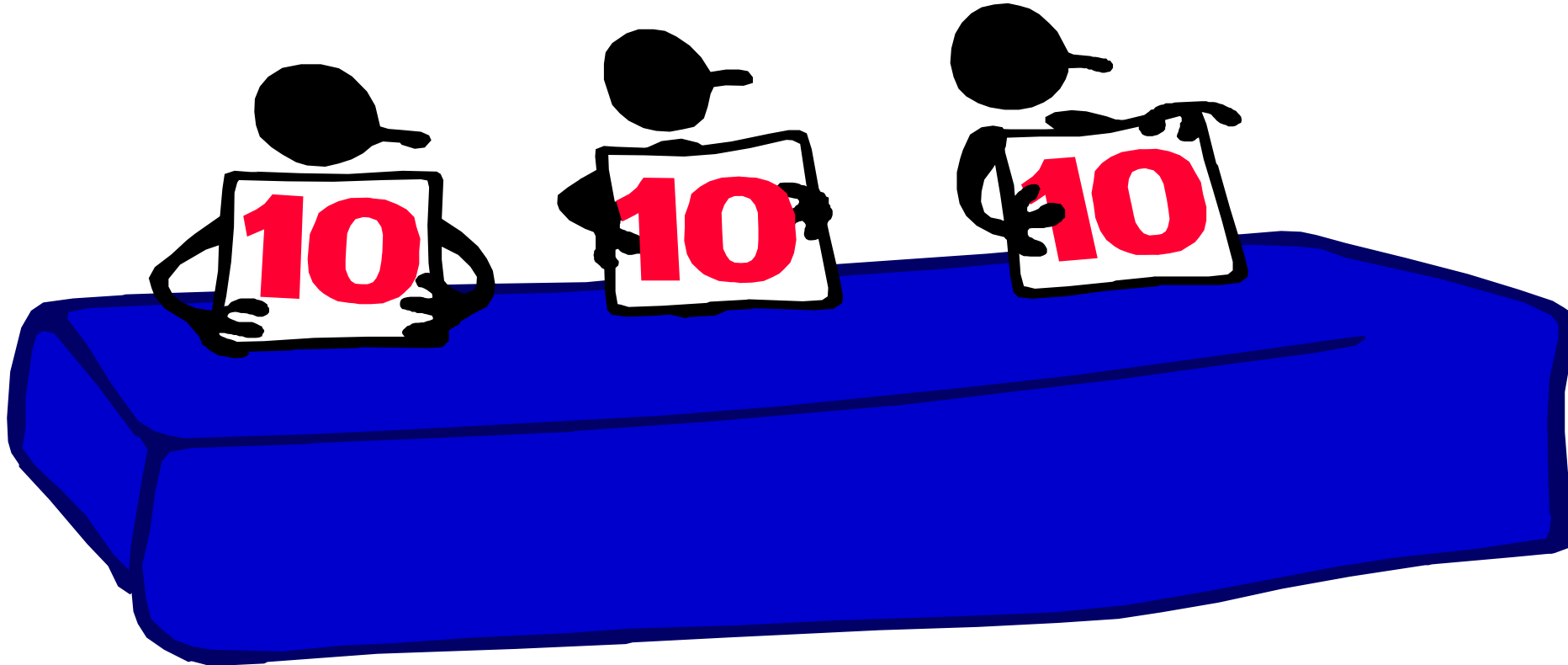


Administrative Decentralization and Management for Myanmar: Performance Evaluation and Budget M & E (Part 2)



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Session Roadmap

- Comparative Performance Measurement (CPM) in theory
- Examples of CPM in practice
 - Indonesia
 - International comparison

MEASUREMENT OF EXPENDITURE EFFICIENCY AND EFFECTIVENESS

<i>PURPOSE OF MEASUREMENT</i>	<i>TARGET OF MEASUREMENT</i>	<i>TYPE OF MEASUREMENT</i>	<i>POSSIBLE ADJUSTMENT</i>
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EXPENDITURE EFFICIENCY (COST EFFICIENCY)	PRODUCTION COSTS (INPUTS)	TOTAL QUANTITY, UNIT COSTS, RELATIVE COSTS	INFLATION, INPUT PRICES, TECHNOLOGY
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EXPENDITURE EFFECTIVENESS (COST EFFECTIVENESS)	PRODUCTION RESULTS (OUTPUTS & OUTCOMES)	TOTAL QUANTITY, QUALITY RATIOS, PERFORMANCE STANDARDS/ BENCHMARKS	DEMOGRAPHICS, GEOGRAPHY, PRIVATE GOODS
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**→MEASUREMENTS SHOULD BE TRACKED OVER TIME AND
COMPARED BETWEEN SECTORS/JURISDICTIONS**

