

Argentina: Budget Credibility and the Sustainable Development Goals

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Introduction

To turn their plans and commitments toward the Sustainable Development Goals (SDGs) into actions, governments must ensure that the budgets they allocate toward the SDGs are properly executed. Many countries face challenges in meeting their planned annual expenditure and revenue targets, resulting in shortfalls and compromising their governments' budget credibility. This challenge is acknowledged in SDG indicator 16.6.1, which measures actual government spending in comparison to approved budgets.

Where there are gaps between planned and actual expenditures, these can owe to high and persistent levels of inflation, which are often underestimated in approved budgets. In Argentina, runaway inflation has prompted significant budget modifications,¹ with percentages that, between 2018 and 2020, fluctuated between 14 and 44 annual percentage points over the total budget. With that as context, this report examines budget credibility trends in seven sectors related to ten SDGs, analyzing the differences between Argentina's approved and executed budgets in 2018, 2019, and 2020. It also compares these spending patterns with the country's progress in achieving the SDGs, as shown by Argentina's results in the 2021 Sustainable Development Report.

The analysis found no evidence demonstrating that the Government of Argentina is prioritizing resource allocation toward sectors where more progress is needed to achieve the SDGs, except for in the cases of social protection, gender, and health. Data on the health sector, in particular, reflects a 2020 legislative delegation on budget reallocations, which empowered the national executive to easily transfer resources from non-priority budget items to slow the spread of COVID-19.

How this report is organized

This report is divided into seven sections:

Section 1 provides an overview of Argentina's commitment to the SDGs in the establishment of national priorities.

Section 2 describes the background of budget credibility in the country and explains the current legislation on the matter.

Section 3 presents the data sources and provides an analysis of budget execution in six priority sectors.

¹ Most of the goals set for matters of inflation, growth or GDP decline, deficit, and dollar exchange rate in the annual budgets were not met from 2012 to 2021. See: Chequeado, "Expectativa vs. realidad: las principales metas económicas de los últimos 10 presupuestos fueron incumplidas" [Expectation vs. Reality: The Main Economic Goals of the Past 10 Budgets Were Not Met], available at <https://chequeado.com/el-explicador/expectativa-vs-realidad-las-principales-metas-economicas-de-los-ultimos-10-presupuestos-fueron-incumplidas/>

Section 4 further explores how the COVID-19 pandemic affected spending patterns in 2020.

Section 5 examines spending on gender at the national level.

Section 6 describes the limitations of the data used to draft this report.

Section 7 contains conclusions and recommendations.

Section 1. Description of the Country

Status and Progress on SDG Target Achievement

Argentina has demonstrated a commitment to incorporating the 2030 Agenda into the design of public strategies and programs, adapting goals and producing monitoring tools for complying with the 2030 Agenda. In 2016, the National Council for the Coordination of Social Policies² (CNCPS, for its Spanish initials) was designated as a focal point in charge of coordinating the adaptation to the national context.

In April 2016, the CNCPS called for the formation of the National Inter-Institutional Commission for the Implementation and Monitoring of the SDGs (CNIIS-ODS, for its Spanish initials). Within the framework of this commission, 24 ministries and agencies of the centralized National Public Administration reviewed their proposed priorities, adjusted their targets to the national priority, and began selecting relevant and feasible follow-up indicators based on those of the global monitoring framework.

In mid-2017, the Chief of the Cabinet of Ministers began identifying and linking budget programs and activities with the SDG targets assumed by Argentina. In an initial stage, work was done on linking the budget with the six SDG targets selected by the United Nations High-Level Political

Forum in 2018, focusing on the “[t]ransformation toward sustainable and resilient societies.” This linking was incorporated into the 2018 Country Report, and it therefore included the budget analysis and monitoring for these six SDG targets. In a second stage, finalized in mid-2019, work was done on identifying and linking the 11 remaining SDGs for each year since 2016. For the first six SDGs, the implemented expenditures were updated, and the initial 2019 budget was incorporated.

In 2018, 80 targets were defined, 65 of which were adopted, and 15 were adapted and aligned with the national policies and priorities. These prioritized targets were associated with different interventions in public programs and policies that are linked to the budget. The steps to link the SDGs with the national budget are presented below.

For the SDG budget implementation report and functional classification, two documents were published that present relevant information: the report Vinculación de los Objetivos de Desarrollo Sostenible con el Presupuesto Nacional [Linking the Sustainable Development Goals to the National Budget], from July 2018, and

² See: <https://www.argentina.gob.ar/politicassociales/ods>

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the report *Implementación de la Agenda 2030* [Implementing the 2030 Agenda]. Subsequently, the report *Vinculación de los Objetivos de Desarrollo Sostenible y el Presupuesto de la Administración Pública Nacional* [Linking the Sustainable Development Goals to the National Public Administration's Budget] was published in November 2019. It is important to stress that the databases used for all the information presented in these reports are not publicly available (see Section 6).

