IBP INTERNATIONAL BUDGET PARTNERSHIP
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Budget Brief

Tracking Spending on the SDGs: What Have We Learned from the MDGs?*

May 2017

INTRODUCTION

In September 2015 countries from around the world adopted the Sustainable Development Goals (SDGs), officially known as *The 2030 Agenda for Sustainable Development*. The Agenda is a set of 17 aspirational "Global Goals" with 169 targets between them.

The SDGs are thus much broader than the eight Millennium Development Goals (MDGs), which informed development strategies in many countries over the period 2000-2015.

BOX 1. THE 17 SUSTAINABLE DEVELOPMENT GOALS OF THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

1. No Poverty
2. Zero Hunger
3. Good Health and Well-being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace, Justice, and Strong Institutions
17. Partnerships for the Goals

During the long participatory period of development of the SDGs, the International Budget Partnership (IBP) highlighted the importance of transparency and accountability in respect to government budgets if the goals are to be achieved. Budgets are important because, without public financing, few if any of the

*Debbie Budlender prepared this brief drawing on research conducted by Matthew Martin and Jo Walker from Development Finance International in the report "Tracking Government Spending on the SDGs: Lessons from the MDGs" (July 2016).

goals will be achieved. Budgets therefore provide a concrete measure of real commitment to the goals, while information on governments' actual spending shows whether governments have followed through on the planned budget expenditure. Parliaments, audit institutions, and citizens therefore can use budget information to monitor what their governments are doing to achieve the SDGs, and hold them accountable for results.

Paragraph 45 of the 2030 Agenda implicitly recognizes the importance of budgets through its explicit acknowledgement of the central role of the parliaments that enact and monitor them. It reads:

"45. We acknowledge also the essential role of national parliaments through their enactment of legislation and adoption of budgets and their role in ensuring accountability for the effective implementation of our commitments."

SDG target 16.6 takes this further by emphasizing the importance of transparency alongside accountability. Such transparency is important for accountability beyond parliament, including to citizens. The target is to "develop effective, accountable and transparent institutions at all levels," while the related indicator 16.6.1 is defined as primary government expenditures as a proportion of original approved budget, by sector (or other similar classification).

This brief explores what we can learn from monitoring of government budgets and expenditure on the MDGs that can assist with monitoring, reporting, and accountability in respect of the SDGs.

The brief presents findings from research by Development Finance International (DFI) in collaboration with IBP that draws on DFI's Government Spending Watch (GSW) initiative, which monitored MDG-related spending across 72 developing countries.[1] The research looked at budget transparency practices, the relative ease of identifying MDG spending (MDG spending "readability"), and budget classification and presentation for both planned and actual spending.

Of the 72 countries, 24 did not have sufficient data to allow further analysis. Of the remaining countries, 11 were identified as having relatively strong budget systems that allowed for meaningful tracking of MDG spending.[2] This brief draws lessons from these countries that could be relevant for SDG tracking and monitoring. They include strong multi-year plans with transparent, detailed budgeting formats in countries like Colombia; expenditure information based on the country's constitution and sectoral laws, as in the

[1] http://www.governmentspendingwatch.org/

[2] Bangladesh, Colombia, Dominican Republic, Ecuador, El Salvador, Ghana, Kenya, Malawi, Nepal, Peru, South Africa

Dominican Republic; detailed functional classification, with codes to "tag" budgets, as in Ecuador; performance indicator frameworks linked with medium-term expenditure frameworks, as in El Salvador; clear donor spending data, as in Ghana and Nepal; and detailed classifications alongside program- and/or results-based budgeting, as in Malawi, Peru, and South Africa. Short case studies of each of the countries are available in Annex 1.

LESSONS AND GOOD PRACTICES FROM MDG TRACKING

Every two years the IBP conducts the Open Budget Survey (OBS), a comprehensive assessment of government budget transparency, public participation, and accountability in over 100 countries around the world. A country's score on the Open Budget Index (OBI) is calculated from the results of a subset of the survey that assesses whether governments give the public access to budget information at the national level. It looks at the availability and comprehensiveness of eight key government budget documents. OBI scores can range from 0 (no transparency) to 100 (total transparency). In 2015 actual scores ranged from 2 (Myanmar) to 88 (New Zealand). The OBI was used to assess budget transparency levels for the research into tracking the MDGs.

