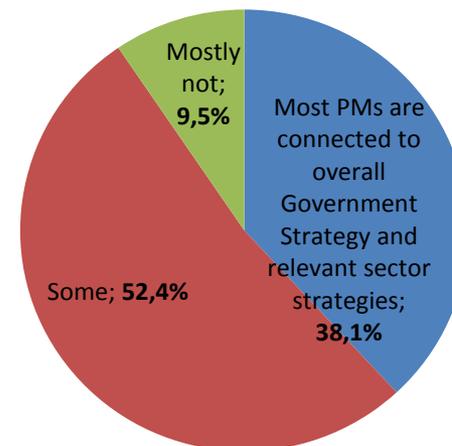
For 9 out of 21 responses, some of the PMs are publically available statistical data and some are based on internal budget holder/user data.

Most PMs are not publically available statistical data and are based on internal BH/BU data; **38,1%**



Most PMs are publically available statistical data; **19,0%**

For 11 out of 21 responses, some PMs are connected to Government/sector strategies.

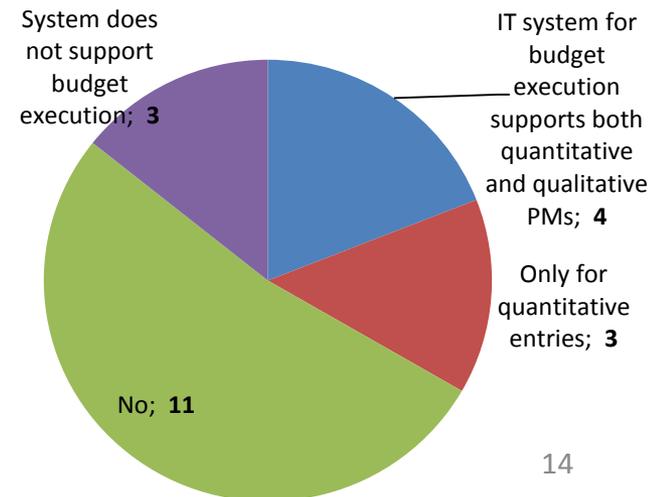
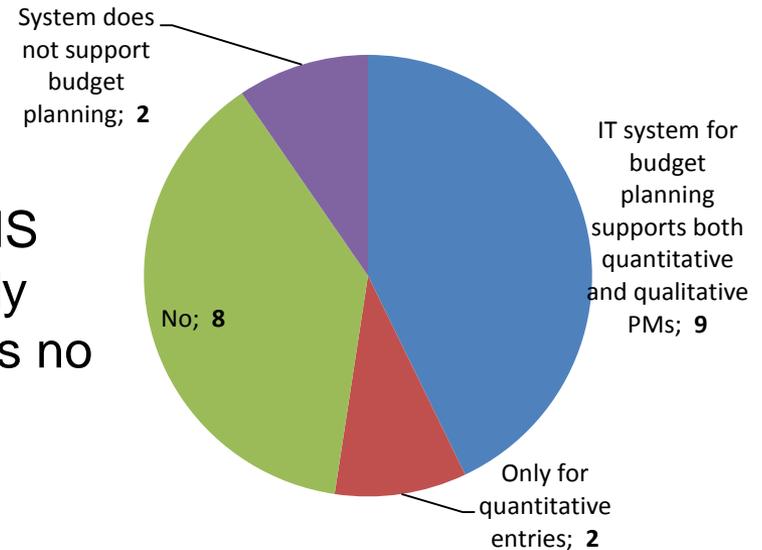




## Support of PMs by IT System

Budget planning system for 9 responses supports both quantitative and qualitative PMS and for additional 2 responses it supports only quantitative entries. For 10 responses there is no IT support for PMs or there is no system for budget planning at all.

Budget execution system for only 4 responses supports both quantitative and qualitative PMS and for additional 3 responses it supports only quantitative entries. For 14 responses there is no IT support for PMs or there is no system for budget execution at all.