In June 2020, the CNCPS called for the reconfiguration of the National Inter-Institutional Commission for the Implementation and Monitoring of the SDGs, maintaining the requirement of two staff members per agency—one with a political profile and one with a technical profile (preferably in sectoral statistics). This was intended to provide political leadership and decision making in the review of the SDG targets and when setting the intermediary and final targets of the indicators as well as to ensure

the incorporation of a solid focus in matters of statistical measurement. In 2017, Argentina developed its *Primer Informe Voluntario Nacional* [First National Voluntary Report] within the CNISS-ODS framework. Argentina's *Segundo Informe Voluntario Nacional* [Second National Voluntary Report], conducted in 2020, mentions SDG 16.6.1; however the data does not match what is in the global 16.6.1 database. The 2020 VNR reported values of 25.1 percent for 2016 and 6.1 percent for 2018, while the SDG database reported budget execution rate of 135 percent and 108 percent for those same years.

Section 2. Background on Budget Credibility of the Country, Legal Caps, and Limitations to Restructuring

Budget credibility refers to a government's ability to achieve its expenditure and revenue targets during a given fiscal year.

During the periods analyzed in this report, the caps on permitted modifications to the total approved amount for each budget were different: from five percent in 2018 to 7.5 percent in 2019, and unlimited when dealing with matters specifically tied to the pandemic in 2020 (see Section 4). In Argentina, the Law on Finance Administration N° 24.156 (Article 37) establishes that decisions affecting the total budget, foreseen debt, reserved expenditures, and intelligence are reserved for the Congress. It also stipulates that the Chief of the Cabinet of Ministers may call for budget restructuring within the total approved budget, but this may not exceed five percent of the total amount approved by each budget law or 15 percent of the amount approved for a purpose.

During the 2017 fiscal year, Law N° 27.342 increased the amount that could be restructured from five percent to 7.5 percent of the total approved amount for each budget law due to "the exceptional nature of the economic situation." In 2020, in addition to extending the 2019 budget, the Need and Urgency Decree (DNU) 457/2020 was approved, suspending the Chief of the Cabinet of Ministers' budget restructuring limits and authorizing dependents of the executive

branch to carry out budgetary changes usually reserved by law to Congress. These budgetary changes were deemed necessary for the public health emergency as dictated in DNU 260/2020. The decree also authorized the executive branch to reassign funds corresponding to the implementation of intelligence actions to reinforce "nutritional, educational, and health" matters, and it stipulated increases for social security and early childhood programs, among others.

Over the past three years, Argentina has tended to overspend its budget. As seen in the table below, even in years with operational limitations, the restructuring percentages were higher than those that were legally regulated.

Law N° 24.156 also regulates that the budget restructuring carried out by the Chief of the Cabinet of Ministers must be duly reported to the congressional budget and tax commissions, specifying the amounts, spending aims, physical targets, and modified programs. Moreover, it establishes that the national executive branch may authorize expenses not included in the law on general budget in order to provide immediate government aid in cases of epidemics, floods, earthquakes, or other events that could be considered force majeure.

In its quarterly reports on physical-financial

monitoring³ and in its investment account,⁴ the executive branch includes narrative information about the reasons for some of the financial and physical modifications, but with a level of detail that is inadequate for understanding all the restructuring. At the same time, the

Congressional Budget Office⁵ publishes monthly reports analyzing the norms that provide for budget modifications, which allows for exhaustive monitoring of national public spending and the changes it undergoes throughout the fiscal year.

Year	Initial budget	Current budget	Executed budget	Legal limit for restructuring the total budget	Executed expenditures (real) variances	Current expenditure variances
2018	2,878,796.32	3,379,235.01	3,298,979.47	5%	15%	15%
2019	4,172,312.24	4,928,184.40	4,762,089.42	7.5%	14%	15%
2020	4,860,071.53	7,762,600.65	7,001,429.33	Suspended	44%	38%

3 Available at: <https://www.economia.gob.ar/onp/evaluacion/2021#seguimiento>

4 Available at: <https://www.argentina.gob.ar/economia/sechacienda/cgn/cuentainversion>

5 Available at: <https://www.opc.gob.ar/categoria/modificaciones-presupuestarias/>

Section 3. Presentation of Data Sources and Budget Classification Process According to the Sectors Related to the SDGs and the Data on Countries' Progress on Achieving the SDG Targets

This section presents data sources, analyzes budget execution in seven priority sectors related to the SDGs, and assesses Argentina's progress in achieving those SDG targets. We found that, of the sectors analyzed, social protection had the highest share of spending in the budget for 2018-2020, with 51 percent of the total expenditure for the three-year period. The remaining sectors (gender, agriculture and food, education, environment, health, water and sanitation) represent less than eight percent of the total expenditure for the same period.

Despite the social protection sector holding such a large share of the budget, there are still significant challenges for its related SDG, Goal 10 on reducing inequalities. However, there is no information about the trends surrounding this goal, using the Sustainable Development Report for Argentina as a reference.⁶ Over the three-year period, the social protection sector overspent an average of 28.9 percent. The overspending in this sector grew from 9.4 percent in 2018 to 67.7 percent in 2020. Social protection's share of

spending in Argentina's budget also increased from 48 percent in 2018 to 56 percent in 2020.

