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# PERFORMANCE-BASED BUDGETING IN CHILE

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KANCELARIA PREZESA RADY MINISTRÓW



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1. The context
2. Performance-based budgeting in Chile
3. PBB in Chile – an illustration
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# 1. THE CONTEXT

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# THE CHILEAN ECONOMY

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- Upper middle income country: per capita GDP at US\$ 15,000 ppp
- Small economy in Latin American context: overall GDP US\$ 140 bn, 4th in the LAC region after Brazil, Mexico and Argentina
- Strong growth over last 20 years: 6% p.a.
- Open market economy, highly competitive, low sovereign risk
- Poverty rate: 13,7%
- Highly unequal: Gini monetary income before government transfers 0.53

# POLITICS AND GOVERNMENT

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- ❑ Presidential system
- ❑ Returned to democracy in 1990, under Constitution passed by the military
- ❑ Unitary state
- ❑ Political continuity (all last 4 governments from same coalition)
- ❑ Relatively small government: general government expenditure 25% GDP
- ❑ Tradition of honest, disciplined civil servants
- ❑ Reliance on PPPs, publicly mandated social security with partly private administration, privatized utilities
- ❑ Effective government: good record in social indicators, human development, policy effectiveness
- ❑ No government-wide planning

# PUBLIC FINANCE

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- ❑ Copper revenues important source of funding (10% of fiscal revenues); tax burden 18% GDP
- ❑ Prudent fiscal management: overall surplus in 16 out of 20 years
- ❑ Hierarchical budgetary institutions
- ❑ Emphasis on stabilisation due to volatile revenues: copper stabilization fund from 1986, followed by structural surplus fiscal rule since 2001
- ❑ Net public debt 2007: -5% GDP
- ❑ Surplus for 2007: 8% GDP, due to high copper prices

## 2. PERFORMANCE-BASED BUDGETING IN CHILE

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# WHAT IS PBB?

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- Incorporate performance considerations into budget decisions
- Four components:
  - Performance information-M&E system
  - Adapt budget process to incorporate PI
  - Performance-oriented management
  - Managerial flexibility to attain results

# PREVIEW

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- ❑ PBB has developed over 12 years
- ❑ PBB has developed well beyond the blueprint
- ❑ Motivated by pursuit of government effectiveness in expansionary context
- ❑ PBB promoted, developed and applied by Budget Office

# MAIN FEATURES OF CHILE'S SYSTEM

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- ❑ Multi-tool
- ❑ Common methodological framework
- ❑ Fully operative
- ❑ Routinized processes
- ❑ Government-wide
- ❑ Top-down organization with bottom-up focus
- ❑ Open to public scrutiny

# PBB TOOLS: FACTS AND FIGURES

TOOL	DESCRIPTION	2007
Project appraisal (1975)	Investment projects appraised on the basis of cost-benefit analysis	<ul style="list-style-type: none"> <li>-Appraisals performed by Ministry of Planning on the basis of shadow social price system</li> <li>-Minimum social return required for funding</li> <li>-Online Databank with 300.000 entries</li> <li>--15.000 projects submitted every year</li> </ul>
Performance indicators (1994)	Indicators of effectiveness, economy, efficiency, quality of service with goals in budget process	<ul style="list-style-type: none"> <li>-1,600 indicators of economy, efficiency, effectiveness</li> <li>-Adequate size, still need to balance dimensions</li> <li>-Performance reported to Budget and Congress in budget process and CPRs</li> </ul>
Program evaluation (1996)	Programs selected annually for evaluation by independent panels, conclusions and recommendations reported to Congress	<ul style="list-style-type: none"> <li>-240 evaluations performed or in progress, 2/3 of gov program spending</li> <li>-Growing share of Impact and comprehensive evaluations</li> <li>-Ministry-Budget agreements assessed and reported to Congress in CPRs</li> </ul>
Management Improvement Programs (MIP) (1998)	Annual bonus paid on basis of agency's progress against goals in seven key management areas, benchmark-based approach	<ul style="list-style-type: none"> <li>-Supports institutional performance pay system covering 100% of employees of Central Government</li> <li>-Annual bonus up to 10% of salary, paid quarterly</li> <li>-MIP results reported to Congress in CPRs</li> <li>-75% of staff on maximum bonus</li> <li>-External ISO 9000-type certification</li> <li>-Devolution of financial authority to top performers</li> </ul>
Comprehensive Performance Reports (CPR) (1996)	Annual report prepared by every agency on performance against budget, targets, institutional commitments	<ul style="list-style-type: none"> <li>-200 agencies send CPRs to permanent Budget Committee of Congress</li> <li>-CPRs basis for President's report and review by permanent Budget Committee of Congress</li> </ul>
Bidding Fund (BF) (2000)	Pool of funds allocated to innovative programs on basis of quality and consistency of bids from ministries	<ul style="list-style-type: none"> <li>-10% of gov expenditure allocated through BF</li> <li>-BF suspended for last half of administration; replaced by standardized template for budget programs</li> </ul>

