

# CAPE Public Finance Conference 2008

## Reforming for Results: Can Public Finance Management reform improve government performance?

12 - 13 November 2008  
Overseas Development Institute, London, UK

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**Reforming for Results:**  
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improve government performance?

## **Introduction:**

How can PFM reforms be better focused on  
ensuring government delivers better public  
services?

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**Edward Hedger**  
Research Fellow, ODI

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Overseas Development  
Institute

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Reforming for Results: Can PFM Reform  
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*12 - 13 November 2008*

*Edward Hedger, ODI*

# CAPE Conference 2008

- Conference rationale
- CAPE viewpoint
- Questions for conference

# Focus of the conference

- How might public finance management reforms be better targeted on improving public sector performance?
  - Public finance management reform
    - Reform of the arrangements governing the mobilisation, allocation and use of public funds
  - Improved public sector performance
    - Improvements in the use of public sector resources to ensure delivery of efficient, effective and high-quality public services that are responsive to the needs of the population

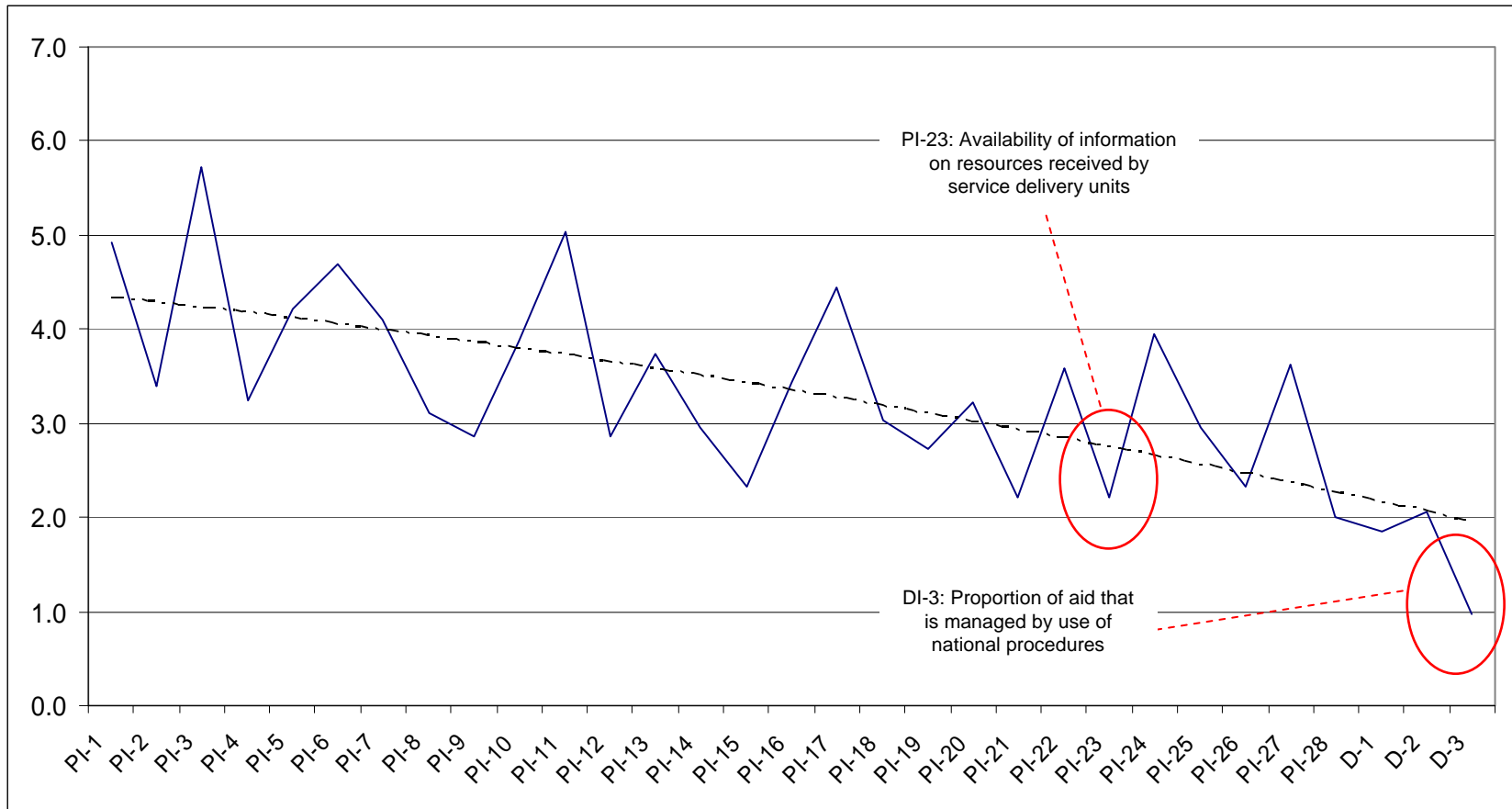
# What is the problem?

