PERFORMANCE BUDGETING

Performance budgeting—the connection of resources with the results that will be achieved with those resources—is a reform that is being actively pursued in countries in every part of the world. This workshop will focus on both the what and the how of performance budgeting—what is it, how it can be successfully implemented, and the constraints that may interfere with successful implementation. It will do this with a combination of lecture, discussion, and hands-on work by participants. The outline below presents a summary of the topics to be covered. This outline should be taken as indicative, as it may be modified in the light of participant interests and backgrounds.

DAY 1

Morning Session--Performance Budgeting Models

This session will comprise a presentation outlining what performance budgeting is, how it works, and what it aims to achieve. The various forms of performance budgeting will be introduced, including systems implemented in different parts of the world. Particular attention will be paid to the justification for performance budgeting reforms in the context of other budgeting reforms and aims of budgeting systems. Participants will discuss reforms that may be active in their countries, including particular challenges that they may be facing.

Afternoon Session: Program Budgeting in Practice

In most countries, the development of performance budgeting systems must follow a reform of the structure of the budget to focus on “programs” rather than on line items. The session will comprise a presentation on the key practical issues involved in the design and implementation of program budgeting, including how to:

- Design a program classification
- Specify program objectives
- Link activities, outputs and strategies to programs
- Develop cost structures, and
- Choose appropriate performance indicators

The day will end with a group exercise in program budgeting. Participants will break into working groups to undertake a practical exercise focused on the application of program budgeting to specific ministries and programs, applying the principles developed earlier in the session.
DAY 2

Morning Session: Performance Measurement, Program Evaluation, and Sectoral Approaches to Performance Budgeting

This session will begin with a review of performance measurement systems, including concepts and common challenges. It will also discuss the role of program evaluation in performance budgeting systems. Performance budgeting principles will be applied to specific sectors. At the conclusion of the morning, participants will engage in a performance measurement exercise designed to illustrate how to think about both the appropriate measures and how to design policies to affect performance.

Afternoon Session: Key Performance Budgeting Challenges, Particularly in Low and Middle Income Countries.

In this final session, a number of the most common challenges to developing performance budgeting systems will be discussed. These will include: how to think about linkages between planning and budgeting, and between money and results; the appropriate design of monitoring and reporting systems to provide appropriate information to top officials, managers and the public; and the creation of incentives for the use of performance information. Examples will be provided from different countries that illustrate these challenges, and solutions will be discussed. Particular attention will be paid to the issues and experiences of LICs and MICs in introducing performance budgeting.

At the conclusion of the workshop, participants should be better able to understand what the different opportunities and challenges are that are inherent in performance budgeting, and to identify possible applications of the reform to their own countries or sectors.