Strengthening Budget Credibility for Service Delivery

Project Overview | October 2020

The International Budget Partnership (IBP) collaborates with civil society around the world to use budget analysis and advocacy as a tool to improve effective governance and reduce poverty. One of IBP’s emerging focus areas is budget credibility, or whether governments collect and spend funds according to their approved budget. At its core, budget credibility is about governments upholding their commitments – and explaining to the public when they do not. When budgets are not implemented as planned, spending priorities can shift, deficits may exceed projections, and, most importantly, critical public services may be compromised. Moreover, governments consistently deviating from their budgets risk an erosion of public trust.

IBP’s research on budget credibility across countries has shown that, despite the existence of global measures and standards on budget credibility, the problem of high budget deviations persists in many countries. Budget credibility is especially a challenge in low-income countries, where a lack of it can impede or even prevent the achievement of development goals. IBP has also previously found that budget credibility is linked to the overall quality of public financial management systems and the level of fiscal transparency.

To help understand the specific drivers and impacts of a lack of budget credibility on the provision of essential services, in 2020 IBP launched a three-year initiative called the Strengthening Budget Credibility for Service Delivery project, which will be implemented in partnership with UNICEF. This new project will work to expand our understanding of the causes and impacts of budget deviations on delivery of public services, raise awareness of these challenges and promote reforms to address the underlying issues.

The project will be implemented in six countries in Africa, including four countries with IBP country offices: Ghana, Kenya, Nigeria and Senegal. In-depth research and advocacy at the country level will be accompanied by regional and global engagement with international organizations to raise awareness on the importance of addressing budget credibility challenges.
At the country level, the project will conduct research and analysis into the causes and impact of budget credibility issues in select government service delivery programs, especially essential services that are relied upon by impoverished and vulnerable populations. All six countries will also examine credibility issues related to immunization budgets, which often suffer from both underspending and supply stockouts, as well as the impact of budget deviations on gender equity outcomes. In its first two years, the project will also investigate the potential budget credibility impact from COVID-19 fiscal measures on the selected service delivery programs and on immunization budgets. IBP’s research efforts will be complemented by engagement with national level partners to create incentives and generate pressure urging government actors, oversight bodies and other development practitioners to address the challenges identified and improve spending on public services.

At the global level, the project will raise awareness of the importance of budget credibility to the achievement of national and international development goals and will share practical approaches to tackling these challenges among international development agencies and international standard-setting bodies. A key focus of the global engagement will be to promote more systematic audits of budget credibility challenges by national audit offices. Budget credibility challenges will also be raised in the context of the Sustainable Development Goals (SDG) target on budget credibility (16.6.1) and Financing for Development, as well as the SDG target on systems to track and make public allocations for gender equality and women’s empowerment (5.c.1).

Throughout implementation of the project, IBP will document the human impact of budget deviations on the delivery of public services in these countries. Together with the key research findings, these stories will inform the development of on-the-ground narratives about problems in the delivery of public services that are caused by budget deviations and will be used to catalyze awareness and action at the country and global level. By the end of this three-year project, lessons from IBP’s research and engagement will be captured in country case studies and a methodological toolkit that can be used by practitioners in other settings to assess and address the lack of budget credibility.

For more information visit IBP’s website at https://www.internationalbudget.org/issues-lab/budget-credibility.