CPM Example: Indonesian Municipalities

- Municipalities in Indonesia sorted by city size
- Performance indicators formulated using readily available data generated by the municipalities themselves
- Performance of municipalities compared, within subsets of cities with similar characteristics

FIGURE 17.
TOTAL LOCAL REVENUE PER CAPITA FOR
LARGE CITIES: FISCAL YEAR 1990/91

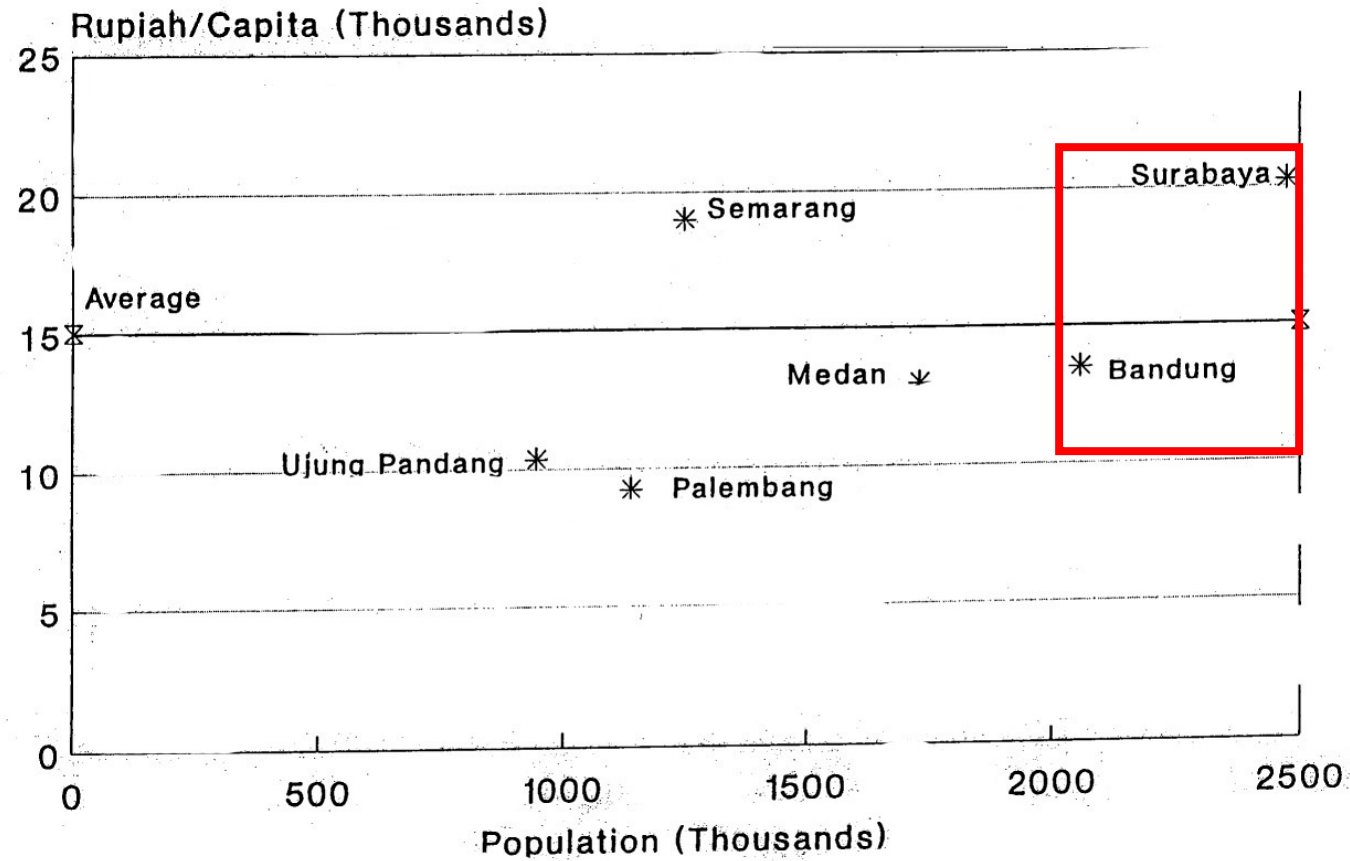




FIGURE 20: REVENUE GENERATION IN LARGE CITIES: SURABAYA VERSUS BANDUNG