# PROJECT APPRAISAL

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- ❑ Started in 1974 as Basic Investment Statistics System, with development of methodologies, procedures
- ❑ All investment projects must be submitted to cost-benefit analysis – ex-ante assessment
- ❑ Only projects that meet minimum social rate of return become eligible for public funding
- ❑ Estimated SRRs used only for eligibility purposes – project selection at ministry/agency level

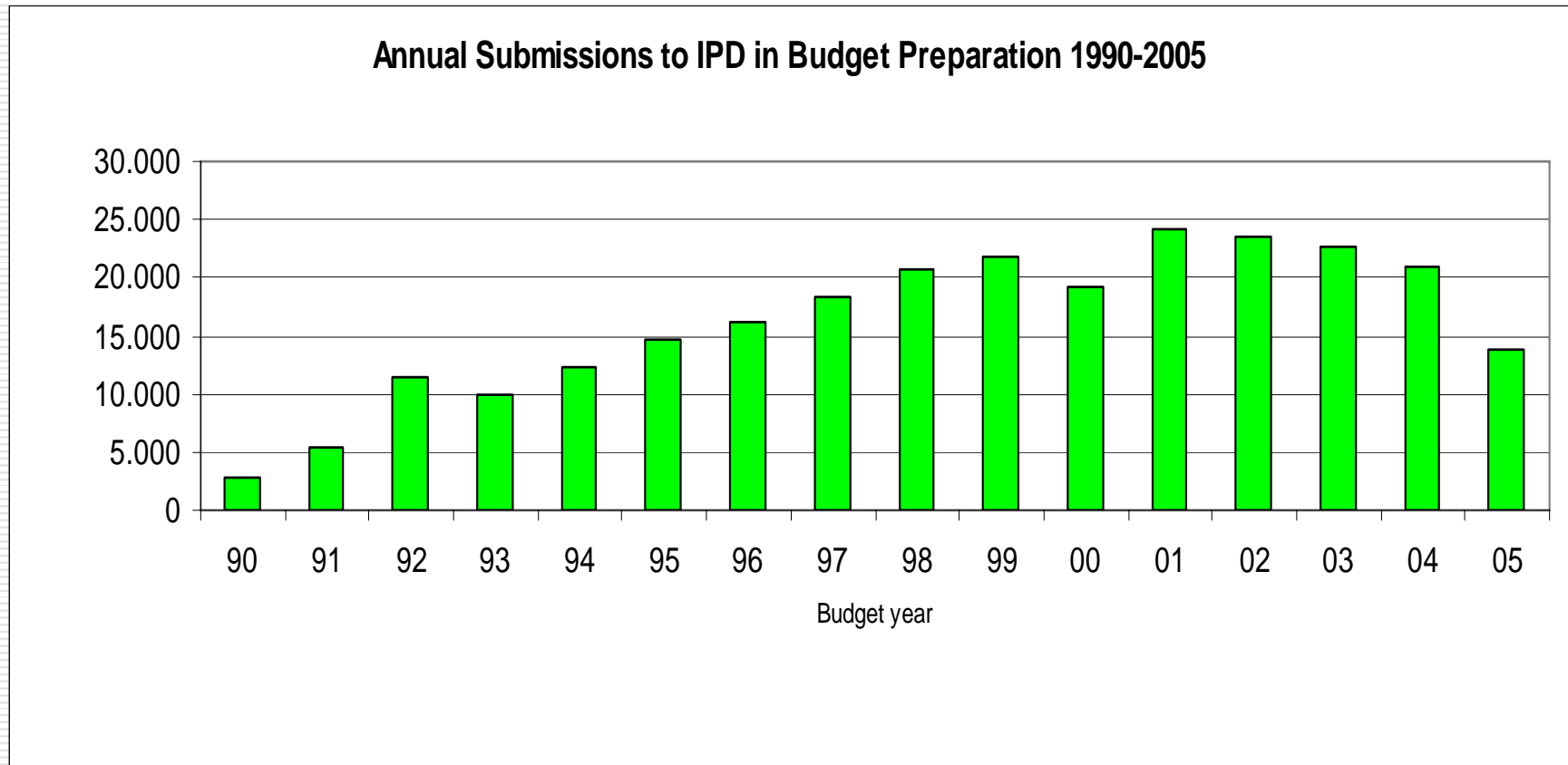
# KEY TOOLS

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- Project appraisal methodologies
  - Cost-benefit analysis
  - Cost-effectiveness analysis
- Shadow prices
- Training in project design and evaluation
- Integrated Project Databank - online