The sector with the second-highest levels of spending for the three-year period was gender, representing three percent of the total budget. Argentina's gender sector overspent by an average of 27.5 percent between 2018-2020, increasing from 20.2 percent in 2018 and 2019 to 42.6 percent in 2020. The Sustainable Development Report lists SDG 5 on gender equality as "achieved" and on track to "maintaining SDG achievement." Gender's share of spending stayed stable over the three-year period, with a minimum of three percent in 2018 and a maximum of four percent in 2020.

The food and agriculture sector (related to Goal 2: Zero Hunger) accounted for the third-highest spending, representing 1.5 percent of the budget for 2018-2020. Major challenges remain for Argentina to achieve SDG 2. The country's accompanying Sustainable Development Report score is reported to be moderately improving, though it remains insufficient to attain the goal.

⁶ See: <https://dashboards.sdindex.org/profiles/argentina>

The food and agriculture budget overspent by 101.5 percent on average for the entire period, from eight percent in 2018, to 54 percent in 2019, and 241 percent in 2020. In turn, the sector's share of total spending increased from one percent in 2018 to two percent in 2020.

The education sector (related to Goal 4: Quality Education) represents 1.4 percent of total budget expenditure for the period. Challenges remain, but there is a trend toward achieving the related SDG goal. On average, the education sector was underspent by 0.2 percent, with the budget being overspent by 5.7 percent in 2018 and 3.4 percent in 2019 and underspent by 9.6 percent in 2020. The sector's share of total expenditures also decreased from 1.1 percent in 2018 to 0.4 percent in 2020. On an administrative level, the Ministry of Education, Culture, Science, and Technology was entirely in charge of the execution.

The health sector (related to Goal 3: Health and Well-Being) holds 1.14 percent of the total budget. Significant challenges remain to achieving Goal 3, though the situation is moderately improving. The sector's share of total expenditure remained stable at around one percent. The average overspending for the health sector was 35 percent; however, the percentage varied between 15.5 percent in 2019 and 72 percent in 2020. The Ministry of Health (formerly the Government Secretariat of Health) was exclusively in charge of the execution. This quantitative leap in 2020 reflects an increase in public health policies to face the COVID-19 pandemic (see Section 4).

Expenditure in the water and sanitation sector (related to Goal 6: Clean Water and Sanitation) represented one percent of total spending for 2018–2020, with significant challenges remaining

to achieve SDG 6. Average overspending for the water and sanitation sector during the 2018–2020 period was 54.7 percent, increasing from an underspending of 8.6 percent in 2018 to an overspending of 51.4 percent in 2019 and 121.3 percent in 2020. The divisions in charge of executing this sector's budget were the Ministry of the Interior, Public Works, and Housing (including AySA in 2018) and the Matanza Riachuelo Basin

Despite the social protection sector holding such a large share of the budget, there are still significant challenges for its related SDG, Goal 10 on reducing inequalities

Authority (ACUMAR, for its Spanish initials). Accounting for 0.05 percent of the budget, the environment sector (related to Goal 13: Climate Action, Goal 14: Life Below Water, and Goal 15: Life on Land) represents the lowest proportion of total spending of the sectors analyzed. The average deviation was 14.8 percent for the three-year period, with 31.5 percent overspending in 2018, 21.6 percent overspending in 2019, and 8.8 percent underspending in 2020. Significant challenges to achieving Goal 13 on Climate Action remain, while moderate improvement and major challenges remain for Goal 14 and Goal 15, both of which are trending toward stagnation. On an administrative level, the Government Secretariat of Environment and Sustainable Development

(in 2018, the Ministry of the Environment) was mainly in charge of execution, with secondary involvement from the Government Secretariat of Science, Technology, and Productive Innovation. The Fundación Ambiente y Recursos Naturales (FARN, Environment and Natural Resources Foundation)⁷ report analysis shows evidence that

state investment in environmental matters is mainly geared at budget items that conflict with caring for the environment.

The following table summarizes on each sector's performance against its respective SDG.

Sector	Related SDG(s)	Progress from the SDG index	Trends from the SDG index	Proportion of total spending (average)	Budget variance (average)
Agriculture and Food	Goal 2: Zero Hunger	Major challenges remain	Moderately improving	2%	101%
Education	Goal 4: Quality Education	Challenges remain	On track or maintaining SDG achievement	1%	0%
Environment	Goal 13: Climate Action	Significant challenges remain	Moderately improving	0.05%	15%
	Goal 14: Life Below Water	Major challenges remain	Stagnating		
	Goal 15: Life on Land	Major challenges remain	Stagnating		
Gender	Goal 5: Gender Equality	SDG achieved	On track or maintaining SDG achievement	3%	27%
Health	Goal 3: Good Health and Well-Being	Significant challenges remain	Moderately improving	1%	35%
Social Protection	Goal 1: No Poverty	Challenges remain	Moderately improving	51%	29%
	Goal 10: Reduced Inequalities	Major challenges remain	Trend information unavailable		
Water and Sanitation	Goal 6: Clean Water and Sanitation	Significant challenges remain	Moderately improving	1%	55%

