



Public Finance for Development: Strengthening Public Finance Capacities in the Western Balkans and the Commonwealth of Independent States

Performance based budgeting - Budget management tool (Press release)

28 November 2012

On 26-28 November, the Ministry of Finance, with the assistance of the "Public Finance for Development" Program financed Ministry of Finance of Slovakia and implemented in partnership with the UNDP Regional Center for Europe and CIS in Bratislava, organizes a seminar in which representatives of the Government, Parliament and local public authorities will be familiarized with the performance-based budgeting concept and Slovak and international experience in this field. The event will be attended by Slovak experts and officials from the Ministry of Finance of Slovakia, who will share their experiences and lessons derived from the budgetary reform implemented in Slovakia.

Mr. Veaceslav Negruta, minister of finance, mentioned that the success of any reform is assured by two key conditions - political will and the development of necessary capacities. The training campaign launched by the Ministry of Finance aims namely at achieving these prerequisites.

Referring to the reform agenda promoted in public financial management domain, Veaceslav Negruta said that "Fiscal- budgetary discipline and budgetary transparency are indispensable conditions for achieving objectives of macroeconomic stability and financial sustainability in the medium and long term assumed by the government". In this context, the Minister noted the importance of the budgetary process development based on principles and rules which ensure control of macro-fiscal indicators and promote a balanced fiscal policy. He said that the development of transparent procedures for formulation and administration of the general government budget will help improve decision-making process on the allocation of budgetary resources that will ultimately lead to improving the quality of public services.

"Moldova's European integration aspiration gave a new impulse for budget reforms and challenges us to move forward rapidly to adapt to international standards and best practices. In this context, full implementation of performance-based budgeting at all levels of public administration is one of the strategic priorities of the Government in the medium term," said Veaceslav Negruta.

The international expert, Mr. Juraj Rencko presented the concept and principles of performance-based budgeting, and lessons learned from Slovak and international experience. "While there are rules and general principles for the implementation of this modern method of budgeting, each country develops its own budget system adapted to the national specifics," said the expert. Public financial management reform, its objectives, successes and obstacles, including recommendations for countries in transition were presented by Mr Tvaroska, the former state secretary of the Slovak Ministry of Finance and one of the budgetary reform leaders in Slovakia.

Mario Vircik, General Director of International Relations Directorate of the Ministry of Finance of Slovakia, emphasized the importance of governmental collaboration in the development of efficient management in national budgetary systems. Implementing the multiannual strategic planning, performance-based budgeting, fiscal decentralization are just a few key reforms implemented in Slovakia, which allowed to place the public finances system on a sustainable and secure path of development. "The reforms can not be implemented overnight and are not a moment activities. This is a continuous process to improve and adapt to new economic situations, new circumstances and challenges", concluded the Slovak official.