# PROJECT APPRAISAL WORKLOAD 1990-2005

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# PERFORMANCE INDICATORS

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- ❑ Aimed at telling how a government organization is performing over time
- ❑ Agencies compete with their past record
- ❑ Ongoing, periodical information
- ❑ Measure performance in different:
  - Dimensions (effectiveness, efficiency, economy, service quality)
  - Delivery levels (process, output, outcome)
- ❑ Need reliable data collection methods
- ❑ Support from strategic plan, management information system recommended

# CHILE'S EXPERIENCE WITH PI

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- ❑ Started 1994
- ❑ Incrementalist approach, starting on voluntary basis
- ❑ Budget-related
- ❑ Disclosure policy: Congress and general public
- ❑ Subject to increasing quality standards

# PERFORMANCE INDICATORS

`Dimension	Process	Output	Outcome			Total
			Interm	Final	Total	
Quality of service	33	332	10	2	12	377
Economy	77	48	10	3	13	138
Effectiveness	158	477	168	69	237	872
Efficiency	30	122	12	1	13	165
<b>Total</b>	<b>298</b>	<b>979</b>	<b>200</b>	<b>75</b>	<b>275</b>	<b>1552</b>

# PROGRAM EVALUATION

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- ❑ Assesses ongoing programs against their stated aims and expected results
- ❑ Requirements: relevance, independence, timeliness, transparency
- ❑ Started 1997
- ❑ Programs selected with Congress
- ❑ Performed by independent evaluators selected by public tendering
- ❑ Counterpart in ministries/agencies in charge of programs
- ❑ Reports to Budget, full disclosure to Congress and the public
- ❑ Followed by formal agreements between Budget and Executing Unit

# TYPES OF EVALUATIONS

## Program reviews

- Review consistency in design, execution and reporting
- Based on logical framework methodology
- Performed by panels of 3 independent experts, selected by public tendering
- Final reports in 6 months

## Impact evaluations

- Assess program effectiveness on basis of impact measures
- Methodology includes extensive data collection, more sophisticated evaluations techniques (CBA, CEA), control groups
- Performed by consulting firms, universities, selected by public tendering
- Final reports in 1-1.5 years

## Comprehensive expenditure reviews

- Assess consistent of ministry/agency portfolio of programs
- Search for duplications, inconsistencies, opportunities to generate synergies and savings

# EVALUATIONS 1997-2006

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## CHILE: EVALUATION SYSTEM 1997-2006

	1997-2000	2001	2002	2003	2004	2005	2006	Total
Program reviews	100	18	14	13	13	14	13	185
Impact evaluations	0	2	4	4	4	2	3	19
Comprehensive expenditure reviews	0	0	1	2	2	21	2	28
Total	100	20	19	19	19	37	18	232

# EFFECTS OF PROGRAM REVIEWS AND EVALUATIONS

Effects	Percentage of Programs
1.- Minor adjustments	24%
2.- Important changes on program design and management processes	39%
3.- Major program re-design	21%
4.- Institutional re-location	6%
5.- Program ending	10%
Total	100%

# COMPLIANCE WITH CORPORATE AGREEMENTS, EVALUATED PROGRAMS AND INSTITUTIONS 1999-2004

Percentage of achievement of commitments	Qualification			Total N° of Commitments Valid by 30/06/2004
	Achieved	Partially Achieved	Not Achieved	
Ministry	Achieved	Partially Achieved	Not Achieved	Total N° of Commitments Valid by 30/06/2004
MINISTRY OF AGRICULTURE	74%	25%	1%	134
MINISTRY OF NATIONAL RESOURCES	100%	0%	0%	15
MINISTRY OF NATIONAL DEFENSE	57%	43%	0%	14
MINISTRY OF ECONOMY, DEVELOPMENT AND RECONSTRUCTION	80%	20%	0%	64
MINISTRY OF EDUCATION	70%	20%	10%	205
MINISTRY OF FINANCE	92%	8%	0%	24
MINISTRY OF JUSTICE	88%	12%	0%	33
MINISTRY OF MINING	54%	41%	5%	22
MINISTRY OF PUBLIC WORKS	85%	15%	0%	33
MINISTRY OF PLANNING AND COOPERATION	77%	16%	7%	206
MINISTRY OF FOREIGN AFFAIRS	45%	44%	11%	54
MINISTRY OF HEALTH	74%	23%	3%	66
MINISTRY OF TRANSPORT AND TELECOMMUNICATIONS	64%	26%	10%	39
MINISTRY OF HOUSING	90%	9%	1%	76
MINISTRY OF INTERNAL AFFAIRS	72%	18%	10%	102
MINISTRY OF LABOR AND SOCIAL SECURITY	52%	44%	4%	54
GOVERNMENT GENERAL SECRETARIAT MINISTRY	39%	26%	35%	188
PRESIDENTIAL GENERAL SECRETARIAT MINISTRY	82%	16%	2%	49
Average/Total	69%	22%	9%	1378