7 See FARN, 2021. "El 2021 nos trajo un presupuesto. Alerta de spoiler: nada ha cambiado." [2021 Brought Us a Budget. Spoiler Alert: Nothing Has Changed], available at https://farn.org.ar/wp-content/uploads/2021/02/DOC_PRESU_2021_links.pdf. The analysis finds that items that are compatible with caring for the environment represent 0.5% of the budget expenses for 2021, while those that conflict reach 8.2%. See also ACIJ-FARN, 2021. "Ambiente y presupuesto. Análisis de las partidas vinculadas con la energía y los bienes naturales para el año 2022" [Environment and Budget. Analysis of the Items Linked to Energy and Natural Goods for the Year 2022], available at <https://acij.org.ar/wp-content/uploads/2021/10/Ambiente-y-presupuesto.-Análisis-de-las-partidas-vinculadas-con-la-energía-y-los-bienes-naturales-para-el-año-2022.pdf>

Section 4. Discussion on the Impact of COVID-19 on the Country's Spending Patterns in 2020

The government introduced various policies to mitigate the health and economic impacts of COVID-19, starting with Decree N° 297/20, which ordered “preventative and obligatory social isolation” (ASPO, for its Spanish initials) in March. After the isolation order, the national government stipulated a series of health and economic measures to confront the pandemic including:

- Measures designed to reinforce the national health system.
- Measures to protect employment, sustaining jobs through financial assistance and tax relief for micro, small, and medium enterprises.
- Measures to protect income, especially for the most disadvantaged groups, and providing additional support to families with low income.
- Measures to ensure that the community can access basic services and key elements for their livelihood, such as food and medicine as well as credit relief measures for the payment of debts to guarantee access to essential services (water, electricity, gas, telephone, internet).

Measures to protect housing and support

community institutions, preventing people from becoming homeless and guaranteeing access to dignified housing for those who are homeless.

- Measures to reinforce policies on education, science, and technology.
- Measures to reinforce the budget for gender equality.
- Measures to increase budget items and create funds earmarked for the COVID-19 response.

Budget allocations increased considerably in 2020 from the original budget approved in 2019. Along with the change of administration and of government priorities, the budget was overspent by 44 percent compared to what had been originally approved before the pandemic.⁸

Looking at budget credibility patterns by sector during 2020, there was a major increase in deviations, with the food and agriculture sector overspending by 241 percent; the water and sanitation sector overspending by 121 percent; the social protection sector overspending by 68 percent, and the gender sector overspending by 43 percent. In all cases, the original budget was modified by the government of President

⁸ It is worth mentioning that, in 2020, the 2019 budget was extended and the Need and Urgency Decree (DNU) 457/2020 was approved, suspending enforcement of the limitations on budget restructuring and authorizing dependents of the executive branch to carry out budget changes that were necessary for the public health emergency as dictated in DNU 260/2020; these are changes that, by law, are reserved for the Congress.

Alberto Fernández, not only for COVID-19 actions but also for other government priorities such as social policies supporting people with fewer resources. On the other hand, the education and environmental sectors went from being overspent in 2018 and 2019 to underspent in 2020.

When observing the sectors' share of spending in the total budget, trends did not change too drastically from other years, with social protection representing the greatest proportion at 56 percent of the total budget. Equity and gender came next, with four percent, followed by agriculture and food at two percent and water and sanitation at one percent.

However, the social and economic vulnerability sparked by the public health emergency prompted a review of the SDG targets, as mentioned in the Segundo Informe Voluntario Nacional [Second National Voluntary Report] of 2020.

The analysis and monitoring of pandemic measures have been made easier by a website the country created to centralize information tied to such measures. On the site, the evolution of public spending can be followed more quickly because budget information on the current and executed accounts for all the national public administration programs have been updated and disaggregated using open data.

This information does not include data on physical targets, nor does it allow for knowing who the final beneficiaries of the resource transfers are. With the different documents that are created throughout the budget cycle, the priorities for managing resources and monitoring policy implementation can be understood. For this reason, budget transparency is fundamental for adequate accountability, especially when deploying public resources during an emergency.

The budget modifications that were implemented because of the pandemic were applied through administrative decisions that were published in the Official Bulletin, and the financial data are available at the official site of the Ministry of Economy using open data, which is updated daily, making it possible to monitor the supplemental funds that some of the budget programs received.

Section 5. Spending on Gender in the National Budget

Argentina employs a methodology to identify items in the national budget that tend to reduce gender and diversity gaps. As with other countries in Latin America and the world, the initiative resulted from raising awareness about the importance of these tools and of public resources to guarantee the rights of women and LGBTQI+ people by civil society, representatives of the legislative branch, and authorities from the executive branch. Together, these policy actors aim to prioritize the agendas of vulnerable groups, striving toward equality and adopting the 2030 Agenda as a guiding framework. On a national level, the National Institute for Women (INAM, for its Spanish initials) launched the Plan for Equality of Opportunities and Rights (PIOD, for its Spanish initials), in which it made a commitment to implement the Budget with a Gender Perspective (PPG, for its Spanish initials) Methodology.

