
Public Expenditure Management in Small Developing Economies

by

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at the **University of the South Pacific**



Preliminaries

Purpose of the course

This course is intended for two audiences :

- (i) students in a graduate program on “Governance”, such as the one recently established at the University of the South Pacific, and
- (ii) members of the civil service of the State in small developing economies.

The purpose is to bring the attendees to such a degree of knowledge on the management of public expenditure that they could effectively participate in the budgetary process, with a correct understanding of the upstream and downstream issues and processes from the position they might be in.

The course focuses on the basic managerial public finance, illustrating them in the context of small developing economies (SDEs). It is sufficient for attendants of both categories to have an elementary knowledge of what the economy of a country consists of, corresponding to the contents of a standard principles textbook. No analytics whatsoever are required. The course is elementary also in its description of the budgetary process: the purpose is indeed to *initiate* the reader to its main components, from an economic point of view and under normal circumstances, not to present a comprehensive coverage of the many problems and deviations that this process may give rise to¹.

In particular, the course is not conceived of as training material for IMF fiscal economists on the verge of going on mission to some country. It is destined, instead, to the current and future civil servants of the so visited countries, for them to see and learn about the overall architecture of the institutions and processes they work and will work in.

The handling of the case does require some familiarity with computer spreadsheets, *e.g.* of the Excel type.

Format:

The material for the course comprises three elements:

- a text of lecture notes of general character, dealing mainly with concepts and principles.
- a “case study” bearing on a specific (fictitious) country, serving as an example to show (among others through numerical exercises) how the contents of the textbook can be applied.
- a DVD presentation, designed to help individual study and/or accompany a tutored offering of the course by an instructor.

It is advised that students of the course be given access to the *GFS Yearbook 2002* of the IMF for occasional consultation.

¹ Knowledge of public sector accounting is not essential to understand the present course, but taking a parallel course on that subject would be an ideal complement.

Preliminaries



About the Authors

Henry Tulkens, Professor of Economics and Public Finance at Université Catholique de Louvain, Belgium, has experience of long standing in teaching public finance, both institutional and analytic, in various universities in Europe and in North America. He has served as a visiting scholar at the Fiscal Affairs Department of the IMF.

Anne Morant, Public Financial Management Advisor at the Pacific Financial Technical Assistance Centre (PFTAC) of the IMF in Suva, Fiji, has close to twenty years experience in the Australian Government, specializing in public finance. More recently, three years mission in Timor Leste in the newly established Ministry of Finance and short term assignment to the Solomon Islands extended this experience to small developing economies.

Luc Leruth, Project Coordinator at the Pacific Financial Technical Assistance Centre (PFTAC) in Suva, Fiji, is IMF Staff. He has accumulated thirteen years of experience with Public Expenditure Management, through fiscal missions and residential assignments in several developing economies of Africa, Asia, and the Pacific.

About PFTAC

The Pacific Financial Technical Assistance Centre (PFTAC) located in Suva, Fiji is a regional technical assistance institution operated by the IMF with financial support of the Asian Development Bank, Australia, Japan and New Zealand. The Centre's aim is to build skills and institutional capacity for effective economic and financial management that can be sustained at the national level. Member countries are: Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, and Vanuatu.

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