**Note: The current commitments correspond to a universe of 77 evaluated programs and 8 evaluated institutions.**

# MANAGEMENT IMPROVEMENT PROGRAMS

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- Started 1998, from agreement with public sector unions
- Reward mechanism for central government employees
- Bonus determined by organizational performance
- Aimed at assessing progress in managerial systems development in 7 areas:
  - Human resources
  - Customer service
  - Strategic planning and management control
  - Internal auditing
  - Decentralization
  - Financial management
  - Gender focus

# THE MIP MATRIX

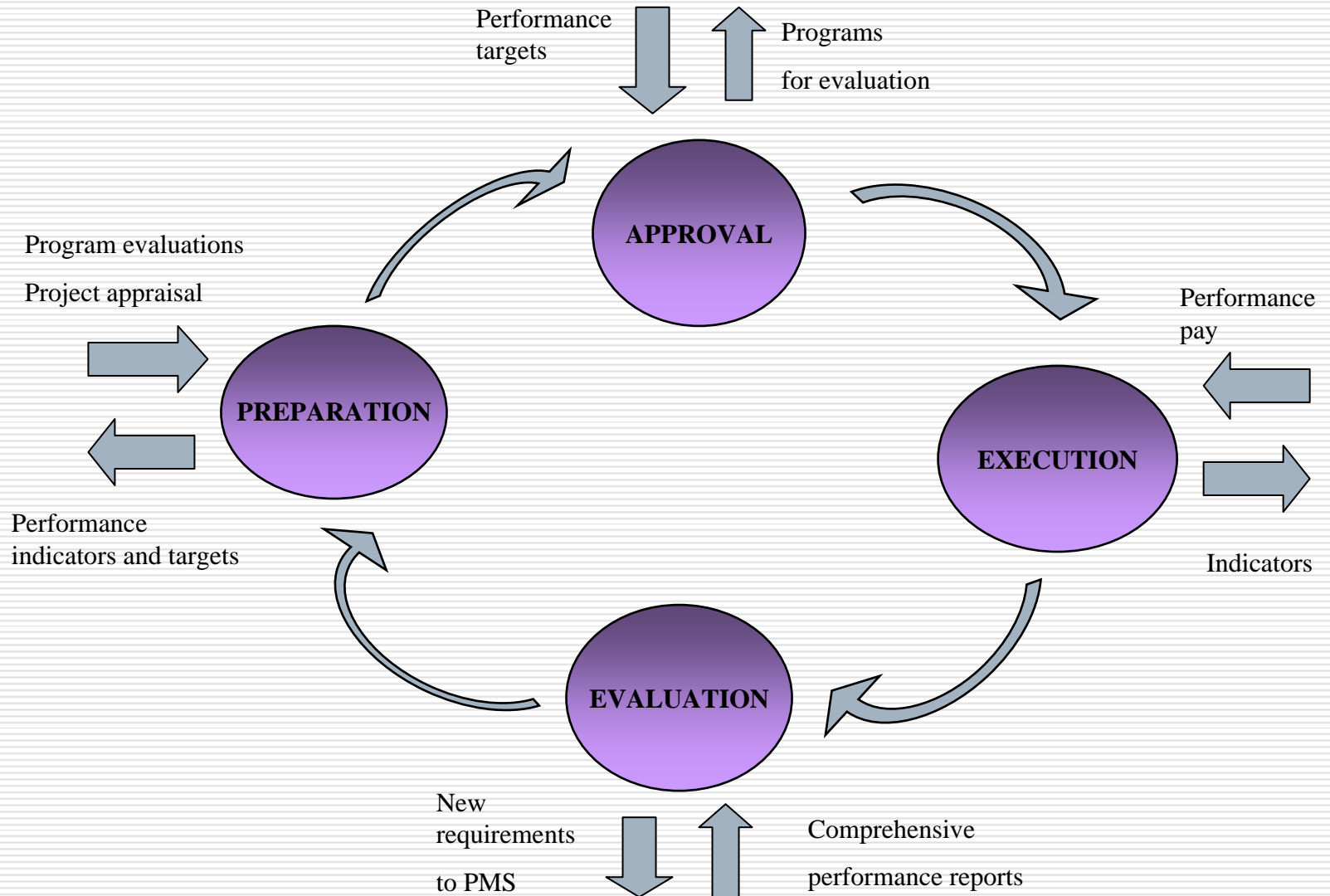
Areas	Systems	Stage			
HUMAN RESOURCES	Staff training				X
	Workplace safety		X		
	Staff performance assesment				X
CUSTOMER SERVICE	Complaints management			X	
	Red tape		X		
STRATEGIC PLANNING/ MANAGEMENT CONTROL	Strategic planning/management control		X		
INTERNAL AUDITING	Internal auditing				X
DECENTRALIZATION	Decentralization programs				X
FINANCIAL MANAGEMENT	Procurement and hiring			X	
	Accounting			X	
GENDER FOCUS	Gender focus	X			