To contextualize the progress previously made on this initiative, it is worth mentioning that, in 2015, civil society began to formally demand adequate and disaggregated information about the programs geared at promoting women's rights. In 2016, women's organizations detected that the 2017 draft budget reduced the funds allocated to the National Women's Council (at the time, the governing authority on gender

policies)—compared to the previous year's budget—and it did not assign any specific item to the National Action Plan for the Prevention, Assistance, and Eradication of Violence Against Women (PNA, for its Spanish initials), which—according to government announcements—needed 47 million pesos for its first year of execution. After a workday in Congress as part of the “2016 Budget and Rights Week,”⁹ various organizations reported this situation to the Budget and Taxation Commission and to the Commission for Family, Women, Children, and Adolescents of the Chamber of Deputies. In 2016, the budget that Congress voted on incorporated substantial changes that aligned with the organizations' recommendations, increasing the council's budget from \$96 million to \$116 million and adding a budget line specifically allocated to actions contemplated in the PNA for the sum of \$47 million. However, when the fiscal year began, the Chief of the Cabinet distributed the accounts, cutting 67 million. This decision, carried out by resorting to extraordinary and discretionary powers, rendered the budget that had been debated and approved in the Congress of the Nation ineffective. The organizations that promoted the allocation in Congress presented a lawsuit to declare the measure unconstitutional and to order the executive power to restore the

9 See: <https://acij.org.ar/presupuestoyderechos2016/>

budget items that had been illegitimately removed. As a result of widespread media coverage on this situation, in March 2017, the executive branch reinstated the wrongfully reallocated money.

In 2018, to identify public policies geared at reducing gender gaps, the National Budget Office (ONP, for its Spanish initials) of the Secretariat of Taxation and the National Directorate for the Coordination of the National Budget (DNCPN, for its Spanish initials) of the Chief of the Cabinet of Ministers began reviewing the programmatic structures of the National Administration's jurisdictions, initially identifying 23 activities with the PPG label. In line with these agendas, the ONP began to implement the budget item labeling methodology to develop the 2019 national budget. This methodology consists of identifying the programs, subprograms, plans, and projects whose objectives are geared at reducing gender inequality.

In 2019, 26 specific activities were identified within different budget programs, which were classified into two groups: The first represents policies with a direct impact on society, and the second draws on the National Administration's internal actions or those with an indirect impact (i.e. those that are carried out from within the jurisdictions, such as trainings, outreach, and the production of materials to raise awareness about gender equity).

The creation of the Ministry of Women, Genders, and Diversity of the Nation and of the National Directorate of Economy, Equality, and Gender (DNElyG, for its Spanish initials) within the Ministry of Economy of the Nation in December

2019 involved changing how these issues are addressed and prioritized, which led to a proposal to review the methodology and promote its in-depth development. Likewise, in October 2020, the gender and diversity agendas carried out by these bodies were institutionalized through the Inter-Ministerial Program for Budgeting with a Gender and Diversity Perspective (Joint Resolution 8/2020), which included the Ministry of the Economy of the Nation and the Chief of the Cabinet of Ministers. The program was presented at a day-long working session in the Casa Rosada, which was attended by the highest authorities from these three bodies.¹⁰

As part of the Inter-Ministerial Program, the Ministry of Women, Genders, and Diversity has the following functions:

- Participate in trainings and technical assistance for agencies on a national and subnational level to incorporate the gender and diversity perspective into all the budgetary phases
- In coordination with the DNElyG, the ONP, and the Undersecretariat of Budgetary Coordination, offer trainings to the General Administrative Offices (DGAs, for their Spanish initials) of national and subnational agencies and ministries on matters of budgeting with a gender and diversity perspective
- Foster spaces and opportunities for inter-sectoral exchange with civil society organizations and with organizations specializing in the topic of incorporating the

¹⁰ See: <https://www.argentina.gob.ar/noticias/se-presento-el-programa-interministerial-de-presupuesto-con-perspectiva-de-genero-y>

gender and diversity perspective into the stages of the budget period

- Promote the development of studies and diagnostic assessments tied to budgets and the gender and diversity perspective to contribute to designing, developing, and evaluating public policies with this focus

Analysis of the Impact of Gender on the Budget

According to the report *Seguimiento del Gasto vinculado con Políticas de Género en el Presupuesto Nacional* [Monitoring of the Expenses Linked to Gender Policies in the National Budget] of the first quarter of 2019—published by the National Budgetary Office together with the Chief of the Cabinet—in financial terms, in 2019, the credit identified with the impact on gender amounts to \$170.6 million, corresponding to the 25 activities carried out by different jurisdictions of the National Public Administration.

The 2020 National Budget has 29 identified activities related to gender, both those with a direct impact on society and those with an indirect impact. The earmarked credit amounts to \$769.7 million, which represents 15 percent of the National Public Administration's budget for primary spending. The largest budget item is the National Social Security Administration (ANSES, for its Spanish initials), under the jurisdiction of the Ministry of Labor, Employment, and Social Security, and it is related to the activity of Pension Benefits due to Pension Moratorium, the Universal

Assignment for Social Protection (AUH, for its Spanish initials), and Non-Contributive Pensions.

