



INTERNATIONAL BUDGET PARTNERSHIP  
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## EXPLAINING BUDGET DEVIATION

### A BUDGET CREDIBILITY SNAPSHOT

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The study of budget credibility examines the extent, nature, causes and consequences of deviations from approved budgets. In this series, part of the International Budget Partnership's Assessing Budget Credibility Project, 24 civil society partners in 23 countries probed a specific area in which execution of the national budget repeatedly diverged from the approved plan to learn whether adequate reasons were provided for the deviation. The broader synthesis report on these findings can be found [here](#).

## BENIN: HEALTH

Benin faces significant health challenges. One in three children under the age of five suffers from malnutrition, which can permanently impair physical and intellectual growth, and 32 percent of women aged 15-49 report unmet needs for family planning, according to the 2017-18 Demographic Health Survey of the country. Further, a study in Benin in 2014/15 by Afrobarometer noted that only 67 percent of the communities surveyed were within walking distance of a health clinic and 43 percent reported difficulties in obtaining medical care.

### BUDGET CREDIBILITY CHALLENGE

While it has been difficult to discern complete data sources, indications are that Benin has significant credibility challenges with its aggregate budget, and these have worsened in recent years. From 2013 to 2017, the execution rate of the aggregate expenditure budget fell from 88 percent to 51 percent; the period average was 69 percent. Revenue performance also declined during this period and averaged 61 percent of budget. Although it has performed better than the overall budget, data on the Ministry of Health (MoH) budget indicate a similar pattern of worsening credibility. The execution rate of the MoH fell from 87 percent in 2013 to 74 percent in 2017. During this period, underspending appears to have been primarily driven by the capital budget which was reported to have an average execution rate of 47 percent; at the same time the recurrent budget had an average execution rate of 102 percent.

Complicating a full assessment of this challenge, official documents and interviews with government representatives reveal that there is an issue with under-reporting of budget execution, especially for external capital resources. As a result, the government data may not accurately represent the actual level of budget deviations in the Ministry of Health.

## EXECUTION RATE FOR MINISTRY OF HEALTH BUDGET, BY TYPE OF EXPENDITURE

Year	Budget Category	Ministry of Health Budget				Total
		Recurrent budget	Capital budget		Total, Capital	
			National Resources	External Resources		
2013	Approved (XOF million)	45,615	11,474	16,518	27,992	73,608
	Executed (XOF million)	49,383	10,567	4,253	14,821	64,205
	<b>Execution Rate</b>	<b>108%</b>	<b>92%</b>	<b>26%</b>	<b>53%</b>	<b>87%</b>
2014	Approved (XOF million)	48,477	11,102	16,735	27,837	76,314
	Executed (XOF million)	53,265	7,171	5,529	12,701	65,966
	<b>Execution Rate</b>	<b>110%</b>	<b>65%</b>	<b>33%</b>	<b>46%</b>	<b>86%</b>
2015	Approved (XOF million)	51,992	10,764	24,235	34,999	86,991
	Executed (XOF million)	59,825	7,658	5,685	13,344	73,169
	<b>Execution Rate</b>	<b>115%</b>	<b>71%</b>	<b>23%</b>	<b>38%</b>	<b>84%</b>
2016	Approved (XOF million)	58,998	8,548	12,497	21,046	80,045
	Executed (XOF million)	44,587	5,317	3,318	8,636	53,223
	<b>Execution Rate</b>	<b>76%</b>	<b>62%</b>	<b>27%</b>	<b>41%</b>	<b>66%</b>
2017	Approved (XOF million)	49,935	13,800	17,330	31,130	81,065
	Executed (XOF million)	43,884	12,339	3,846	16,185	60,070
	<b>Execution Rate</b>	<b>88%</b>	<b>89%</b>	<b>22%</b>	<b>52%</b>	<b>74%</b>

Source: Ministry of Health Performance Reports

## WERE EXPLANATIONS FOR THE DEVIATIONS FOUND IN GOVERNMENT REPORTS?

Yes. Reasons were identified in the *Reports on the Execution of the Finance Law* and the *Performance Reports* of the Ministry of Health. Reasons for why the overall budget (all sectors, not just health) was underspent include unrealistic budget planning, poor capacity to utilize resources, and strikes by public workers. Reasons for why the budget for Public Investment Programs (equivalent to capital expenditure) was underspent include low planning capacity, delays with preparing public procurement plans, cumbersome procedures to execute public contracts, and partial or late supply of credits to ministries. One reason was found for why the Ministry of Health specifically overspent its recurrent budget during 2013 to 2015: the need to resolve outstanding arrears for wages and utility bills.

## DID THE GOVERNMENT AGREE TO BE INTERVIEWED TO EXPLAIN FURTHER?

Yes. Interviews were conducted with representatives from:

- Ministry of Economy and Finance
- Accounts Chamber
- Ministry of Health

The interviewees explained that the lack of autonomy at the ministry level is a barrier to adequate implementation, specifically in the planning of the budget, which is managed by the Director General of the Budget. They also indicated that functions of the principal government accountant should be decentralized, so that each ministry has its own accountant.

## WERE THE REASONS PROVIDED BY GOVERNMENT ADEQUATE?

Most of the reasons identified are general, meaning it is unclear to what extent they affected the Ministry of Health budget specifically. There is one reason specific to the Ministry of Health, but it only applies to overspending in the recurrent budget during 2013 to 2015. The underspending of the recurrent budget during 2016 to 2017, plus the consistent underspending of the capital budget from 2013 to 2017, received no explanation. The reason provided by the interviewees also does not explain why the Ministry's total budget execution is falling over time. Finally, there are also broader issues with under-reporting and inconsistency among budget data sources, making it difficult to fully apprise the actual credibility of the ministry.