<u>PERFORMANCE INDICATOR</u>	<u>SURABAYA</u> (Pop. 2.5 m)	<u>BANDUNG</u> (Pop. 2.1 m)
1) Local Revenue/Cap.	1) Rp 20,248	1) Rp 13,509
*Property Tax/Cap.	3,816	2,567
*Local Taxes/Cap.	6,255	5,616
*Other Local/Cap.	10,176	5,236
2) Local/Total Rev.	2) 66.2%	2) 40.4%
*Prop. Tax/Total R.	12.5%	7.7%
*Loc. Tax/Total R.	20.4%	16.8%
*Other L./Total R.	33.3%	15.9%

All Figures for FY 1990/91, in Current Prices.

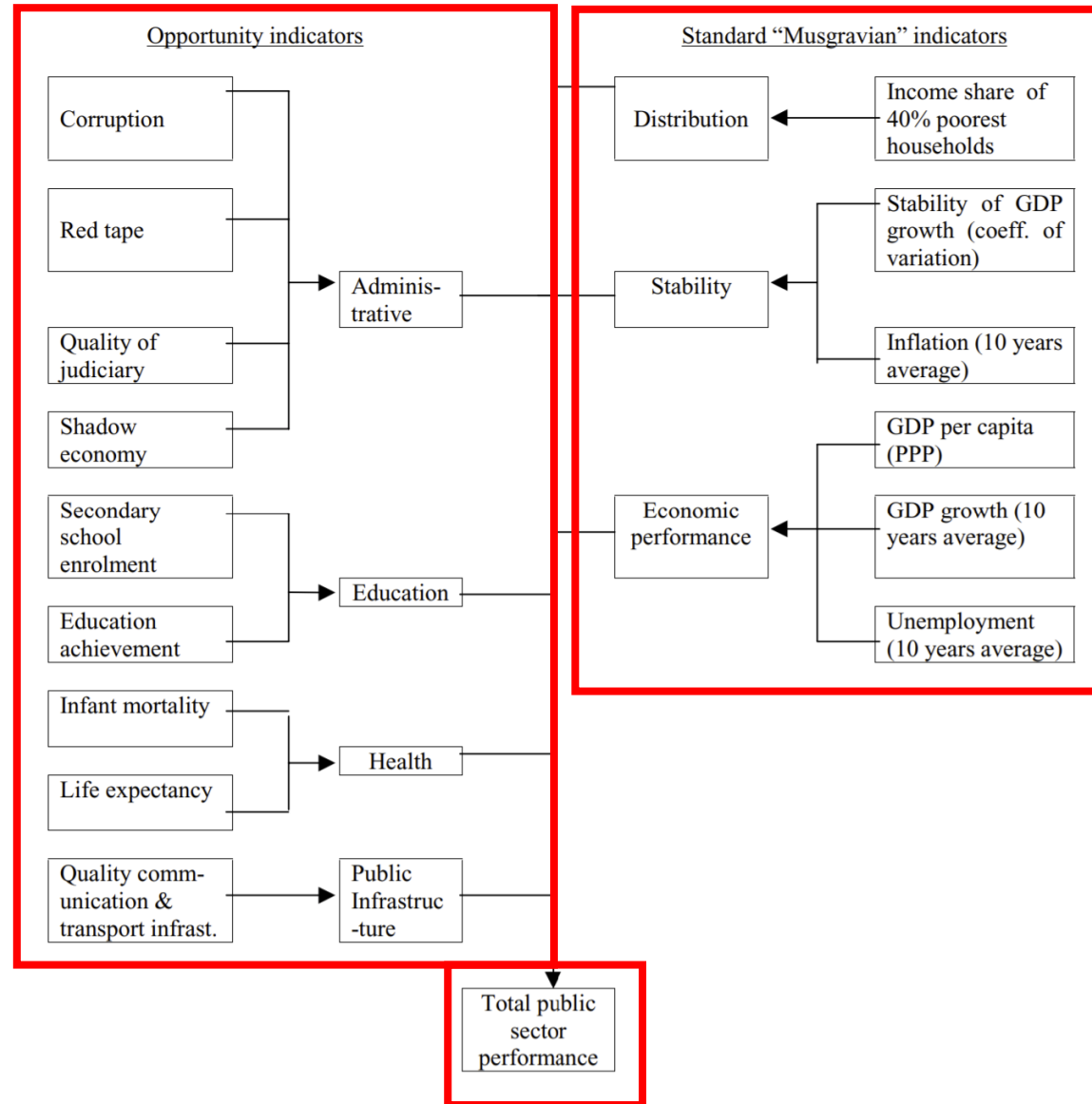
FIGURE 20:
REVENUE GENERATION IN LARGE CITIES:
SURABAYA VERSUS BANDUNG (continued)