When the administration of Alberto Fernández took office, an extension of the 2019 budget was approved, and therefore throughout 2020 the number of budget items continued to increase, resulting in the identification of 38. Regarding budget credibility, as previously analyzed, gender is the sector with the second-highest levels of spending for the 2018–2020 three-year period, representing three percent of the total. According to the SDG Index 2021, SDG 5 on Gender Equality has already been achieved and shows a trend of remaining that way over time. The average budget variance for gender spending was 27.5 percent over the approved budget. Overspending in the sector increased over time during these years: in 2018 and 2019, the variance was slightly lower at 20.2 percent overspending, which then increased to 43 percent in 2020, reflecting the qualitative leap due to the implementation of the PPG methodology.

The substantive changes implemented in the 2021 budget meant that “earmarked items were increased, and the analysis establishing whether the policies in question contribute to closing gaps in time, income, or political participation, among others was added as a criterion. That is, programmatic actions were classified according to two central questions: Were the budgetary activities specifically designed to reduce gender gaps? And, in which of the four areas of autonomy (physical, economic, decision-making, and cultural transformation) do these activities have greater

impact?" (DNElyG, 2020, 5).¹¹

Indicators	2019	Announced by previous administration	2020 Extension	2021
Budget items identified with PPG label	25 items	29 items	38 items	57 items
Total in pesos of labeled items	\$ 170.6 million pesos	\$ 227.2 million pesos	\$ 740.2 million pesos	\$ 1.3 billion pesos

Source: Developed by author based on budget bills for the period and the Presupuesto Abierto (Open Budget) site

11 National Directorate of Economy, Equality, and Gender (2020). Las brechas de género en la Argentina. Estado de situación y desafíos [Gender gaps in Argentina. Status of situation and challenges]. Available at https://www.argentina.gob.ar/sites/default/files/las_brechas_de_genero_en_la_argentina_0.pdf

Section 6. Limitations of the Data Presented in the Report

As mentioned in the introduction, in Argentina, when analyzing budget modifications, we must consider that inflation is routinely underestimated in annual budgets, causing them to differ considerably from the amounts that are ultimately executed. In fact, on average, the government overspent at a rate of 14 percent above the approved budget in the period analyzed.

This report analyzes the policies implemented by the country.¹² It is difficult to analyze the efforts carried out by subnational governments because Argentina is a federal country with decentralized management regarding the financing of basic rights such as health and education. In addition to the above, there is disparity in the type of information that is produced and published about the public budget, and, in some cases, accessing this information is nearly impossible.

A diverse range of information sources was referenced for the report on the budget execution according to the SDGs and the functional classification. Among the officially published sources are the reports from the Council for the Coordination of Social Policies–Argentina SDG

Agenda: the report Vinculación de los Objetivos de Desarrollo Sostenible con el Presupuesto Nacional [Linking the Sustainable Development Goals to the National Budget], from July 2018; the 2030 Agenda implementation reports: Vinculación de los Objetivos de Desarrollo Sostenible y el Presupuesto de la Administración Pública Nacional [Linking the Sustainable Development Goals to the Budget of the National Public Administration], from November 2019; and the Segundo Informe Voluntario Nacional, Argentina 2020 [Second National Voluntary Report, Argentina 2020], from June 2020. These reports correspond to the policies developed by the country; they do not include disaggregated data for provinces and municipalities, on which the available information is scarce and not always public.

Regarding administrative classification, it should be mentioned that there are ministries that changed their structure in the same year due to the change in the presidential administration. For example, in 2018, the Ministry of Health was restructured as the Ministry of Health and Social Development (including the Secretariat of Health

12. Local and provincial implementation of the Sustainable Development Goals (SDGs) is defined through cooperation agreements between the CNCPS and the provincial and municipal governments. By 2020, 22 provincial governments had signed agreements to implement the 2030 Agenda; all except for San Luis and Formosa. In 2021, the Manual de adaptación local de los ODS [Manual for local adaptation of the SDGs] was released. The provincial governments also participate in Federal SDGs Network meetings, a space created in 2020 to strengthen the implementation of the 2030 Agenda in the provinces based on the sharing of experiences related to localizing processes. In 2021, the Local Sustainable Development Forums were created, which are open to participation, exchange, and coordination between the national government and the political and technical representatives who are responsible for implementing the 2030 Agenda of the provincial and municipal governments as well as actors from civil society.

and other institutions within it). Accordingly, both functional classifications are specified. Something similar happened with the Ministry of the Environment during the same period. There were also reallocations of budget items in relation to their execution, as in the case of SDG 5, for which the functional allocations of several agencies were executed by INAM in 2019.

At first, the report Vinculación de los Objetivos de Desarrollo Sostenible con el Presupuesto Nacional, from July 2018, was used to learn about the budget allocations corresponding to the same year. However, the report only includes information related to SDGs 6, 7, 11, 12, 15, and 17. This is why there is only functionally classified information for the themes of environment and water and sanitation for the year 2018.