# MANAGEMENT IMPROVEMENT PROGRAMS

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- ❑ Every area divided into systems
- ❑ Progress in every system coded through descriptors
- ❑ Benchmarking system recognizing standards set by laws, regulations, presidential directives
- ❑ Government agencies assess their current situation and propose next stage to reach
- ❑ Standards, approval of reports by expert networks
- ❑ Networks also provide technical assistance, training to agencies
- ❑ Moving into ISO-based system with external assessments

# INTEGRATION INTO BUDGET CYCLE



**COMPARATIVE SUMMARY OF BUDGET  
AND PERFORMANCE MONITORING CYCLE AS OF 2004**

	<b>BUDGET CYCLE</b>	<b>PERFORMANCE MONITORING CYCLE</b>
<b>JAN</b>	- Last data from budget execution year t-1 collected	- Panel members, evaluators hired - Beginning of desk evaluations - Bidding process for selecting impact and comprehensive evaluators - Agencies report results of MIP
<b>FEB</b>	- Fiscal stats year t-1 released	- Final Report from impact and comprehensive evaluations selected on year t-2 - MIP results validated by technical agencies
<b>MAR</b>	- Evaluation of budget execution year t-1	- Performance indicators reported against targets on year t-1 - Performance bonus paid - Beginning of impact and comprehensive evaluations selected on year t-1 - Agreements between Budget and agencies to address recommendations from impact and comprehensive evaluations selected on year t-2 - Report on agreement fulfillment (CPR)
<b>APR</b>		- Investment projects submitted for evaluation to Planning
<b>MAY</b>	- Inertial spending assessed by Budget Office	- Comprehensive Performance Reports sent to Congress
<b>JUN</b>	- Financial performance report on year t-1 sent to Congress - Inertial spending ceilings, forms, instructions for budget preparation sent to ministries	- Final reports of desk evaluations sent to Congress - Commitments impact evaluations selected year t-2 informed to ministries - Proposals for bidding fund submitted to Planning Ministry for logical framework analysis
<b>JUL</b>	- Ministries submit requests for inertial spending redress, allocation of efficiency gains to ministerial priorities, bids for bidding fund - Technical meetings between Budget and ministries	- Report on agreement fulfillment
<b>AUG</b>	- Macro framework established on basis of fiscal policy rule, input from independent panels - Size of bidding fund determined	- Ministries submit proposals for performance indicators
<b>SEP</b>	- Bidding fund distributed - Bilateral meetings with ministries, reallocations agreed - Budget submitted to Congress	- Performance indicators and targets selected
<b>OCT</b>	- Speech on macroeconomic policy by Minister of Finance - Public Finance Report presented to Budget Committee. - Budget analyzed by sub-committees - Budget protocol negotiated	- Performance indicators, evaluations, MIPs, reported with Budget, by agency, to Congress - Agreements between Budget and agencies to address recommendations from desk evaluations
<b>NOV</b>	- Budget voted by Budget Committee, House of Deputies, Senate - Budget protocol signed	- Draft list of programs for evaluation - Programs selected for evaluation - Agencies set goals for MIP
<b>DEC</b>	- Budget bill enacted - Closing of current year's budget	- Commitments, evaluations informed to ministries - Call for panel members, evaluators

# CLASSIFYING EXPENDITURE

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- Budget decisions are strongly influenced by way information is presented
- Alternative classifications:
  - Institutional
  - Economic
  - Functional
  - Programmatic
  - Geographic
- Despite many attempts, most countries use Institutional plus Economic classifications
- In Chile:
  - Institutional, economic, programmatic on ad-hoc basis

