

**Asia-Pacific and Latin-America Interregional Forum on
Managing for Results
Decentralization: Political and Fiscal Challenges
Mexico City, May 20-22, 2013**

AGENDA

DAY 1: Monday, May 20, 2013 – Marriott Reforma Hotel

TIME	SESSIONS
15:00 – 15:30	ASSEMBLY OF PARTICIPANTS
15:30 – 16:00	OPENING SESSION Welcome Remarks <ul style="list-style-type: none"> • Edgar Amador, Finance Secretary, Federal District, Mexico • Mercedes Araoz Fernández, IADB Representative Mexico • Farzana Ahmed, Asia Pacific Community of Practice
16:00 – 16:20	PRESENTATION OF THE FORUM OUTLINE AND OBJECTIVES <ul style="list-style-type: none"> - Farzana Ahmed, Asia Pacific Community of Practice - Roberto García López, Executive Secretary CoPLAC-MfDR, IADB
16:20 – 16:50	SESSION I: RESULTS-BASED PUBLIC SECTOR MANAGEMENT: A STRATEGIC FRAMEWORK <i>This session will focus on the basic features of a results-based public sector management cycle.</i> <ul style="list-style-type: none"> • Farzana Ahmed, Asia Pacific Community of Practice (20 minutes) Q&A (10 min)
16:50 – 17:10	COFFEE BREAK
17:10 – 19:10	SESSION II : DECENTRALIZATION OVERVIEW: OBJECTIVES, MODELS, AND TRENDS <i>Participants will learn about the general context, policy objectives, and models of decentralization. Points of discussion will include:</i> <ul style="list-style-type: none"> • Defining decentralization. Policy objectives of decentralization. First generation: efficiency. Second generation: accountability. Models. Devolution (what is a LG?). Deconcentration (vertical vs. horizontal; budgetary vs. organization). Delegation and decentralization to SDUs Vicente Fretes Cibil , Fiscal Division Chief, IADB (20 min.) Moderator: Dr. Zhikai Wang , Professor, School of Economics, Zhejiang University, China Country Response: <ul style="list-style-type: none"> • Eddie Dorotan, Executive Director, Galling Pook Foundation (former

	<p>Mayor of Irosin, Philippines) (20 min)</p> <ul style="list-style-type: none"> • Roberto Gallardo, Minister of Planning, Costa Rica (20 min) • Pamela Vargas, Head of the Directorate General of Departmental Autonomies, Bolivia (20 min) • Welles Abreu, General Coordinator, Institutional Development, Ministry of planning and Budgeting, Brazil (20 min) <p>Roundtable Dialogue (20 min)</p>
19:30 - 20:30	Welcome Cocktail – Hotel Marriott

DAY 2: Tuesday, May 21, 2013 - Marriott Reforma Hotel

Time	Session
09:00 - 10:40	<p>SESSION III: POLITICAL ECONOMY FACTORS AND THE ROLE OF INCENTIVES IN DECENTRALIZATION</p> <p><i>This session will focus on political economy influences on selected aspects of decentralization, e.g. own revenue mobilization efforts, revenue sharing and grant distribution formulas, and the sub-national budgeting process, and natural resource transfers. It will also discuss incorporating incentives in the design or reform of inter-governmental fiscal arrangements. In particular, it will discuss the use of performance indicators in the design of inter-governmental grants</i></p> <p><i>This session will look at the recent growth of transfers linked to natural resources, which has been an important trend in a number of countries.</i></p> <p>Decentralization and macro-economic stability, link with recent boom in transfer based on natural resources, Axel Radics, Fiscal and Municipal Development Specialist, IADB (20 min)</p> <p>Moderator: Alessandra Gallio, Third Counselor, Municipality of Guatemala</p> <p>Country Response:</p> <ul style="list-style-type: none"> • Indira Rajaraman, Member, Central Board of Reserve Bank of India (20 min) • Abdul Wajid Rana, Member of the Federal Public Service Commission, Pakistan (Former Federal Finance Secretary, Ministry of Finance) (20 min) • Julio Raudales, Minister of Planning, Honduras (20 min) <p>Roundtable Dialogue (20 min)</p>
10:40 - 11:00	COFFEE BREAK
11:00 - 12:40	<p>SESSION IV : DECENTRALIZATION AND WHAT IT MEANS FOR CENTRAL FINANCE AUTHORITIES</p> <p><i>This session will examine the drivers of decentralization and facilitating the transition for central finance authorities, focusing particularly on:</i></p> <ul style="list-style-type: none"> • <i>the political and economic drivers of decentralization;</i> • <i>how to minimize risks to macro-economic stability and fiscal sustainability; and to address such risks when they materialize;</i> • <i>the role of the central finance authorities in: managing the decentralization</i>