The "readability" scores on MDG-related spending – drawn from the GSW database – also range from 0 percent to 100 percent but are based on the possibility of separating out spending data for six sectors that are the focus of some of the MDGs. The research checked whether it could identify spending for:

- Social protection, as a proxy for MDG 1 on eliminating extreme poverty;
- Agriculture and food, as a proxy for MDG 1 on eliminating hunger;
- Education (if possible, primary education), as a proxy for MDG 2 on achieving universal primary education;
- Gender-specific projects and agencies, as a proxy for MDG 3 on promoting gender equality and women's empowerment;
- Health, as a proxy for MDG 4 on reducing child mortality, MDG 5 on improving maternal health, and MDG 6 on combating HIV & AIDS, malaria and other diseases; and
- Water, sanitation, and hygiene (WASH), as a proxy for MDG 7 on ensuring environmental sustainability.

In most countries, GSW was able to track MDG spending only at the sector or subsector level, rather than spending explicitly targeted to specific MDG goals. For example, GSW used the total agriculture and health sector budgets rather than the part of the budget linked more specifically to the MDG goals. In these and other sectors, total spending will overestimate spending toward meeting MDG targets.

It was particularly difficult to identify gender-related spending, as allocations for gender-specific projects and agencies usually amount to a very small fraction of government budgets. Far more important than these targeted expenditures – which may be used mainly to maintain bureaucracies and host events – is the extent to which "mainstream" expenditure across all other sectors addresses gender issues.

The difficulties in identifying particular sectors, subsectors, and programs that align with the much larger number of SDGs – and related indicators – will be even greater than it was for the MDGs. In addition, spending information on some of the "delivery-heavy" SDGs like health, education, and infrastructure may be much more important than for other goals that rely more on policy or regulation rather than spending. These might include goal 12 (ensure sustainable consumption and production patterns) and — at least for developing countries — goal 17 (strengthen the means of implementation and revitalize the global partnership for sustainable development).

Despite these difficulties, several important messages emerge clearly from the research that are relevant for tracking and monitoring SDG-related spending.

LESSONS

SOME GOALS ARE MORE DIFFICULT TO TRACK THAN OTHERS

To track and compare MDG-related spending across different countries, GSW developed a process for classifying government expenditure.[3]

Education and health expenditures are usually easiest to identify. Both are among the largest and most prominent areas of government spending. They are also usually implemented by separate government ministries or agencies. It is relatively easy to find data for almost all countries on budget allocations for these sectors, although, as noted above, data on actual spending related to the relevant subsectors are harder to come by.

[3] This is based on criteria designed by the Government Spending Watch data and research team, summarized at: http://www.governmentspendingwatch.org/definitions-and-sources

The challenges increase in sectors other than education and health:

- **Agriculture.** Separating out spending on nutrition and food, or smallholder agriculture, from overall agriculture spending is often impossible.

- **Gender.** The way money is allocated and spent in almost every sector can promote or hinder gender equality and women's empowerment. As noted above, the relative share of gender-specific projects in the overall budget is not a good indicator of government's financial commitment to gender equality. Some countries, such as Bangladesh and Nepal, have developed methods that aim to track mainstream gender spending. Ecuador has developed gender and other equity tags in its budget classification system.

- **Social protection.** Spending on social protection is often spread across multiple ministries that cover labor, women, children, pensions, etc. In addition, separating contributory (i.e., beneficiaries contribute, often through earmarked taxes or fees, to the resources for providing the benefit or service) from non-contributory (i.e., government funds the benefit entirely) social protection is usually difficult, and for this reason GSW ended up considering only non-contributory spending as MDG-related.

- **WASH.** These expenditures may be spread across health, education, housing, and other sector budgets. Expenditures may also be spread across different levels of government, which complicates the calculations. In addition, separating spending on clean drinking water, which is the MDG commitment, from water supply for industry can be difficult.

BUDGET CLASSIFICATION IS IMPORTANT

The El Salvador case study lists a range of ways in which budget classifications and formats complicated the task of monitoring MDG-related spending. For example: a) the budget classification system is based primarily on administrative agencies, and these often do not correspond neatly to MDG sectors; b) the functional classification is not well developed, resulting in some social protection spending being classified as interministerial transfers; c) the reporting formats for budgets and actual expenditure differ; d) decentralized spending is not recorded in the computerized financial management information system; and e) financial information is not linked to performance data, making it more difficult to interpret the connection between spending and results.