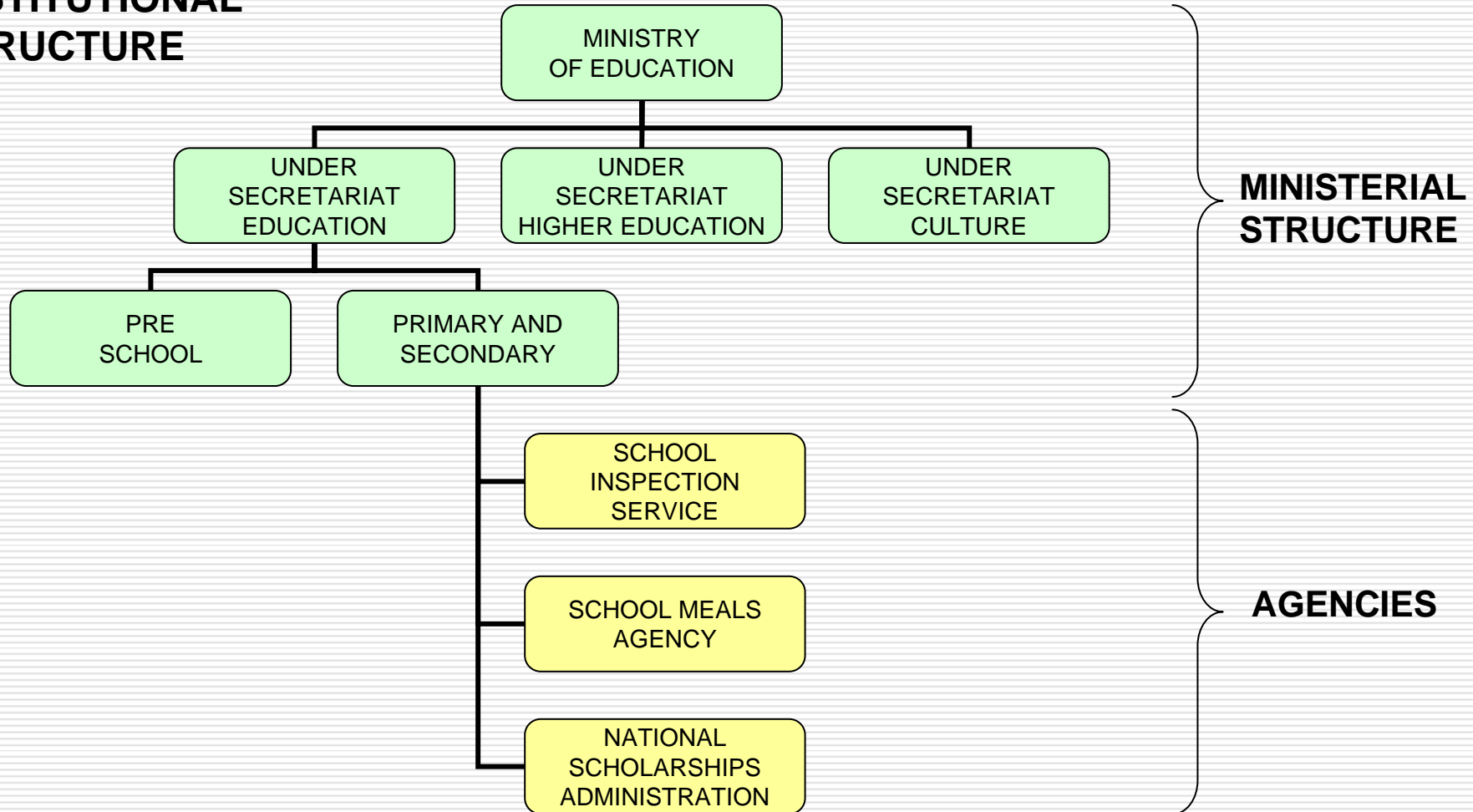
# CLASSIFYING EXPENDITURE

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- Ad-hoc programmatic classification:
  - Programs: set of activities organized to attain a common policy goal, usually under specific leadership
  - Programs are recognized in the budget by separating out resources from the institutional budget
  - Program identification on the basis of policy decisions, political priorities, organizational arrangements, agreements with multilaterals, evaluations
  - Budget programs disaggregated into economic classification items
  - Budget programs bring more transparency, performance orientation, accountability
  - From 2000, multi-sector programs acting as cost centers
  - MSPs are located in a specific institution but would be allowed to transfer resources to other institutions on the basis of formal agreements specifying services to be provided in exchange
  - 2006 Budget: 64 programs

# CLASSIFYING EXPENDITURE

## CHILE: INSTITUTIONAL STRUCTURE



# CLASSIFYING EXPENDITURE

## CHILE: BUDGET STRUCTURE

PORTFOLIO 08:  
MINISTRY OF  
EDUCATION  
  
CHAPTER 01:  
UNDER  
SECRETARIAT  
FOR EDUCATION

SECTION  
01:PRIMARY  
AND  
SECONDARY  
EDUCATION

01 Operations

02 Extension of school  
day

03 Education quality  
improvement

04 Curriculum  
development and  
evaluation

05 Schools supervision  
and inspection

06 Permanent Education  
and Training Program  
Chile Qualifies

07 School equipment and  
education material

Adult Education

Articulation projects

Vocational training

Training, transfer to  
National Training  
Agency, Ministry of  
Labour

# 3. PBB IN CHILE – AN ILLUSTRATION

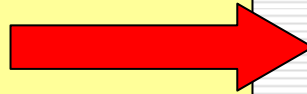
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# Ministry of Education