	<p><i>process; promoting sub-national fiscal responsibility; and resolving sub-national debt crises</i></p> <ul style="list-style-type: none"> • <i>Formal ex-ante frameworks for sub-national debt resolution</i> <p>Teresa Ter-Minassian, International Economic and Fiscal Policy Expert (former Director of IMF Fiscal Affairs Department) (20 min)</p> <p>Moderator: Hefrizal Handra, Head of Economics Department, Faculty of Economics, Andalas University, Padang-Indonesia and Vice Chairman of Finance Minister's Assistant Team on Fiscal Decentralization Policies, Indonesia</p> <p>Country Response</p> <ul style="list-style-type: none"> • Verónica Chávez, Counselor, Vice Minister of Finance, Ecuador (20 min) • Gonzalo Neyra, Directorate General of Fiscal Decentralization and Social Affairs, Perú (20 min) • Marcos Holanda, Professor, Ceará Federal University, Brazil (20 min) <p>Roundtable Dialogue (20 min)</p>
12:40 - 14:30	LUNCH
14:30 - 16:30	<p>SESSION V: DESIGN AND MANAGEMENT OF DECENTRALIZED REVENUES AND TRANSFERS</p> <p><i>This session will examine economic, political and institutional factors in shaping sub-national revenue systems, focusing in particular on:</i></p> <ul style="list-style-type: none"> • <i>the benefits of own revenue mobilization in terms of fiscal responsibility and local political accountability</i> • <i>main economic impediments to it (differences in revenue-raising capacities; efficiency considerations)</i> • <i>main political obstacles to revenue devolution and sub-national fiscal effort</i> • <i>institutional constraints</i> • <i>the role of intergovernmental transfers in promoting sub-national revenue effort and equalizing sub-national revenue capacities</i> • <i>the role of vertical and horizontal cooperation in strengthening sub-national revenues</i> <p>Teresa Ter-Minassian, International Economic and Fiscal Policy Expert (former Director of IMF Fiscal Affairs Department) (20 min)</p> <p>Moderator: Herman Von Gersdorff, Deputy Director of Rationalization, Budgeting Office, Chile</p> <p>Country Response</p> <ul style="list-style-type: none"> • Dr. Zhikai Wang, Professor, School of Economics, Zhejiang University, China (20 min) • Alessandra Gallio, Third Counselor, Municipality of Guatemala (20 min) • Luis Fernando Villota, Deputy Director, Territorial Institutional Strengthening, Ministry of Finance, Colombia (20 min) • Gabriel Farfan, Resource Director, Undersecretary of Finance, Secretary of Finance and Public Credit, Mexico (20 min) <p>Roundtable Dialogue (20 min)</p>
16:30 - 16:50	COFFEE BREAK

16:50 - 18:00	SESSION VI: WORKING GROUP SESSION Moderator : Axel Radics, Fiscal and Municipal Specialist, IADB Group I : Decentralization Challenges at Sub national level Group II : Decentralization Challenges at National level Group III : Service Delivery Group IV : Subnational Investment Systems Plenary discussions
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DAY 3: Wednesday, May 22, 2013

Time	Session
09:00 - 11:00	SESSION VII : DESIGN AND MANAGEMENT DECENTRALIZED SPENDING AND TRANSFER <i>This session will focus on how to maximize efficiency gains from expenditure decentralization, in particular:</i> <ul style="list-style-type: none"> • minimizing duplication and overlaps in expenditure assignments across levels of government • reducing disparities in the delivery of essential public services; role of minimum standards • strengthening sub-national capacity to manage own spending responsibility • strengthening transparency and accountability mechanisms, including appropriate indicators of effectiveness of sub-national spending programs • political economy influences on expenditure performance of sub-national governments; • the role of equalization transfers and use of special-purpose intergovernmental grants, for improving subnational outcomes Gustavo García, Fiscal and Municipal Development Economist – Principal Specialist, IFD/FMM , IADB (20 min) Moderator: Abdul Wajid Rana, Member of the Federal Public Service Commission, Pakistan (Former Federal Finance Secretary, Ministry of Finance) Country Response <ul style="list-style-type: none"> • Hefrizal Handra, Head of Economics Department, Faculty of Economics, Andalas University, Padang-Indonesia and Vice Chairman of Finance Minister's Assistant Team on Fiscal Decentralization Policies, Indonesia (20 min) • Dr. Rosario Manasan, Senior Research Fellow, Philippine Institute for Development Studies (20 min) • Edgar Amador, Finance Secretary, Federal District, Mexico (20 min) • Hermann Von Gersdorff, Deputy Director of Rationalization, Budgeting Office, Chile (20 min) Roundtable Dialogue (20 min)
11:00 - 11:20	COFFEE BREAK

