Strategic Performance-Based Budgeting (SPBB)

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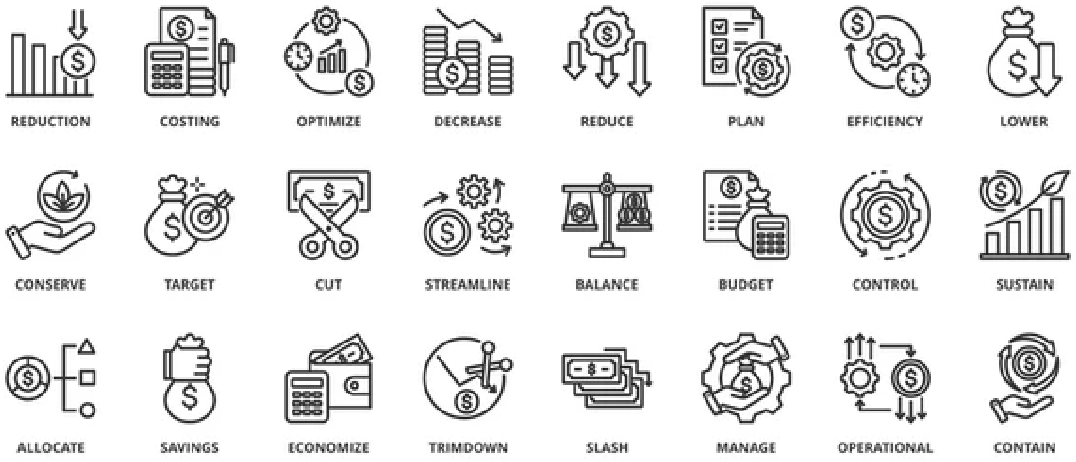
Strategic Performance-Based Budgeting (SPBB)

Definition and General Characteristics

- Performance-Based Budgeting is a modern approach that has been widely adopted since the 21st century.
- Mission-Based Budgeting
- Entrepreneurial Budgeting
- Performance Budgeting
- Performance-Based Budgeting Results Budgeting or
- Budgeting for Results

Strategic Performance – Based Budgeting : SPBB

- Strategic Performance-Based Budgeting (SPBB) is the current budget system used in Thailand.
- According to budget experts from the Bureau of the Budget



Strategic Performance – Based Budgeting : SPBB

- The Traditional Budgeting System of Thailand
  - (1) Lack of Strategic Alignment
  - (2) Lack of Strategic Flexibility and Review
  - (3) Year-by-year Budgeting without Medium-Term Planning
  - (4) Emphasis on Spending over Achievement
  - (5) Lack of Decentralized Accountability and Decision-making

Strategic Performance – Based Budgeting : SPBB

The traditional budgeting system faced several practical constraints and obstacles, as detailed below:

(1) The budgeting process is inherently linked to political dynamics.

(2) The skills and expertise of officials

(3) Analytical techniques

(4) Measuring success

Strategic Performance – Based Budgeting : SPBB

- The Bureau of the Budget subsequently adopted the Performance-Based Budgeting concept for Thailand's budgetary system.
- Later, during the Thaksin administration, this system was evolved and renamed 'Strategic Performance-Based Budgeting' (SPBB).

Public Expenditure Management : PEM

First: Maintaining Fiscal Discipline

Second: Effective Resource Allocation (Allocative Efficiency)

Third: Operational Efficiency (Technical Efficiency)

Key Principles and Components of Thailand's Current Budgetary System

Principles and Key Components of Thailand's Modern Budgeting System

- Principles and Conceptual Framework of the Strategic Performance-Based Budgeting (SPBB) System
- The Strategic Performance-Based Budgeting (SPBB) system prioritizes national strategies and government policies

Key Principles and Components of Thailand's Current Budgetary System

1.1 Objectives of the Budgeting System

- To serve as a tool for efficient resource allocation
- To empower ministries and departments
- To establish a monitoring and auditing system

Key Principles and Components of Thailand's Current Budgetary System

1.2 Key Components of the Strategic Performance-Based Budgeting (SPBB) System

- The SPBB system is characterized by a results-oriented approach aligned with strategic goals.
- It prioritizes the achievement of targets at all levels

Strategic Dimensions of Thai Public Sector Development through the Balanced Scorecard (BSC) Framework

Internal Organizational Components Strategy 1: Restructuring Work Processes and Methodologies Strategy 2: Improving the National Public Administration Structure Strategy 4: Reforming the Personnel and Compensation Systems	External Stakeholders and Public Engagement Strategy 7: Opening the Bureaucracy and Promoting Public Participation
Financial Perspective Strategy 3: Re-engineering Financial and Budgetary Systems	Innovation and Digital Transformation Strategy 5: Shifting Paradigms, Culture, and Values of the Bureaucracy Strategy 6: Enhancing Modernization through Electronic Government (e-Government)

Advantages of Strategic Performance-Based Budgeting (SPBB)

- The Parliament (Legislative Branch)
- The Government (Executive Branch)
- Government Agencies (The Implementers) and The Citizens (The Beneficiaries)

Problems with performance-based strategic budgeting

1) Ministry Service Delivery Goals: Challenges and Gaps
2) Ministry Strategy: Structural and Conceptual Flaws
3) Agency-Level Goals: Implementation Gaps and Operational Misalignment
4) Agency Strategies: Ambiguity and Misclassification
5) Outputs: Inconsistency and Measurement Issues

Do you have any questions?

THANK YOU