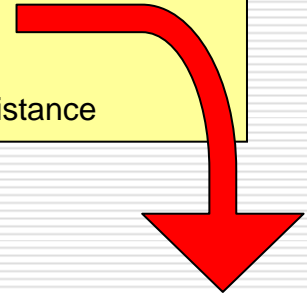
## AGENCIES

- Education Under Secretariat
- Libraries and Museums Directorate
- Technological and Scientific National Commission
- **National Agency for Scholarship and School Support**
- National Nursery Schools Board
- National Education Council
- Culture and Arts Council



## NATIONAL AGENCY FOR SCHOLARSHIP AND STUDENT SUPPORT Budget Programs

- National Agency for Scholarship and Student Support
- **School Health**
- Scholarship and School Assistance

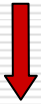


## BUDGET PROGRAM: School Health

### Transfers

- **Dental health: \$ 3,343 M.**
- Medical School Assistance
- Able and healthy schools

BUDGET



EXECUTION



**Expenditure**

**Evaluation**

Financial Information

Performance Information

- performance indicators
- other performance information
- evaluation program
  - ✓ evaluation results
  - ✓ follow up of “recommendations”
- other performance information

# National Agency for Scholarships and Student Support

## Dental Health Program

### Program Description

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#### **Justification**

- Endemic character of dental diseases in students
- Promotion and prevention of dental disease in students

#### **Objective**

Improve dental health of primary students of state subsidized schools by clinic and educative-preventive actions.

#### **Components**

1. Integral dentistry service for students: educational, preventive and remedial actions for primary students.
2. Execution of promoting actions in subsidized schools (Healthy School Plan)
3. Introduction of fluorine into the milk provided by the School Meals Program to rural subsidized schools that do not have access to fluorized water

# Main Evaluation Findings (2004)

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## Design

- Right identified problem
- Adequate initial diagnosis
- Right targeting
- Adequate design

## Organization & Management

- Adequate operation of the organizational structure, coordination mechanisms and allocation of responsibilities
- Adequate monitoring and evaluation but sub-optimal coverage, quality and timeliness of information generated
- Unsatisfactory targeting instruments of component 1

# Main Evaluation Findings (2004)

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## Effectiveness and Quality

- ❑ Low coverage
- ❑ Inadequate distribution of regional services

## Efficiency and Economy

- ❑ Administration expenses around 8%, meet accepted standards for public agencies.

## Justification and Continuity

- ❑ Needs persistence
- ❑ Promoting, preventing and curative actions; effective and efficient strategy
- ❑ Unit costs lower than dental program of Ministry of Health

# Evaluation Outcomes

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## Effects in Budget

- Increase in 20% the total budget of next year
- Children coverage in dental program of Ministry of Health contracted with NASSS

## Institutional Commitments

### A. Design

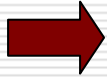
- Improve targeting of component 1
- Increase coverage of component 1
- Review formulation of component 2



### B. Organization & Management

- Articulate with Ministry of Health
- Carry out a cost analysis of component 1
- Institutional Strengthening
- Assess effectiveness of component 2
- Promote the contribution of external parties in component 2
- Expand the coverage of component 3
- Implementation of computing system
- Publicity of the program





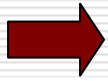
Example

Institutional Commitment

Improve the focalization of component 1

Recommendations/Commitments	Carried out actions/fulfillment
Review targeting criteria and weight of selection variables of the districts and implementation of those criteria.	<ul style="list-style-type: none"><li data-bbox="910 496 1614 539"><input type="checkbox"/> Higher focalization criteria (IVE*)</li><li data-bbox="910 611 1601 743"><input type="checkbox"/> Substitution of the Human Development Index by the District Childhood Index (UNICEF)</li><li data-bbox="910 825 1639 903"><input type="checkbox"/> Decrease weight given to "Execute commitments" selection variable</li><li data-bbox="910 986 1664 1119"><input type="checkbox"/> Increase of the punctuation of districts with more children belonging to Chile-Solidario Program</li></ul> <p data-bbox="910 1193 1410 1236"><b>Commitment complied</b></p>

\* Index Social Disadvantage Students



## Institutional Commitments

### Implementation of computing system

Recommendations/Commitments	Carried out actions/ fulfillment
<p data-bbox="129 468 915 558">Joint revision with the Budget Office of the performance indicators.</p> <p data-bbox="129 632 906 768">Quantification and introduction of the performance indicators included in the Framework Program.</p> <p data-bbox="129 842 887 929">Implementation of computing system to provide information for indicators</p>	<p data-bbox="967 468 1734 558">Design and incorporation of indicators into the Framework Program</p> <p data-bbox="967 575 1766 711">Design of the terms of reference for the creation of a computing system for the Program.</p> <p data-bbox="967 782 1372 825"><b>Partially complied</b></p>