11:20 - 12:00	<p>SESSION VIII: MFDR SUBNATIONAL EVALUATION TOOL</p> <p><i>This session will examine the tool used in LAC to assess the implementation of MfDR process at state and municipality level and the possibility to apply in some Asian countries.</i></p> <ul style="list-style-type: none"> • Roberto Garcia Lopez, Executive Secretary, CoPLAC-MfDR, (20 min) <p>Roundtable Dialogue (20 min)</p>
12:00 - 14:00	LUNCH
14:00 - 15:30	<p>SESSION IX: WORKING GROUP SESSION</p> <p>Moderator : Axel Radics, Fiscal and Municipal Development Specialist, IADB</p> <p>Group I : Design and Management of Decentralized Revenues and Transfer</p> <p>Group II : Design and Management of Decentralized Spending</p> <p>Group III : Multi subnational investment coordination</p> <p>Plenary discussions</p>
15:30 - 16:30	<p>CLOSING PANEL AND WRAP UP</p> <p><i>This session will summarize key lessons on decentralization and its impact on central finance authorities, expenditure management and revenue management. It will identify challenges and opportunities of decentralization reform and areas that international donor partners can support.</i></p> <p>Moderator: Teresa Ter-Minassian</p> <ul style="list-style-type: none"> • Luis Fernando Villota, Deputy Director, Territorial Institutional Strengthening, Ministry of Finance, Colombia • Roberto Gallardo, Minister of Planning, Costa Rica • Indira Rajaraman, Member, Central Board of Reserve Bank of India • Hefrizal Handra, Head of Economics Department, Faculty of Economics, Andalas University, Padang-Indonesia and Vice Chairman of Finance Minister's Assistant Team on Fiscal Decentralization Policies, Indonesia
	DINNER AT HACIENDA LOS MORALES AT 7:30 PM

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SPEAKERS BIOGRAPHIES

FARZANA AHMED, is Lead Results Management Specialist of the Strategy and Policy Department of ADB. She joined the department in July 2009.

She is also the Principal Coordinator of the Secretariat of the ADB member country based Asia Pacific Community of Practice on Managing for Development results (APCoP). In her current role, Ms. Ahmed coordinates support for APCoP activities at the regional and country level working together with the APCoP coordinating committee and ADB operations.

Ms. Ahmed started her career in ADB in 1998 in the Budget Division. Following that, she held positions in the Southeast Asia Department of ADB working on portfolio management in the office of the Director General and then in financial management at the Indonesia Country office. While in Indonesia, Ms. Ahmed was seconded to the Australian Agency for International Development where she developed programs for the post Tsunami rehabilitation of Aceh and coordinated the Australia-Indonesia country strategy paper. Before joining ADB, Ms. Ahmed worked in various financial positions in the private sector in UK, Europe and Australia. Bangladeshi by origin, Ms. Ahmed holds a Masters degree in Economics and Politics from Oxford University, UK, and is a qualified chartered accountant.

VICENTE FRETES CIBILS, A native of Argentina, completed his undergraduate work at the Universidad Nacional del Nordeste, in Argentina, and subsequently pursued postgraduate studies at the University of Pennsylvania and North Carolina State University, where he received, respectively, a master's degree in business administration and a PhD in economics. Following his university studies, he joined the World Bank in 1987 through the Bank's Young Professionals Program. Following stints in the Bank's Office of the Vice President for Europe and the Middle East and its Treasury Department, he served from 1988 to 1992 as Economist in the Office of the Vice President for West Africa Operations. Later, from 1992 to 1996, he served as Chief Economist in the Department of Operations for Andean Countries, supervising adjustment programs and heading up economic and analytical missions to Bolivia. From 1996 to 2002, Mr. Fretes-Cibils served as Senior Economist for República Bolivariana de Venezuela, and subsequently for Colombia and Mexico. From 2002 to 2007 he was Lead Economist in the Poverty Reduction and Economic Management sector for the Andean Countries Department (Bolivia, Ecuador, Peru and República Bolivariana de Venezuela). He joined the Inter-American Development Bank (IADB) in 2007, and is currently a Division Chief of Fiscal and Municipal Management, of the Sector of Institutions for Development. Additionally, he has taught at Argentina's Universidad Nacional del Nordeste and at North Carolina State University, and has published numerous works addressing topics in finance, applied econometrics, public finance, international economics, and economic development.