- Good evidence of improvements in the quality of PFM systems
- However, better PFM systems not matched by improvements in quality and efficiency of service delivery
- Focus of reform on strengthening PFM systems for fiscal discipline (and resource allocation), but less on service delivery
- PFM system reforms are a necessary but not sufficient condition for better service delivery
- What could be done differently to improve the results focus of PFM reform?

# What are the apparent constraints to progress?

- High and rising aid volumes reducing government incentives for spending efficiency
- Donor agency interventions not supporting government service delivery improvement
- Reform efforts incoherent and fragmented between centre of government and spending entities, and PFM and civil service reforms
- Capacity across government insufficient to ensure efficient and effective service delivery
- Reform strategies concentrating on the technical content of reform and undervaluing political and institutional dimensions

# Back to front? PFM system performance



# A service delivery oriented approach to PFM reform... (1)

- Recognising MoF and centre of government limits in effecting service delivery performance improvement
- Sector-level and decentralised entities engaged more fully, more systematically and more coherently in reform
- Reforms targeting government performance as well as better PFM systems

## A service delivery oriented approach to PFM reform... (2)

- Parallel pursuit of bureaucratic reforms and accountability reforms to drive demand for performance
- Political and institutional incentives for reform at least as important as technical capacity development
- Renewed and concerted effort to 'get the basics right': use of country systems by donor agencies

# Questions for the conference

- How can PFM reforms be better targeted on improving public service delivery?
  - What are the political challenges? (Keynote session)
  - What are the opportunities/limitations for the finance ministry and centre of government? (Session 1)
  - How can sectors and decentralised tiers of government be engaged most effectively? (Sessions 2 and 3)
  - What role should donors play and how should they decide where to target their support? (Session 4)

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**Keynote session:**  
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**Emilia Pires**  
Minister of Finance, Timor-Leste

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# SERN

SEKRETÁRIU ESTADU BA REKURSUS NATURAIS

## MODELU TRANSPARÉNSIA TIMOR-LESTE MTTL



## Ezekusaun Orsamentu Tranzitóriu

1 Julu to 'o 31 Dezembru 2007

Ezekusaun totál ba orsamentu  
tranzitóriu hamutuk :

**90.1 %**

NOTA:

SEIDAUK HALO  
AUDITORIA

## Saida Mak Modelu Transparénsia Timor-Leste ?

MTTL hanesan Programa Governu rian atu fó informasaun kona-ba prosesu Fundu Minarai (FM) ne'ebé fahe ba etapa 4:

<p><b>1. OSAN TAMA</b></p>	<p>Iha parte prosesu ne'e, ita ko'alia kona-ba oinsá osan tama iha Fundu Mina-rai (FM). Ita sei haree osan tama hosi atividade ida-ne'ebé, osan hira mak tama hosi impostu no hira mak tama hosi royalty (kontratu fahe produsauun), ko'ese kompañia sira ne'ebé involve iha laran no sei haree osan hira mak tama trimester-trimestre (fulan tolu-tolu). Ihus liu MTTL sei buka fó sai balansu Fundu Mina-rai periodikamente.</p>
<p><b>2. OSAN RAI</b></p>	<p>Haree oinsá rai hela osan FM, rai hela iha-ne'ebé, investe hela iha instrumentu saida de'it no hatene se mak responsavel halo jestaun ba osan FM.</p>
<p><b>3. OSAN HASAI</b></p>	<p>Haree no aprende oinsá prosesu atu hasai osan hosi FM. Ko'ese uitoan prosesu kalkula Rendimentu Sustentavel Estimadu (RSE 3%) [Ingles: ESI 3%].</p>
<p><b>4. OSAN GASTA</b></p>	<p>Iha parte ida-ne'e ita sei haree osan hira mak membru governu husu atu hala'o sira nia programa no haree se sira gasta ho di'ak ka lae.</p>

Atu hatene lutan informasaun,  
 Kontakta : Xefe MTTL, Sr. Trifonio F. Sarmento  
 No: RP 7326851  
 E-mail: asoko35@yahoo.com.au  
 Ka bele ba : Xanana Reading Room

Broxura ida-ne'e sei esplika tan kona-ba :

## OSAN GASTA

Bazeia ba lei No 9/2007 kona-ba lei orsamentu ne'ebé pública tiha ona iha Jornal da República dia 10 Outubro 2007, hateten ezekusaun orsamentu tranzitóriu IV Governu Constitucional RDTL hahu husi 1 Julu -31 Dezembru 2007, hanesan tuir mai ne'e:

## DESPEZAS

Kategoria	Alokasaun
Salario e Vencimento	US\$ 19.465
Bens e Servicos	US\$ 73.107
Capital Menor	US\$ 2.964
Capital Desenvolvimento	US\$ 6.739
Transferensia	US\$ 12.114
<b>TOTAL</b>	<b>US\$ 116.409</b>