## NATIONAL AGENCY FOR SCHOLARSHIPS AND SCHOOL SUPPORT

Strategic Product: Health Programs

Program: Dentistry Services

Budget 2007: \$ 3,350 M

Indicator	Formula	Performance Measure		Verification Tools
		2006	2007	
<p><u>Dimension:</u> Effectiveness <u>Delivery Level:</u> Intermediate Result</p> <p>Percentage of teeth with caries successfully treated with respect to the number of teeth with caries detected at the beginning of the treatment.</p>	<p>( Number of teeth with caries successfully treated / number of teeth with caries detected at the beginning of the treatment ) * 100</p>	<p>Target: 98%</p> <p>Actual performance: 98.2%</p>	<p>Target: 98.2%</p>	<p><u>Reports:</u> Filing cards of the students in treatment. Annual report of the Student Health Program.</p>
<p><u>Dimension:</u> Effectiveness <u>Delivery Level:</u> Output</p> <p>Percentage of the schools incorporated in the dental module with IVE* higher than 43.</p>	<p>( N° of schools incorporated in the dental module with IVE higher than 43 in the year t / N° of total establishments incorporated to the module in the year t ) * 100</p>	<p>Target: 28%</p> <p>Actual performance: 29%</p>	<p>Target: 30%</p>	<p><u>Reports:</u> Annual report of the Student Health Program.</p>
<p><u>Dimension:</u> Effectiveness <u>Delivery Level:</u> Output</p> <p>Percentage of students incorporated in the program with respect to the total of students (coverage).</p>	<p>( N° of students incorporated in the program / total of students ) * 100</p>	<p>Target: 6%</p> <p>Actual performance: 5%</p>	<p>Target: 6%</p>	<p><u>Reports:</u> Annual report of the Student Health Program.</p>

\*) index of socially disadvantaged students

## NATIONAL AGENCY FOR SCHOLARSHIPS AND SCHOOL SUPPORT

### Strategic Product: Health Programs

Program: Dentistry Services  
Budget 2007: \$ 3,350 M

Indicator	Formula	Performance Measure		Verification Tools
		2006	2007	
<u>Dimension:</u> Efficiency <u>Delivery Level:</u> Intermediate Result  Number of cases treated by dentist	Number of clients treated/total professional hours contracted with dentists	Target: 1.7  Actual performance: 1.5	Target: 1.8	<u>Reports:</u> Filing cards of the students in treatment; standing contracts with dentists
<u>Dimension:</u> Economy <u>Delivery Level:</u> Input  Cost of dental materials	Cost index of five most important dental materials	Target: Reduce by 5%  Actual performance: 7%	Target: Constant	<u>Reports:</u> Procurement reports
<u>Dimension:</u> Effectiveness <u>Delivery level:</u> Outcome  Dental health status of schoolchildren at high school entry level	(Number of students with dental health problems/total students entering grade 9)/100	Target: 15%  Actual performance: 22%	Target: 12%	<u>Reports:</u> Dental health survey of students entering grade 9
<u>Dimension:</u> Quality of service <u>Delivery Level:</u> Output	(Parents' declaring satisfied with dental care of schoolchildren/total parents surveyed)/100	Target: 80%  Actual performance: 82%	Target: 85%	<u>Reports:</u> Annual survey

# 4. OUTCOMES AND LESSONS LEARNED

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# SOME RESULTS

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- ❑ 60% of government expenditure subject to some form of evaluation
- ❑ Orderly expansion of government expenditure at 6% p.a. since 2000
- ❑ Expenditure reallocations: US\$ 1.5 billion 2001-2005
- ❑ Positive external assessments by multilaterals (IMF Fiscal ROSC, CFAA IDB-WB, OECD)
- ❑ Evidence of raising productivity, effectiveness

# OVERALL ASSESSMENT

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- Chile's experience demonstrates that:
  - Government-wide systems can be built and applied at relatively low cost
  - Requires discipline and persistence over long periods of time
  - Hierarchical budget institutions help a lot



# BASIC PRINCIPLES

1. No single methodology can answer everything, variety of tools and methodologies needed
2. Performance information is worth only if it is used for decisionmaking
3. Some information is always preferable to none as long as it ensures consistency, transparency, reliability
4. Evaluation is most productive when used constructively: contribute to improve program rather than punish
5. Performance-based systems need to build up institutional capabilities, coordinators should provide advice and training
6. Sustainability requires to build a constituency: networking, engaging congress
7. Graduality pays off if it allows institutions and staff to adapt
8. Motivation and openness