# Challenges in Regards to Design of Programs and PMs

<i><b>Afghanistan</b></i>	Donors reluctance to fund programs. Ministries resistance to performance based budgeting . Lack of capacity of the Parliament. Lack of sound M&E system and MIS data collection within Ministries to measure indicators. System inflexibility to share operational expenses between development activities.
<i><b>Albania</b></i>	Need to improve the performance indicators as developed by line ministries, to make them SMART – specific, measurable, achievable, relevant and timed.
<i><b>Armenia</b></i>	Reforms being carried out as the initiative of the government (Ministry of Finance) and are not yet established on the level of law. Few cycles must pass in order to gather enough information on programs and indicators. The quality of the program information and the planning of results and indicators can be improved and will require increased commitment by the Ministries in order to improved effectiveness of the reforms.
<i><b>Belarus</b></i>	Complex information required in the program-format requests are not always filled-out by the agencies, and sometimes they're filled-out incorrectly, especially in terms of results.
<i><b>B&amp;H-FBiH</b></i>	Insufficient competence/training of the budgetary users and insufficient number of staff in institutions.
<i><b>B&amp;H- State</b></i>	Additional emphasis needed for analyzing implementation of programs especially in terms of financial aspects of each program and the connection to Government priority policies. Currently in the process of introducing IT system for PB.
<i><b>B&amp;H- RS</b></i>	Important to get information about international best practices. Currently in the process of introducing IT system for PB. It is a process for which we need other countries experiences as well. Evaluation of programs and PMs will have to be performed in the future. Other countries' experience in terms of selecting adequate PMs will be useful.

# Challenges in Regards to Design of Programs and PMs

<b><i>Bulgaria</i></b>	Most of the indicators are not well connected to performance.
<b><i>Croatia</i></b>	The process of budget preparation and monitoring relies mostly on financial departments, rather than sectors which implement programs.
<b><i>Georgia</i></b>	Qualified staff and the difficulty of selecting performance indicators
<b><i>Kazakhstan</i></b>	Challenges in program and PM design is in sectors such as health care, social care, and employment.
<b><i>Kosovo</i></b>	Some BUs still not able to identify performance indicators.
<b><i>Kyrgyz R.</i></b>	Low competence of specialists in the ministries and agencies. Poor technical equipment and lack of IT systems of planning and spending. Lack of program qualifications. Weak mechanism for implementing program budgeting and mechanisms for monitoring how program budgeting are carried out. Lack of interest from ministries and agencies.
<b><i>Macedonia</i></b>	Setting up of standards for reporting purposes, performing controls and performance measures.
<b><i>Moldova</i></b>	The establishment and measurement of indicators.
<b><i>Russian Federation</i></b>	Government programs exist alongside regional development programs, raising the question of which measures should be applied to which programs (ex. Should road construction funds go to transportation development, or territorial development?) The unclear structure of some government programs. (The lack of clear and precise coupling of events with indicators of results, tasks and goals of the programs.) Attempts by departments to exaggerate the amount of financial support that they need compared to the amounts stipulated by the budget.

# Challenges in Regards to Design of Programs and PMs

<i><b>Romania</b></i>	Choosing most appropriate PMs and mechanism for measuring them.
<i><b>Serbia</b></i>	Still in the initial phase of introducing PB.
<i><b>Tajikistan</b></i>	A clear and concise definition of sub-programs of the sector, their function and purpose.
<i><b>Turkey</b></i>	Lack of support of senior management. Lack of interest both public and Parliament. Insufficient administrative capacity in public institutions and resistance to reforms. Insufficient administrative and technical capacity in central administrations. Challenges in forming convenient structure for using performance information in budgeting and management processes. Lack of effective monitoring and evaluation system Lack of cooperation between central administrations.
<i><b>Ukraine</b></i>	Performance indicators for budget programs are not always clearly connected to goals, tasks and allocation of budget resources. Difficult/impossible to control expenditures by performance indicators. Indicators cannot always be verified by official government statistics, financial and other reporting documents.



## Key Challenges: Design of Programs and PMs

1. BHs/BUs resisting to performance based budgeting and lack of capacity to choose SMART PMs.
2. Difficulties to share operational expenses between development activities.
3. Given the complexity of reform, gradual approach is advisable, however, it is difficult to achieve full commitment by all stakeholders until legislation changed to include PB and PMs.
4. Lack of comprehensive standards and methodology for PMs, including for measurement and evaluation of PMs.
5. Lack of (adequate) IT System for budget planning to capture PMs.
6. Difficult to engage BH/BU management in the program budgeting, process still relies on finance staff.
7. Difficulties in choosing appropriate PMs in some sectors.
8. Difficult/impossible to control expenditures by performance indicators.

**THANK YOU FOR YOUR ATTENTION!**