<u>PERFORMANCE INDICATOR</u>	<u>SURABAYA</u>	<u>BANDUNG</u>
3) Expenditures/Cap.	3) Rp 30,202	3) Rp 23,551
*Routine Exp./Cap.	13,291	12,911
*Dev. Exp./Cap.	16,911	10,640
4) Employees/000 Pop. (Excl. Teachers)	4) 1.6	4) 2.7
5) Local Rev./Employ.	5) Rp 12,365	5) Rp 5,059

All Figures for FY 1990/91, in Current Prices.

CPM Example: International Comparison (1)

Figure 1. Total public sector performance (PSP) indicator



International Comparison (2)

Annex Table A - Opportunity indicators																		
	<u>Corruption 1/</u>		<u>Red tape 1/</u>		<u>Quality of judiciary 1/</u>		<u>Shadow Economy 2/</u>		<u>School enrolment 3/</u>		<u>Education achievement</u>		<u>Infant mortality</u>		<u>Life expectancy</u>		<u>Public Commun. and transports quality</u>	
	1990	2001	1990	2001	1990	2001	1989/90	1999/2000	1990	1998	1995	2000	1990	2000	1990	2000	1980-89	1990-95
Australia	6.57	8.21	4.13	4.94	7.84	8.51	10.1	14.3	78.6	88.9	519	530	8.0	5.3	78.8	78.9	3.5	3.0
Austria	5.24	6.92	4.86	4.12	7.33	9.04	6.9	9.8	91.1	88.2		514	7.8	4.8	77.9	78.2		3.3
Belgium	5.52	5.22	3.76	2.78	6.18	5.70	19.3	22.2	87.7	88.0	550	508	7.9	5.3	78.0	78.2	2.8	2.7
Canada	7.50	7.78	4.59	4.63	8.44	8.49	12.8	16.0	88.7	93.7	521	532	6.8	5.2	79.0	78.9	3.1	3.5
Denmark	9.16	9.03	4.74	5.04	8.42	8.59	10.8	18.0	86.8	89.5		497	7.5	4.3	75.9	76.4	3.1	3.1
Finland	7.79	9.53	5.46	6.38	8.42	8.70	13.4	18.1	93.0	94.8		540	5.6	4.2	77.3	77.5		
France	6.03	4.22	4.09	1.76	6.20	5.85	9.0	15.2	85.8	94.2		507	7.3	4.4	78.5	78.9	2.8	3.0
Germany	7.58	6.91	4.81	3.87	8.17	8.23	11.8	16.0		87.8		487	7.0	4.5	77.0	77.4	3.4	3.0
Greece	2.82	3.00	1.90	2.34	5.00	6.15	22.6	28.7	82.7	86.4		460	9.7	5.4	77.9	77.9	2.6	2.4
Iceland		9.03		6.28		8.28				85.4		506	5.9	3.1	79.2	79.5		
Ireland	6.98	5.54	5.30	5.64	8.09	7.57	11.0	15.9	79.9	77.0		514	8.2	5.9	76.1	76.3	2.8	3.0
Italy	2.56	3.53	2.76	1.97	3.16	3.56	22.8	27.1		88.3	491	473	8.2	5.3	78.3	78.7	2.3	2.5
Japan	5.46	4.27	5.32	2.62	7.76	6.25	8.8	11.2	96.8	98.6	581	543	4.6	3.8	80.6	80.7	3.5	3.3
Luxembourg	5.52	7.37	3.76	4.11	6.18	7.47				67.6		436	7.3	5.0	76.9	77.0		
Netherlands	8.13	7.97	5.42	4.69	8.13	8.28	11.9	13.1	83.6	92.6	529		7.1	4.9	77.7	77.9	3.4	3.3
New Zealand	8.43	8.76	6.27	4.34	7.89	8.26	9.2	12.8	85.0	90.3	501	531	8.3	5.9	77.4	78.2		
Norway	7.35	8.07	4.00	3.03	8.20	8.30	14.8	19.1	87.7	96.4		501	6.9	3.9	78.5	78.6	3.2	2.8
Portugal	4.51	3.89	3.32	2.22	8.03	2.70	15.9	22.7		87.6		456	10.9	5.5	75.4	75.6	2.0	2.2
Spain	3.78	5.57	3.18	3.97	2.89	4.43	16.1	22.7		91.6		487	7.6	3.9	77.9	78.2	2.3	2.6
Sweden	7.63	8.61	4.63	5.58	7.06	8.52	15.8	19.2	85.3	99.5		513	6.0	3.4	79.3	79.6	3.3	3.3
Switzerland	7.89	7.16	6.11	5.36	8.70	8.02	6.7	8.6	79.8	83.1		506	6.8	3.7	79.6	79.7	3.6	3.7
United Kingdom	8.00	6.83	5.97	3.14	7.51	7.40	9.6	12.7	79.1	93.7	498	528	7.9	5.6	77.2	77.3	2.9	3.0
United States	6.53	6.55	5.31	3.73	7.61	7.07	6.7	8.7	85.8	90.2	492	499	9.4	7.1	76.9	77.1	3.8	3.3
Average	6.4	6.7	4.5	4.0	7.1	7.2	12.7	16.7	85.7	89.3	520.2	518.2	7.5	4.8	76.2	78.1	3.0	3.0

