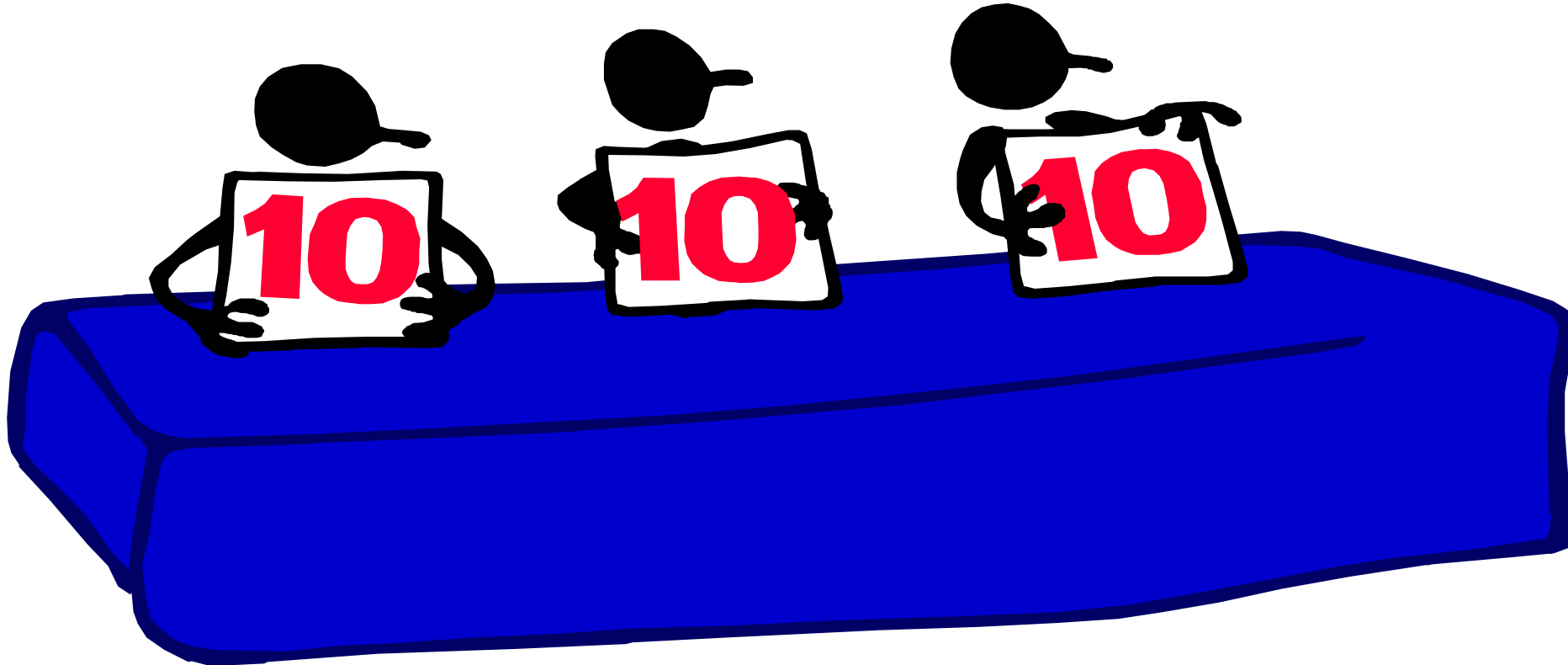


Administrative Decentralization and Management for Myanmar: Performance Evaluation and Budget M & E (Part 1)