AXEL RADICS is Fiscal and Municipal Development Specialist at the IADB Country Office in Lima, Peru, where he coordinates the Bank's agenda on decentralization, fiscal reform and urban development in Peru. Previously Axel worked at IADB's Office of Evaluation and Oversight in Washington, DC, evaluating interventions in the areas of decentralization, fiscal and State reform. He was consultant at the Public Sector Group for Latin America and the Caribbean at the World Bank. In Argentina he coordinated a program of fiscal transparency and the national initiative for E-Government, and he was researcher on decentralization, fiscal and State reform issues at CIPPEC and CEDI think-tanks. Axel is Bachelor of Arts and Magister in Economics from University of San Andrés (Argentina), Magister in Public Policy from Harvard's Kennedy School of Government,

and PhD in Public Policy from the University of Maryland, College Park. He has authored a number of publications referred to the analysis of public policies, with focus on decentralization, fiscal and State reform.

TERESA TER-MINASSIAN, is currently an international economic consultant, working in particular with the Inter-American Development Bank on fiscal issues in Latin America. She holds degrees in Law from the University of Rome (Italy) and in Economics from Harvard University. She joined the IMF in 1972, working in the European (EUR), Western Hemisphere (WHD) and Fiscal Affairs (FAD) Departments. Her IMF career included:

- Leading IMF missions to Italy, Spain, Portugal and Greece (1980-88)
- Heading the IMF Task Force for the G7-commissioned first official study of the Soviet Union economy (1990)
- Leading IMF negotiations with Brazil and Argentina in 1997-2000
- Director of the IMF's Fiscal Affairs Department from 2001 to 2008.

Mrs. Ter-Minassian has published more than 40 papers on fiscal issues, especially in the macro-fiscal and intergovernmental fiscal relations areas, and the following books: Promoting Fiscal Discipline (co-editor with M. Kumar), IMF, 2007; Fiscal Policy and Economic Reform (co-editor with M. Blejer), Routledge, UK, 1997; Macroeconomic Dimensions of Public Finance (co-editor with Mr. Blejer), Routledge, UK, 1997; and Fiscal Federalism in Theory and Practice (editor, and author of Chapters 1, 7, and 18), IMF, September 1997.

GUSTAVO GARCIA is the Principal Fiscal Economist and Coordinator of the Fiscal Area of the Fiscal and Municipal Management Division (FMM), Institutions for Development Department (IFD) of the Inter-American Development Bank (IADB). He did his doctoral studies in Economics at Boston University, 1983-1986 and earned also a Master in Economics at the same university in 1985. He graduated as Economist at the Venezuelan Central University in 1979. Before joining the IADB, he was a Professor of Economics and Finance at the Institute of Graduate Studies in Business Administration (IESA) in Caracas, Venezuela. He was also a Visiting Professor (Andrés Bello Fellowship) at St. Antony's College at Oxford University, from September 2005 to December 2006. He was Director and Founder of the Office of Economic and Financial Analysis to the National Congress of Venezuela, between February 1997 and February 2000 and Principal Senior Economic and Financial Advisor to the Minister of Finance, Venezuela between 1992 and 1993. He was also Director of Financial and Economic Policy Division of the Ministry of Planning of Venezuela between 1986 and 1987. He also worked as economist at the International Monetary Fund, Washington D.C., between 1988 and 1992.

ROBERTO GARCÍA LÓPEZ Works since 2009 as Executive Secretary of the Latin America and the Caribbean Community of Practice on Managing for Development Results (CoPLAC-MfDR) at the Institutions for Development Sector in the Inter-American Development Bank. He was the Coordinator of PRODEV in the same institution from 2005 to 2011.

He has over 30 years of professional experience in the area of economic development, with extensive experience in planning and national strategies, budget and financial management, and formulation and evaluation of programs and projects of public and private investment.

From 1991 to 2000, he served as Country Economist, Team Leader on public management projects, and Alternate Executive Director at the Inter-American Development Bank for Argentina and Haiti.

He was *Executive Director* at the World Bank for Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay.

He has held various positions in the civil service in Argentina including Undersecretary of Finance, Undersecretary for Planning, Budget Director, and Director of Public Investment.

Teaching at the University of Buenos Aires, Universidad Argentina de la Empresa, Universidad de Belgrano. Consultant to the IDB, World Bank, OAS and UNDP.

MA in Economics from the University of Buenos Aires, with postgraduate studies in various areas, including fiscal decentralization at Harvard University, International Finance at the University of Tokyo, Japan Eximbank and Planning at the University of Cordoba.