The Concept and Practice of Budget Performance Management in Yunnan

He Qianhua 2019 Sept.
Having established its Performance Evaluation Division in 2005, Yunnan Province was one of the first promoters of budget performance management in China. Under the support of the CPC Yunnan Committee and Yunnan Provincial Government, the budget performance management in the province has progressed together with the socioeconomic development and helped to support the fiscal management reform.
With integrated budget performance as the core and department-wide performance as a key, an internally interconnected budget performance management system, which is widely adopted throughout Yunnan, has been gradually established through 15 years of exploration and practice.
1. Promote budget performance management to modernize the governance system and capabilities
The concept and methodology of performance were first introduced to provincial fiscal budget management during the department budget reform.
Leveraging project rating tools (PART)

(PART is a questionnaire with 25 basic questions as its core. The questionnaire puts an emphasis on the close combination between performance management and project management.)

**Standard management system for public budgets**

- **Four in one**
  - Project expenditures; management of the budget making
  - Budget expenditure; management of standard or quota
  - Budget making; management of the standard process
  - Department budget; the supervision of implementation

**Compilation and review system for project expenditure budgets**

- **Project objectives** (25%)
- **Project plans** (60%)
- **Project management** (15%)

- **Output indicators**
- **Benefit indicators**
- **Satisfaction indicators**

- **Completeness review**
- **Relevancy review**
- **Suitability review**
- **Feasibility review**

- **Basic department work**

**Three-party review and approval**

**Scoring by budget management office**

**Department self-evaluation**

**Compilation and review of project performance objectives**

**PART** is a questionnaire with 25 basic questions as its core. The questionnaire puts an emphasis on the close combination between performance management and project management.
(3) Promote integrated budget performance through five supportive means

**Comprehensive support system**

- **Fundamental support**
  - System basis
  - Indicator system
  - Quantified standards

- **Business coordination**
  - Objective approval
  - Implementation supervision
  - Performance management department self-evaluation and re-evaluation

- **Technical support**
  - Platform for standardized budget management

- **Organizational support**
  - Performance management department
  - Performance evaluation center

- **Network-based supervision by People’s Congress**

**Strengthen fundamental support**
(3) Promote integrated budget performance through five supportive means.
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中共云南省财政厅党组文件

中共云南省委办公厅

中共云南省财政厅党组关于印发《云南省财政厅机关各处室和厅属事业单位职能配置方案》等有关文件的通知

中共云南省委办公厅 云南省人民政府办公厅

关于印发《云南省财政厅职能配置、内设机构和人员编制规定》的通知

各州、市党委和人民政府，省委和省级国家机关各部委办厅局，各人民团体，省属有关事业单位，中央驻滇有关单位：

《云南省财政厅职能配置、内设机构和人员编制规定》 经省深化党政机构改革领导小组办公室审核后，已报省委、省政府批准，现予印发。

中共云南省委办公厅

云南省人民政府办公厅

2019年5月8日

（此件公开发布）
(3) Promote integrated budget performance through five supportive means
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Performance management outcomes from the budget objective review, department self-evaluation, supervision and evaluation are widely applied to fiscal management, backing up Yunnan’s deduction of several departments’ budgets by 910 million and 530 million RMB respectively in the budget compilation for 2018 and 2019.
2. Constructing a three-tier system of inter-government performance management
Yunnan province integrates the concept of performance management with equalization transfer payments, cross-border transfer payments and other major projects. Along the chain of capital management across different levels, the outcomes of performance management are applied to capital allocation to establish a three-tier system (province, city and county) of inter-government performance management.
The process chart for evaluating the performance of equalization transfer payment performance

County selection: draw lots to select a county from each region or city among counties granted at least 5 million yuan of balance transfer payment.

Evaluation method: combining quantified data envelopment analysis (DEA) and the evaluation by the panel of experts.

Performance scoring

Quantified evaluation

Rationality of the capital flow (× 40%)

Arranged ratio and changes of key livelihood expenditures according to the available balance of different counties.

Public service improvement (× 60%)

1. Data envelopment analysis
2. 18 specific indicators covering 5 aspects including education and health
3. Evaluate the annual public service improvement and the input-output efficiency

Expert evaluation

14 experts

3 finance scholars, 2 representatives from regional or municipal finance bureaus, 1 representative respectively from the budget working committee of the provincial People’s Congress, provincial government research office and audit bureau, and 1 representative from each related department of the provincial finance bureau.