1/ Scale 1-10.

2/ In percentage of GDP.

3/ Ratio of the number of children of official school age enrolled in school, to the population of the corresponding official school age.

International Comparison (3)

Annex Table B – Standard “Musgravian” indicators

	<u>Income distribution 1/</u>		<u>Coefficient of variation of growth</u>		<u>Average inflation</u>		<u>Per capita income 2/</u>		<u>Average economic growth</u>		<u>Average Unemployment</u>	
	1980s 3/	1990s 3/	1980s	1990s	1980s	1990s	1990	2000	1980s	1990s	1980s	1990s
Australia	15.50	17.90	1.2	2.5	8.4	2.5	15530	25420	3.1	3.6	7.5	8.9
Austria		25.20	1.6	2.3	3.8	2.4	15710	24690	2.4	2.4	3.3	5.2
Belgium	21.60	24.10	1.3	1.6	4.9	2.1	15530	24910	2.0	2.2	9.5	8.7
Canada		18.95	1.1	1.3	6.5	2.2	17400	27320	2.9	2.9	9.4	9.5
Denmark	17.40	24.50	0.8	1.5	6.9	2.1	15820	27070	1.6	2.3	7.1	7.4
Finland	18.40	24.20	2.1	0.5	7.2	2.2	15220	23200	3.1	2.1	4.9	11.9
France		18.60	2.2	1.4	7.4	1.9	15970	21980	2.5	1.9	9.0	11.2
Germany		20.10	1.2	1.3	2.9	2.6	17010	23630	2.2	1.9	6.8	7.7
Greece		19.90	0.3	1.3	19.5	11.1	8680	15250	0.7	2.3	6.6	9.5
Iceland			0.9	0.9	39.2	4.3	16210	27070	2.8	2.7	0.8	3.3
Ireland		18.30	1.5	2.1	9.3	2.3	10940	26610	3.6	7.3	14.2	12.0
Italy	18.80	22.70	2.1	1.4	11.2	4.2	15180	22890	2.3	1.6	8.4	10.7
Japan	21.90	24.80	3.1	1.0	2.5	1.2	16950	24920	4.1	1.5	2.5	3.0
Luxembourg			1.4	1.9	4.8	2.2	22320	43110	5.0	5.4	1.4	2.5
Netherlands		20.65	1.2	2.8	2.9	2.4	15390	26310	2.3	2.9	8.0	5.8
New Zealand	15.90	12.70	1.0	1.2	11.9	2.1	12360	18740	1.9	2.8	4.3	7.9
Norway	19.00	24.00	1.2	2.9	8.3	2.4	16220	30730	2.4	3.6	2.8	4.8
Portugal		18.90	1.1	1.3	17.6	6.0	9120	16590	3.3	2.8	7.7	5.6
Spain		21.05	1.5	1.6	10.2	4.2	11320	18230	2.9	2.7	17.5	19.6
Sweden	21.20	24.10	1.7	1.0	8.0	3.5	16320	22940	2.2	2.3	2.5	6.2
Switzerland	16.90	19.60	1.2	0.7	3.3	2.3	19670	28360	2.1	0.9	0.7	3.4
United Kingdom		16.35	1.4	1.3	7.4	3.7	14860	23290	2.7	2.3	9.6	7.9
United States	15.70	15.70	1.4	2.2	5.6	3.0	21340	35030	3.2	3.2	7.3	5.8
Average	18.4	20.6	1.4	1.6	9.1	3.2	15438	25143	2.7	2.8	6.6	7.8