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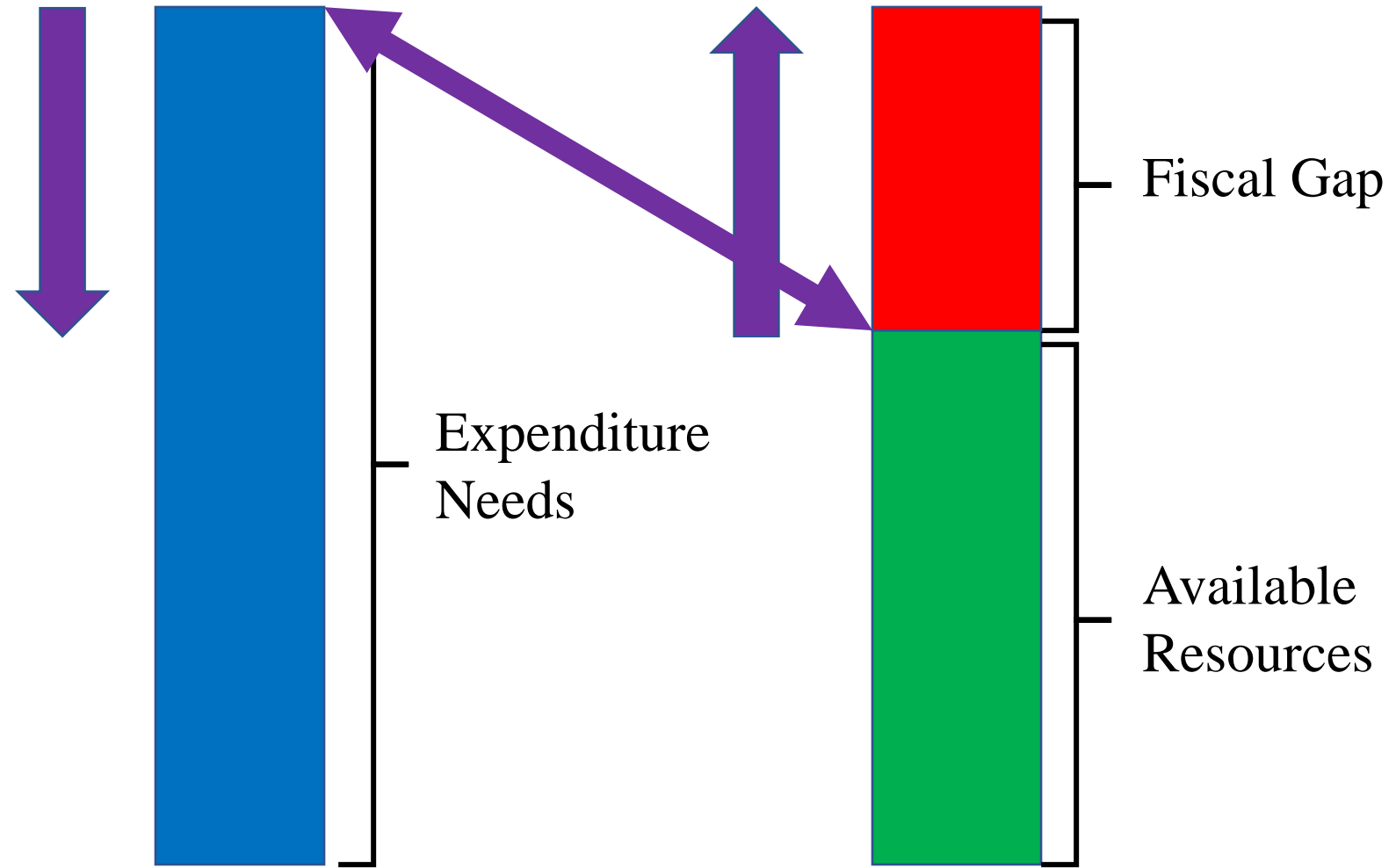
Session Roadmap

- Rationale for post-expenditure assessment
- Concept of “fiscal gap”
- Methods for performance evaluation
- Example of Data Envelope Analysis (DEA)

Rationale for Post-Expenditure Assessment

- ***Support good governance:*** improve transparency and accountability
- ***Improve voluntary tax compliance:*** “from the people for the people”
- ***Assess performance in achieving policy objectives:*** outputs/outcomes
- ***Optimize value for money:*** “bang for the buck”
- ***Close the “fiscal gap”:*** do more with less – meet expenditure responsibilities without increasing revenue (taxes/user charges) or cutting budgets (infrastructure investments and public services)

Concept of Fiscal Gap



Methods for Performance Evaluation

- Public Expenditure Review (PER)
 - Overall strategy assessment
 - Determine achievement of policy objectives

→ *Covered in session on expenditure prioritization*
- Data Envelope Analysis (DEA)
 - Non-statistical public sector efficiency measurement technique
 - Computes how efficiently firms transform inputs into outputs relative to the other firms
 - Requires substantial data often not available in emerging markets
- Comparative Performance Measurement (CPM)

