Performance frameworks for programme budgets friend or foe for better accountability in health?

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Current status of PB reforms worldwide

‘Success consists of going from failure to failure without loss of enthusiasm’

Winston Churchill
Strategic opportunities PB for health

» better position in the multisectoral competition for funds
» securing resources to realise national and sector priorities
» provide autonomy and flexibility for those in the health sector
Typical chain of PB accountability

- **Goals & objectives**
- **Funding**
- **Reporting requirements**

- Parliament
- Centre of Government (e.g. PM Office, MoF)
- Line Ministry (MOH)
- Agency (e.g. NHI Fund, Region)
- Executive agent (e.g. public or private HCPs)

Reporting & accountability for spending + results
Relaxed input controls require trust and predictability

Example: The Netherlands

- Expenditure ceilings are set for 4 years
- Setbacks have to be compensated within the ceilings
- Some reallocations in annual budget process
- Parliament annually authorizes program ceilings (MoH:11)
- Reallocation requests for program ceilings during budget execution: MoH->MoF->Parliament
- Reallocations within program ceilings: MoH notifies MoF, who will be OK as long as program ceilings are kept
Why would the MoH be trusted so much autonomy?

Government spending is reliable and transparent and so is performance information

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Key features effective PB frameworks

» Integrate objectives, funding and performance measures
» Are aligned with national, sectoral, regional and organisational planning as well as with budgets
» Prioritise objectives and priorities across different layers of government (related) organisations
» Involve sector in design and operation of framework
Design features: clear, realistic and ambitious goals

» A problem analysis that links to baseline measurements, norms or benchmarks
» Clear definition of phenomenon that policy should impact
» Direction that phenomenon should develop
Design features: indicators

» Output or outcome target is never a goal at itself
Challenges to overcome

» Data quality
» Underutilization of performance information
» Information overload
» Short term focus on reform results
» Unintended consequences of performance targets
Behavioural effects

![Graph showing treatment duration vs. number of treatments.]

- Treatment duration (in minutes):
  - 0
  - 1000
  - 2000
  - 3000
  - 4000

- Number of treatments (x 1000):
  - 0
  - 5
  - 10
  - 15
  - 20
Opportunities performance & budget accountability

» Establish stronger ties between health sector and center of government (e.g. MoF)
» Investments in availability and quality of data
Opportunities performance & budget accountability

» Strengthen parliamentary oversight
» Inform citizens about their government’s promises, efforts and results
» Engage professionals and media in identifying problems and seeking improvement
e.g. New Zealand

**Improved access to elective surgery**

The target is an increase in the volume of elective surgery by an average of 4,000 discharges per year. DHBs planned to deliver 192,237 discharges for the year to date, and have delivered 11,798 more.
State-of-the-art features performance portals

- indicators with a reference value
- medium and long term historical trends,
- international benchmark data
- download button for the underlying open data
Sequencing of PB reform

As a Public governance reform, PB can support value for money by:
- Aligning goals and resources for policy implementation
- Enhanced transparency and oversight
- Increase operational efficiency and quality of service delivery
- Fostering public sector learning and innovation

As a PEM reform, PB can support budget realism and a stronger role of MoF by:
- Assisting bottom up budget preparation
- Strengthening budgetary dialogue between MoF and ministries/agencies
- Increase MoF ability to resist spending pressures and timely detect fiscal risks
- Increasing relevance and quality of spending reviews and evaluation
- Substantiating spending levels MTEF

Diagram:
- **FISCAL DISCIPLINE**
- **BUDGET CONTROL**
- **BUDGET CREDIBILITY**
- **Spending reviews**
- **MTEF**
- **FMIS**
- **COA**
- **Accounting standards**
- **IFI**
- **Decentralization**
- **Etc.**
- **TSA**
- **Basic PEM functions** (e.g. tax collection, budgeting, cash management, payment process)
Thank you!