For the year 2019, two information sources were compared: the report on Implementación de la Agenda 2030 [Implementation of the 2030 Agenda] and the Segundo Informe Voluntario Nacional [Second Voluntary National Report], from 2020. In general, the data on actual budgetary spending from 2019 are consistent in both reports. However, there was a large discrepancy between the budget execution of 2018 in relation to SDG 2 on the part of the Ministry of Agriculture, Livestock, and Fishing: In the 2019 report, an execution of 10,319 million pesos is presented, while in the 2020 report, an execution of 22,307 million pesos is presented.

In turn, it is not possible to link the programs with the SDGs using the information available in the published reports, as the names assigned to

In the 2019 report, an execution of 10,319 million pesos is presented, while in the 2020 report, an execution of 22,307 million pesos is presented

the programs in the functional classification by jurisdiction are different from those codified in the budget. Therefore, a request for access to public information¹³ was presented in the framework of Law 27.275 on the “right to access public information”—both to complete the data related to 2020 and to contrast them with those published in the 2018 and 2019 reports.

In response to this request, the Government of Argentina sent the databases for 2018 and 2019 for the SDGs referred to in this study. It is important to clarify that the information linking the budget to the SDGs is processed in annual periods (quarterly monitoring is not conducted), and there is no systematized database that allows for disaggregating based on physical targets. The submitted data represent the baseline information used to calculate the aggregate investment amounts per SDG and their targets for the years 2018 and 2019, which can be consulted in the 2020 National Voluntary Report.

¹³ EX-2021-116747122- -APN-DNAIP#AAIP.

The response to this information request clarifies information related to the 2020 fiscal year. Given the institutional changes due to COVID-19, the process of linking the budget to the SDGs is still ongoing and being processed alongside that of the year 2021. It is estimated that the work of linking the budget for the 2020–2021 two-year period will be completed in second half of 2022.

Facing the lack of disaggregated information for 2020, the budget items associated with these SDGs were reconstructed. As a first step, data was taken from the report Argentina Objetivos de Desarrollo Sostenible, Metas Priorizadas e Indicadores de Seguimiento [Argentina Sustainable Development Goals, Prioritized Targets, and Indicators for Monitoring], from June 2021, which is incomplete in most aspects (both in development and budgetary indicators). Given this

limitation, research was conducted on budgetary databases, available at Presupuesto Abierto.

In turn, it is worth mentioning that on the Presupuesto Abierto site, disaggregated information linking the SDGs to the budgetary programs is not presented either. In the appendices accompanying the budget bills presented at the Congress of the Nation, the physical targets that each budgetary program associates with the corresponding SDG were found in the program description by jurisdiction. In the budget linking reports developed by the Council for the Coordination of Social Policies, which hosts the area responsible for the 2030 Agenda, a more disaggregated section was produced, but it does not have enough information to identify the items according to disaggregated data.

Section 7. Conclusions and Recommendations

The Government of Argentina has clearly outlined its commitment to achieving the 2030 Agenda since its implementation in 2017. To date, this can be seen in the National Strategy for Implementing the 2030 Agenda, which was modified in 2020 to further adapt the targets and indicators. As shown in this brief, the expenses prioritized in Argentina are those linked to social protection, gender, and agriculture and food. Additional actions should be developed that are geared at protecting the environment, and more of the budget should be allocated to achieving the goals set in the 2030 Agenda.

In this study, another point analyzed for the period is on the budget allocations that are not correctly reported or easy for citizens to access. This is especially related to the differences between the approved budget and the actual expenditure, where an underestimation for the entire three-year period can be observed.

This brief found that there were year-on-year spending cuts in sectors linked directly to the SDGs, as has been the case for environmental protection and education. Such cuts should be avoided, as the resulting reduction in these sectors' share of the overall budget can compromise their contribution to the SDGs. If budget reallocations are necessary, they should be adequately justified in the reports to the Congress of the Nation. Moreover, these reports should be public. In addition, the government should

approve a progressive tax reform that provides higher tax revenue to the state to support the functioning of public and social programs that are directly related to the SDGs while at the same time increasing equality among people.

To reach the SDG targets and improve credibility, the government should sustain and expand budget transparency and citizen participation. While the documents published by the national government make it possible to analyze the budget and understand the extent to which the resources necessary for guaranteeing rights and implementing effective measures are allocated and spent, we found some challenges—inherent to the budgetary cycle—that hinder access to information with a level of disaggregation that would make it possible to understand and exhaustively monitor the impact of all the decisions in the budget (ACIJ, 2020)

On the other hand, the open publication of budgetary databases and of the physical targets associated with the SDGs should be promoted. The information linked to executing the physical targets is not published as often as the financial information; rather, it is updated on a quarterly basis when the reports are published on physical financial monitoring. Although these are supposed to be published four times a year, in some years, they have been delayed by more than three months. In turn, these reports do not provide information on how the budget is linked

to the different SDGs. This can be seen in the requests ACIJ has made for access to public information that can be disaggregated by theme and associated SDG. In this vein, we recommend writing a more exhaustive physical report on the SDGs and their progress and publishing it on a quarterly basis online.