1/ Share of 40% poorest.2/ GDP at current market prices per head of population (in 1000 PPS).

2/ GDP at market prices per head of population (in 1000PPS).

3/ Or nearest available year. Precise year varies and depends on data availability.

International Comparison (4)

Table 1. Public sector performance (PSP) indicators (2000)

Country	Opportunity indicators				Standard "Musgravian" indicators			Total public sector performance (equal weights 1/)
	Adminis- tration	Education	Health	Infra- structure	Distribu- tion	Stability	Economic perform.	
Australia	1.17	1.02	0.94	1.00	0.87	1.31	1.00	1.04
Austria	1.21	1.00	0.98	1.10	1.22	1.28	1.01	1.12
Belgium	0.73	1.00	0.94	0.91	1.17	1.10	0.83	0.95
Canada	1.11	1.05	0.95	1.16	0.92	1.00	0.92	1.02
Denmark	1.16	1.00	1.03	1.03	1.19	1.10	0.91	1.06
Finland	1.26	1.07	1.04		1.18	0.75	0.73	1.01
France	0.72	1.03	1.03	1.01	0.90	1.12	0.70	0.93
Germany	1.02	0.98	1.01	1.01	0.98	0.91	0.81	0.96
Greece	0.60	0.94	0.93	0.81	0.97	0.55	0.69	0.78
Iceland	1.02	0.98	1.25			0.59	1.29	1.03
Ireland	1.06	0.94	0.88	1.00	0.89	1.22	1.40	1.05
Italy	0.52	0.96	0.93	0.84	1.10	0.76	0.69	0.83
Japan	0.87	1.09	1.12	1.09	1.20	1.40	1.18	1.14
Luxembourg	1.05	0.81	0.95			1.22	2.04	1.21
Netherlands	1.16	1.04	0.97	1.09	1.00	1.42	1.06	1.11
New Zealand	1.18	1.03	0.89		0.62	0.99	0.84	0.93
Norway	0.97	1.04	1.09	0.94	1.17	1.45	1.26	1.13
Portugal	0.54	0.94	0.90	0.75	0.92	0.64	0.92	0.80
Spain	0.77	1.00	1.10	0.86	1.02	0.82	0.67	0.89
Sweden	1.16	1.07	1.19	1.10	1.17	0.69	0.91	1.04
Switzerland	1.32	0.97	1.14	1.23	0.95	0.79	1.09	1.07
United Kingdom	1.00	1.05	0.91	0.99	0.79	0.78	0.84	0.91
United States	1.15	1.00	0.82	1.08	0.76	1.14	1.20	1.02
Average	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Small govts 2/	1.11	1.01	0.98	1.08	0.94	1.17	1.17	1.07
Medium govts	0.93	0.98	1.00	0.93	0.92	0.89	1.03	0.97
Big govts	0.99	1.02	1.01	1.01	1.12	1.03	0.85	1.01
EU 15 3/	0.88	1.00	0.99	0.98	0.98	0.93	0.80	0.94
Euro area 3/	0.84	0.99	1.00	0.97	1.00	0.96	0.78	0.93

1/ Each sub-indicator contributes 1/7 to total indicator.

2/ Small governments: public spending <40% of GDP in 2000. Big governments: public spending >50% of GDP in 2000. Medium governments: 40%< public spending <50% of GDP in 2000.

3/ Weighted averages according to the share of each country GDP in the relevant group.