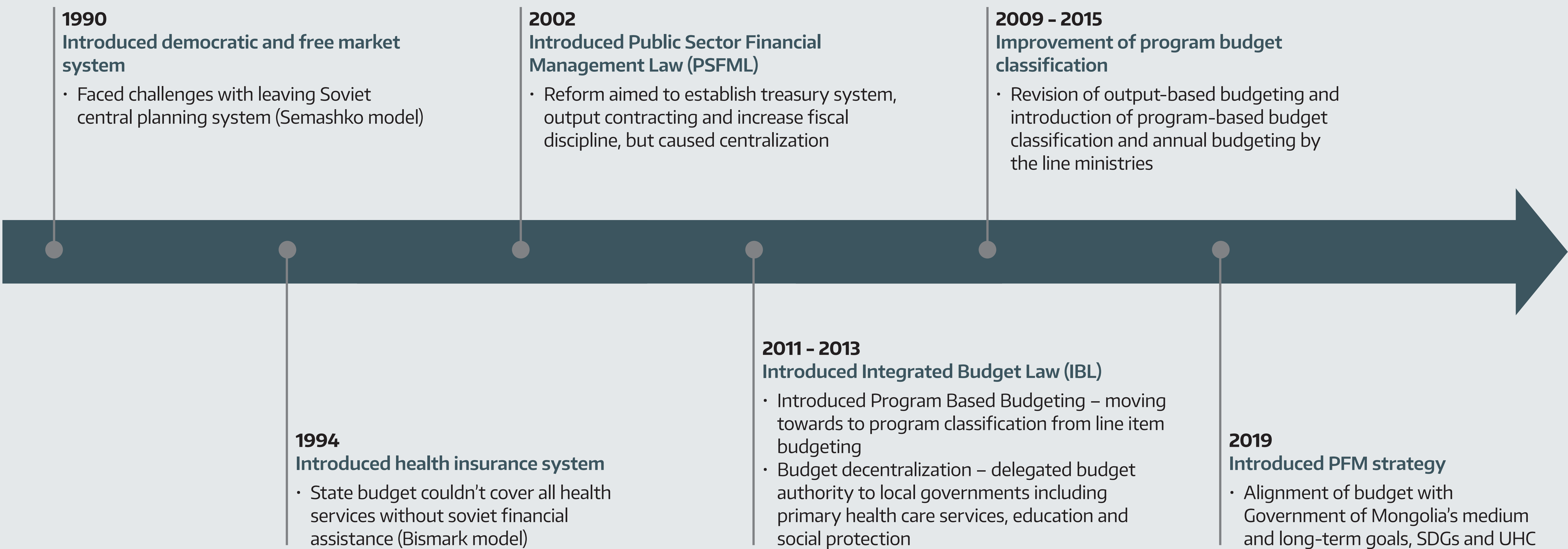




PROGRAMME-BASED BUDGETING FOR HEALTH

HISTORY OF THE TRANSITION TO THE PROGRAM BUDGET IN MONGOLIA



KEY OUTPUTS

- Support to health sector to better link operational budgets to long-term policy objectives
- Improved national health programmes to match budget law requirements for funding
- Support to increased allocation to primary health care (capitation tariffs, costing, DRG)
- Introduced medium-term budget forecasting model, and building capacity of sector planning and budgeting staff in costing, budgeting, strategic planning
- Support to develop an SDG focused monitoring framework
- Since 2013, output delivery agreements concluded with budget managers specifying performance framework linked to outputs and program specific targets

MOVING FORWARD

- MTFF should be utilized more as a tool to strengthen medium-term budgeting, and in that approach strengthen further strategic resource allocation.
- Budget program structure should be redesigned to better match with sector policies and GoM's desire to move towards “Budgeting for SDGs”.
- Service delivery agreements could have a cross-sectoral and SDG view to strengthen health outcomes by leveraging health-related outputs in other sectors (e.g. Water and Sanitation, Education, urban planning, infrastructure)

REMAINING CHALLENGES

- No national methodology for medium term planning that links to MTFF process; process for developing programmes and policies still not aligned with long-term policy objectives
- MOF and MOH budget classifications and programme coding structures not aligned
- Insufficient allocation for preventive health services or primary health care, with difficulty transferring across programmes
- Unreasonable costing of investments and recurrent expenditures in the short to the medium term (e.g. national programmes proposed for 2020 funding without appropriate costing)
- Implementation delayed by underlying systemic issues strongly influencing pace of change with capacity gaps in leadership, strategic planning and budgeting
- Significant structural challenges in introducing performance-based funding mechanisms
- No change in expenditure management; providers still receive funds by inputs

GOVERNMENT HEALTH BUDGET BY PROGRAM BUDGET CLASSIFICATION

Programs	2012	2014	2015	2016	2017	2018
Public health	11%	13%	10%	9%	10%	10%
Hospital services	78%	80%	89%	81%	82%	82%
Health administration and information	10%	8%	8%	18%	17%	17%
Physical training and sports	0%	0%	3%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%

Source: Ministry of Health (Mongolia), 2018

Keith, A. & Ankhbayar, B., 2019. Linking Operational budgeting to long-term planning - MOH Pilot project report, Ulaanbaatar, Mongolia: MoH, MoF, ADB.