→ *Focus of next session*

Example of Data Envelope Analysis (DEA)

- DEA is used to measure the relative efficiency of 11 municipal services in 46 of the largest cities in the United States over a period of 6 years
- DEA information is also used to explore efficiency differences between cities and services and to examine factors that might explain these efficiency differences

Example of Data Envelope Analysis (1)

Table 1 Scope of Comparison		
Cities studied		
Albuquerque	Honolulu	Phoenix
Atlanta	Indianapolis	Portland
Austin	Jacksonville	Sacramento
Baltimore	Kansas City	Santa Ana
Boston	Las Vegas	San Antonio
Buffalo	Long Beach	San Diego
Charlotte	Memphis	San Francisco
Cincinnati	Miami	San Jose
Cleveland	Milwaukee	Seattle
Columbus	Minneapolis	St. Louis
Dallas	Nashville	Toledo
Denver	New Orleans	Tucson
Detroit	Oakland	Tulsa
El Paso	Oklahoma City	Virginia Beach
Fort Worth	Omaha	
Fresno	Philadelphia	
Municipal Services Examined		
Building Maintenance	Libraries	Street Repair
Emergency Medical Services	Parks and Recreation	Transit
Fire Protection	Police Services	Water Services
Fleet Management	Solid Waste Services	
Efficiency Factors Examined		
Average precipitation	Average snowfall	Average temperature
Maximum temperature	Minimum Temperature	1990 population
1994 population	1995 population	1996 population
Population change 1990-96	Local government share of total statewide government employees	City manager v. mayor structure
State litigiousness rank	Size (sq miles) in 1990	State and local taxes per \$100 personal income
State and local tax revenue per capita		

Example of Data Envelope Analysis (2)

Table 2 Inputs and outputs used in the DEA calculations for each service		
Service	Input(s)	Output(s)
<i>Building Management</i>	Number of full-time equivalent staff; building budget	Square feet of city building space available
<i>Emergency Med. Services</i>	Number of FTE employees; city budget for EMS operations	Reported response time for medical services (minutes)
<i>Fire</i>	Budget; number of staff	Number of civilian fire deaths; total fire losses (millions)
<i>Fleet Management</i>	Number of FTE employees; fleet budget	Number of vehicles in fleet
<i>Libraries</i>	Number of library branches; operating expenditures per capita; number of librarians; number of other staff; book holdings	Number of library registrations; total number of visits; collection turnover ratio
<i>Parks and Recreation</i>	Number of FTE staff; parks budget	Acres of park space in use
<i>Police</i>	Number of sworn officers; number of support staff	Crime index for city (for all types of crime dealt with by police)
<i>Solid Waste</i>	Number of FTE staff; solid waste budget	Number of citizens served
<i>Street Maintenance</i>	Number of FTE staff; city budget for street operations	Miles of streets serviced
<i>Transit</i>	Number of FTE staff; number of vehicles in peak service; fuel	Annual vehicle miles; annual revenue vehicle miles
<i>Water Provision</i>	Number of FTE staff; city budget for water operations	Number of citizens served; volume of water produced (millions of gallons per day)

Example of Data Envelope Analysis (3)

Table 3 Overall service efficiency rankings			
RANK	CITY	RANK	CITY
1	Phoenix	24	San Diego
2	El Paso	25	Fort Worth
3	Tulsa	26	Sacramento
4	Memphis	27	Charlotte
5	Nashville	28	Cleveland
6	San Antonio	29	Cincinnati
7	Dallas	30	Albuquerque
8	Virginia Beach	31	Miami
9	Indianapolis	32	Austin
10	St. Louis	33	Boston
11	Santa Ana	34	Philadelphia
12	Toledo	35	Atlanta
13	Kansas City	36	Minneapolis
14	Milwaukee	37	Portland
15	Fresno	38	Baltimore
16	Oklahoma City	39	Omaha
17	Tucson	40	Buffalo
18	Jacksonville	41	Detroit
19	Denver	42	San Francisco
20	San Jose	43	Seattle
21	Columbus	44	Las Vegas
22	Long Beach	45	Honolulu
23	New Orleans	46	Oakland