Accountability for (health) budgets

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What is budget accountability?

» Accountability is about being answerable for one's role or commitments, including an idea of sanctions

» Budget accountability is answerability for budget activity…

» …which includes everything from **budget formulation to implementation and review**
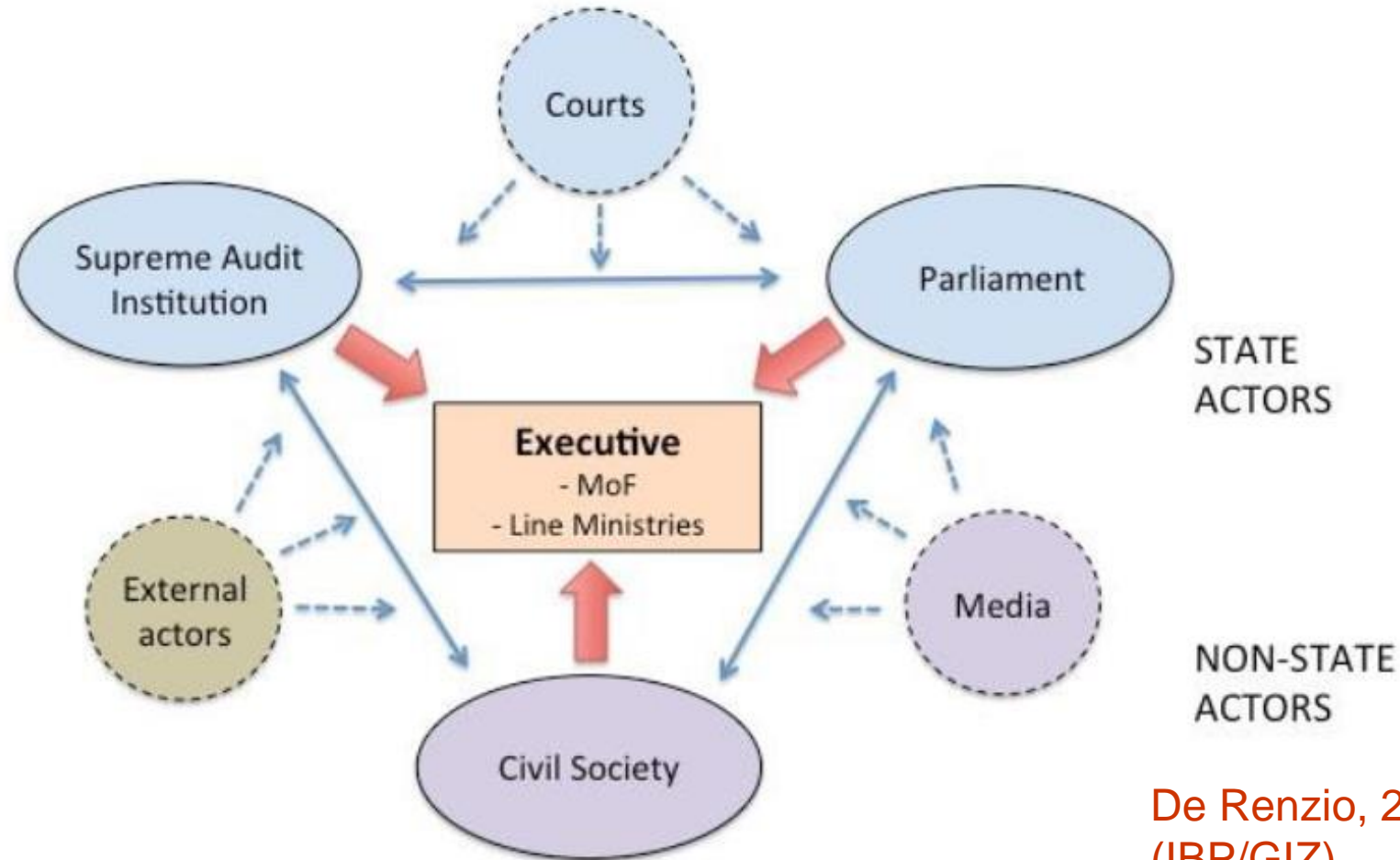
Accountability across the budget cycle

» Formulation: accountability for choosing priorities that are in line with policies, commitments and public needs

» Implementation: accountability for using resources as approved in budget law

» Review: accountability for complying with financial laws and procedures…and value for money

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What does budget accountability require?

Accountability is systemic ("accountability system") and involves three areas:

» Transparency

» Oversight by formal actors, like legislatures and auditors (horizontal)

» Public participation in government decision-making and oversight (vertical)

» Participation can be direct/indirect and formal/informal

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FIGURE 2. THE BUDGET ACCOUNTABILITY ECOSYSTEM

De Renzio, 2016
(IBP/GIZ)

Transparency of what (and for whom)?

» Transparent links between health policies/plans and the budget

» Transparent data on financial and nonfinancial performance (e.g., budget for drugs, and drugs)

» Transparent justifications for deviations from agreed spending on health priorities

» What do legislators and citizens need to know?

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Oversight and …………………………………… Participation

» Oversight is extent to which legislatures and auditors play their roles

» Legislators should review budgets at approval and execution

» Auditors review execution and table reports in legislature

» All institutions have a role to play in engaging public

» Deliberation, hearing, written submissions

» Should be inclusive

» Informal participation/media equally important

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Global Challenges To Transparency, Oversight and Participation

» Around the world, countries make less than half of "good practice" standard budget information available

» In 2/3 of countries, the executive is able to change the budget during implementation without legislative approval

» In nearly 50% of countries, the legislature does not examine the Audit Report on the annual budget

» Just over half of legislatures hold public hearings on the budget, but less than 1 out of 6 provide feedback to public

» Participation is not inclusive: executives rarely reach out to vulnerable groups that depend on public spending

What's health got to do with it?

» Globally, most countries provide more data on budget formulation than execution across sectors, including health

» Reporting back on donor fund execution is often particularly poor

» When countries do report back, they often report on expenditure items that do not match their health programs at allocation

» Less than 1 in 3 countries provide comprehensive information on transfers to state corporations like state health insurance funds

» When governments underspend health budgets, they do not provide justifications for doing so…

» …nor do they explain implications for service delivery

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The challenge of accountability for nonfinancial performance

» Shift toward program and performance budgets…

» But use of performance information is challenging globally

» Systemic factors: weak transparency, legislative oversight

» And…lack of credible theory of change behind indicators (logical framework)

» And…performance indicators are often inconsistent across sources/documents and lack ownership

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Toward greater budget accountability

» Greater budget transparency and tightened standards esp. on state corporations, budget execution

» Enhanced role, capacity and power of oversight actors

» Increased public engagement: Formal public participation in budgeting remains limited globally; informal activism is essential

» Can public engage in setting of performance targets (e.g. Mexico) to build quality and ownership?

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Thank you

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