## RESEITAS

Períodu tranzisaun nia reseitas hamutuk: US\$ 578.7 milaun

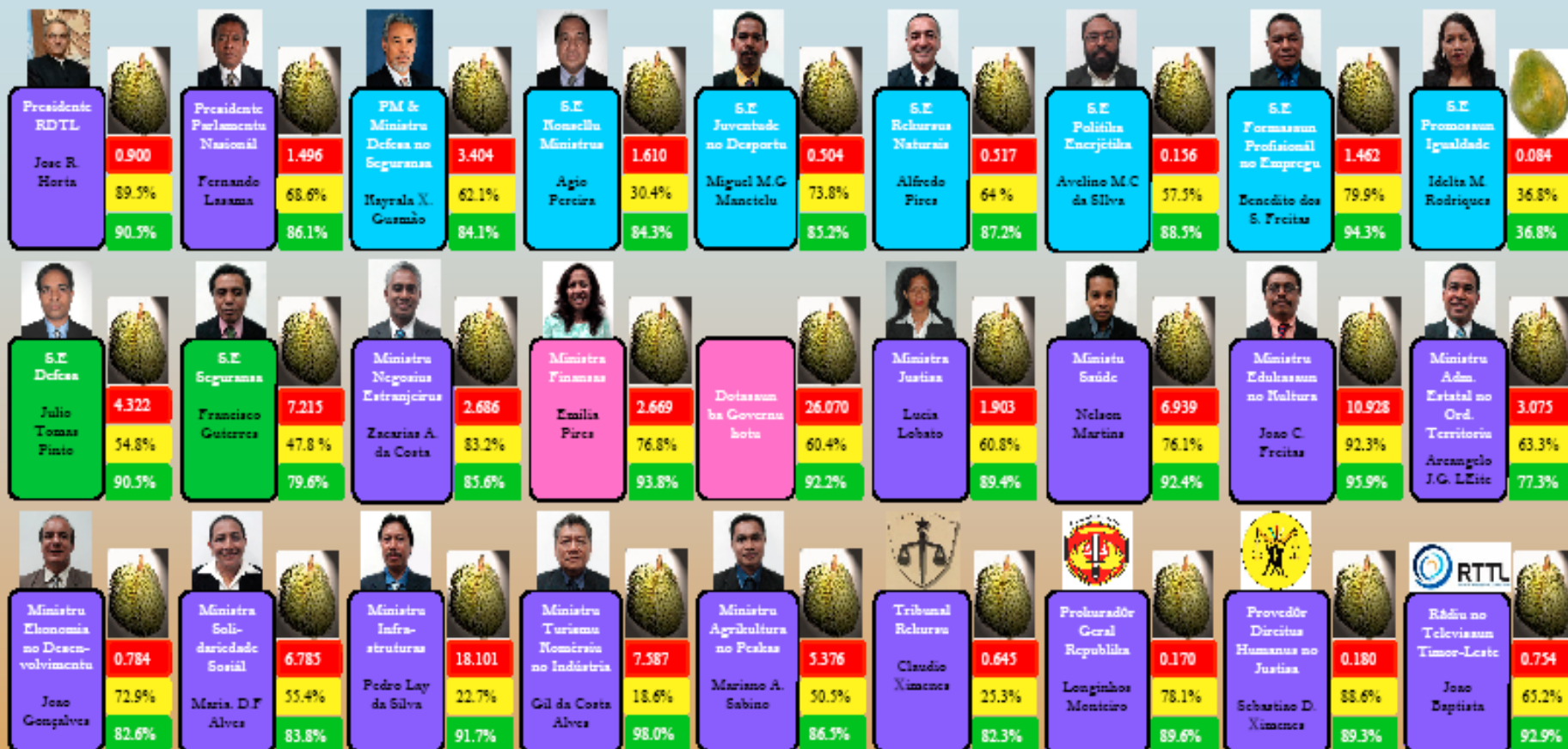
Minarai	US\$ 556.2
Taxa Doméstika	US\$ 16.9
Orgaun Autonomous	US\$ 3.6
<b>TOTAL</b>	<b>US\$ 578.7</b>

## CARRY OVER

Saida mak carry over (CO): Osan ne'ebé la konsege gasta iha tinan fiskal nia laran. Maibé ita presiza hatene katak iha Carry Over oin tolu.

- 1) CO Di'ak: mak ita bolu obrigasaun, osan ne'e seidauk selu maibé iha kontratu atu selu.
- 2) CO La Di'ak: mak bainhira membru Governu husu osan depois la konsege halo buat ida durante periodu fiskal ne'e.
- 3) CO Dividas: ne'e akontese bainhira membru Governu osan la iha ba deve de'it kompañia sira.

ORSAMENTU TRANZITÓRIU 1 JULU TO'O 31 DEZEMBRU 2007  
Ezekusaun **Cash** & Ezekusaun **Totál**



**US\$: 116.409**

**US\$: 64.336.035**

**US\$: 104.871.071**

Alokasaun Orsamentu: Osan ne'ebé Governu husu no hetan aprovasaun hosi Parlamentu Nasionál.

Ezekusaun Cash: Osan ne'ebé governu selu ona.

Ezekusaun Totál: Osan ne'ebé governu selu ona hamutuk ho osan ne'ebé iha obrigaun atu selu.

SIGNIFIKA HOSI SÍMBOLU AL-FUAN



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