Business-related experts (× 50%)

1. Directors of the budget departments of all regional and municipal finance bureaus in Yunnan
2. 2 directors of finance bureaus of non-selected counties
3. 6 directors of the budget departments of selected counties.

Expert evaluation

× 50%

The performance indicators for transfer payment of border counties

<table>
<thead>
<tr>
<th>一级指标</th>
<th>分值</th>
<th>二级指标</th>
<th>分值</th>
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注: 财政转移支付资金使用管理过程中有不符合上级财政部门相关要求的，或有重大违规违纪的，资金管理部分不得分。考虑年度考核存在问题整改不到位的，扣0-3分。

资金绩效 | 50   | 绩效情况 | 45   |          |          |

项目名称 | 资金总额度（万元） | 其中：边境地区转移支付资金 | 完成程度（%） | 项目得分 |
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<tr>
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<td>边境地区转移支付资金</td>
<td>完成度×100</td>
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<td>项目 2</td>
<td>总额</td>
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<td>项目 3</td>
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<td>项目 4</td>
<td>总额</td>
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<td>完成度×100</td>
<td>项目得分</td>
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<tr>
<td>项目…</td>
<td>总额</td>
<td>边境地区转移支付资金</td>
<td>完成度×100</td>
<td>项目得分</td>
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Yunnan leverages rewards, penalties and incentives not only to urge finance authorities of all levels to finance basic public services, but also to encourage local governments to optimize the use of fiscal resources, thus helping forge a virtuous cycle of competition among local governments for rewards and incentives.
3. New commencement and top quality - initiating a new chapter for comprehensive implementation of budget performance management
Yunnan Financial Department proposed to use the department-wide performance evaluation to realize the full-coverage budget performance management.
Guide all departments to improve quality of the objective set-up

### 一、完整性审核

<table>
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<tr>
<th>审核内容</th>
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<th>分值</th>
<th>编审要求</th>
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</table>
| 1. 规范完整性 (10分) | 绩效目标和绩效指标的填报格式是否规范,符合规定要求;内容是否完整、准确、详实,是否无缺项、错项。 | 30分 | 该规范完整性包括规范完整性(10分)、绩效合理性(10分)、资金匹配性(18分)、实现可能性(10分)、条件充分性(10分)、绩效管理基础工作(5分)。

### 二、相关性审核

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<tr>
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<th>编审要求</th>
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| 1. 目标相关性(12分) | 根据说明情况和项目相关材料审核项目是否存在不符合相关法律法规或违背国民经济和社会发展规划要求的事项。根据项目预算明细审核各项开支的标准和依据。审核项目资金安排是否突出重点,未出现小散乱等现象。结合该项目上年预算执行情况、预算执行进度、审计发现问题进行评分,对结余规模较大、预算执行进度缓慢和审计查出问题的应进行扣分。 | 20分 | 该目标相关性主要包括目标相关性(12分)、实现可能性(10分)。

### 三、适当性审核

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| 1. 部门依照制度开展绩效管理(包括绩效目标编制、绩效跟踪、绩效评价、评价整改等)的情况,并上传部门(单位)制定的预算绩效管理制度等。 | 部门依照制度开展绩效管理(包括绩效目标编制、绩效跟踪、绩效评价、评价整改等)的情况,并上传部门(单位)制定的预算绩效管理制度等。 | 20分 | 该适当性审核主要包括适当性审核(5分)。
03 Establish a mechanism of supervision, rewards and compensation.
04

Enhance the supervision and evaluation of the implementation of department performance

The comprehensive system combining the department self-evaluation and re-evaluation shall be enhanced.

If we can effectively deal with the department-wide performance management which is the core, we will more skillfully implement the comprehensive budget performance management.

The evaluation process for the budget performance of fiscal expenditures
Coordinated promotion of budget performance management throughout Yunnan

The deployment of the information system in cities and towns, and the three-tier system of performance management have embedded the concept and model of provincial performance management throughout Yunnan, facilitating the formation of a performance management model coordinated among different levels of the province.
Looking ahead, we will perform our tasks with determination to develop a comprehensive budget performance management system.
Thank you!