Finally, impact evaluations on public policies

should be encouraged. These would reveal whether the results of these policies align with their stated goals and targets. Such an evaluation would be especially useful to gauge the impact of measures linked to COVID-19. In addition to evaluating the effectiveness of public programs, impact evaluations would also help systematize knowledge and better prepare the country for future crises.

Appendices

Sector	Functional (or Administrative) Classification	Approved Budget (millones de pesos corrientes)			Actual Spending (millones de pesos corrientes)			Deviation (millones de pesos corrientes)			Deviation, by Sector (%)			Sector Share of Total Spending (%)		
		2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Agriculture and Food	Ministry of Agriculture Livestock and Fisheries (Ministerio de Agricultura Ganadería y Pesca)	10436	11590	14004	11086	13369	17035	650	1779	3031	8%	54%	241%	0.9%	1.0%	2.4%
	Ministry of Health and Social Development (Ministerio de Salud y Desarrollo Social)	11530	13809	30064	11521	29305	137089	-9	15496	107025						
	Ministry of Health (Ministerio de Salud)	4844	6227	5439	6227	6138	14877	1383	-89	9438						
Education	Ministry of Education, Culture, Science and Technology (Ministerio de Educación, Cultura, Ciencia y Tecnología)	32877	32079	33234	34740	33175	30044	1863	1096	-3190	6%	3%	-10%	1.1%	0.7%	0.4%
Environment	Government Secretariat of Environment and Sustainable Development (in 2018 Ministry of Environment) (Secretaría Gobierno de Ambiente y Desarrollo Sustentable)	766	1054	1284	1023	1284	1071	257	230	-213						
	Government Secretariat for Science, Technology and Productive Innovation (Secretaría de Gobierno de Ciencia, Tecnología e Innovación Productiva)	60	60	71	63	71	165	3	11	94	31%	22%	-9%	0.0%	0.0%	0.0%
Gender Equity	National Social Security Administration (Administración Nacional de la Seguridad Social)	74447	148773	178181	89697	178181	254668	15250	29408	76487	20%	20%	43%	3%	4%	4%
	Ministry of Women, Gender and Diversity (former National Institute of Women) (Ministerio de las Mujeres, Géneros y Diversidad (ex Instituto Nacional de las Mujeres INAM))	212	264	273	198	273	147	-14	9	-126						
	Ministry of Justice and Human Rights (Ministerio de Justicia y Derechos Humanos)	329	419	360	246	360	385	-83	-59	25						
	National Institute against Discrimination, Xenophobia and Racism (Instituto Nacional contra la Discriminación, la Xenofobia y el Racismo)	213	240	253	259	253	294	46	13	41						

Sector	Functional (or Administrative) Classification	Approved Budget (millones de pesos corrientes)			Actual Spending (millones de pesos corrientes)			Deviation (millones de pesos corrientes)			Deviation, by Sector (%)			Sector Share of Total Spending (%)		
	Other agencies (National Institute of Statistics and Censuses (INDEC), Ministry of Education, Culture, Science and Technology; Ministry of National Security, Argentine Federal Police, National Gendarmerie, Argentine Naval Prefecture, Airport Security Police, Government Secretariat of Labor and Employment) (Otros organismos (Instituto Nacional de Estadística y Censos (INDEC), Ministerio de Educación, Cultura, Ciencia															
	y Tecnología; Ministerio de Seguridad de la Nación, Policía Federal Argentina, Gendarmería Nacional, Prefectura Naval Argentina, Policía de Seguridad Aeroportuaria, Secretaría de Gobierno de Trabajo y Empleo)	22	166	148	24	148	84	2	-18	-64						
Health	Ministry of Health (former Secretary of the Government of Health) (Ministerio de Salud (ex Secretaría de Gobierno de Salud))	16570	25650	31512	19478	29615	54187	2908	3965	22675	18%	15%	72%	0.6%	0.6%	0.8%
Social Protection	National Disability Agency (Agencia Nacional de Discapacidad)	84893	132346	150263	103043	150263	200273	18150	17917	50010	9%	10%	68%	48%	49%	56%
	National Social Security Administration (Administración Nacional de la Seguridad Social (ANSES))	1289553	1875251	2017389	1396146	2017389	3320489	106593	142138	1303100						
	Ministry of Social Development (Ministerio de Desarrollo Social)	84223	100393	169538	96086	143060	398092	11863	42667	228554						
	Ministry of Justice and Human Rights (Ministerio de Justicia y Derechos Humanos)	468	569	490	372	490	525	-96	-79	35						
Water and Sanitation	Ministry of the Interior Public Works and Housing, including AySA in 2018 (Ministerio del Interior Obras Públicas y Vivienda, incluyendo AySA en 2018)	19575	19534	32622	16095	29577	72197	-3480	10043	39575	-9%	51%	121%	0.6%	0.6%	1.0%
	Matanza Riachuelo Basin Authority (Autoridad Cuenca Matanza Riachuelo)															
(ACUMAR))	1456	0	0	3119	0	0	1663	0	0							
Total Budget		2878796	4172312	4860071	3298979	4762089	7001429	420183	589777	2141358	15%	14%	44%	-	-	-

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