Almost all countries use “administrative” classifications, which disaggregate spending by government agency. Almost all countries also use “economic” classifications, which disaggregate spending by type, such as wages, goods and services, transfers, and capital investment. Fewer countries, however, publish budget information using a consistent “functional” classification, which is most useful when linking spending to specific goals. The standard international functional classifications have categories such as health, education, social protection, and defense, and subcategories that can be related to some of the MDGs/SDGs.

Some countries use program classifications to identify spending on specific initiatives within each agency’s budget. Program classifications do not follow a standard international classification, but they can nevertheless provide a better idea of the purpose of the spending compared to a simple administrative classification. Sometimes programs are subdivided into subprograms, which further helps in linking spending to development goals.

Some countries have explicitly developed classifications that identify MDG spending. In the period 2005-2010, the Dominican Republic’s budget classification was built around MDG goals and targets at a time when the country served as one of five pilots for the “MDG Needs Assessment.” Nepal and Peru also have budget classification systems aligned with the MDGs. The much larger number of goals and indicators under the SDGs, however, clearly challenges the capacity of a budget classification system to comprehensively allow for mapping spending to development goals.

DATA ON ACTUAL EXPENDITURE ARE OFTEN DELAYED.

GSW includes information on about 70 percent of the data on MDG planned expenditure. However, it was able to gather only about 40 percent of the data on actual expenditure. The main problem was that comprehensive data on actual spending is often published with a delay of two to three years. This is often due to long-drawn audit processes, as well as delays in donor reporting.

Tracking actual expenditure is much easier when government’s standard budget publications include actual expenditure data for previous years. South Africa’s budget books contain data on seven budget years: three previous years, the current year, and three future years.

DECENTRALIZATION AND PRIVATIZATION COMPLICATE TRACKING.

Decentralization involves allocation of functions to subnational levels of government. With full decentralization, the subnational level includes legislative bodies that have the power to make budgets.

Decentralization complicates tracking because there are more units whose budgets and expenditure must be examined. The complications increase if the different levels of government do not use the same budget formats and classifications. South Africa presents a good practice example as the budget formats are similar for national and provincial governments, and all nine provinces use the same program structure.

Complications in terms of multiple reporting units and possibly different formats and categorization also arise when government contracts out its responsibilities to private providers. Contracting out creates multiple layers of, and resulting delays in, reporting as the providers first report to government, and government must then compile its public report. Contracting out is more common in some sectors, such as water and energy, and it is more likely to be more of a problem in tracking SDGs than it was in tracking MDGs because of the greater number of sectors covered.

GOOD PRACTICES

PUBLISHING BUDGETS AND OTHER DOCUMENTS IS THE FIRST CRITICAL STEP

OBI scores have improved over time, albeit slowly. Between 2012 and 2015, average scores increased from 43 to 46. Similarly, 75 percent of countries assessed showed improvements between 2011 and 2014 in the amount of data on MDG spending that GSW could collate and analyze.

Greater publication of budget documents will be a key prerequisite for tracking SDG-related spending. However, some countries that make budget information available fail to do so in a user-friendly way. For example, the information may be spread across multiple websites or printed documents. Improving the transparency of SDG-related spending will require easier access to budget and other spending-related documents, including availability in national online repositories, such as Colombia's Economic Transparency Portal and El Salvador's Fiscal Transparency Portal.

MAKING SPENDING "SDG-READABLE" IS THE SECOND STEP

The fact that a country has transparent budgets does not necessarily mean that one can identify spending on specific SDGs. For SDG "readability" users must be able to identify government spending that is linked to a particular goal. To date, this has proved challenging. For instance, less than half of the countries examined for GSW provided separate information on funding for primary education. Further, health data are seldom disaggregated in a way that allows easy identification of all spending on maternal and child health.

None of the case study countries have a classification system that explicitly identified funding that was directly linked to the MDGs. Even with a detailed classification system, finding the amounts allocated and spent on each one of the SDGs could be a laborious task – especially if there is a large number of different line items for each goal.

Ideally, the information should all be found in one place. GSW sometimes had to look beyond the eight budget documents the publication of which is identified by international standards as good practice and monitored by the OBI to find the information they needed.[4]

INFORMATION ON MULTIPLE YEARS FACILITATES ADVOCACY AND TRACKING

Many countries have started using medium-term budget or expenditure frameworks to improve linkages between policies and budgets. These frameworks typically provide information on three future years instead of only the single budget year. Parliament votes only on the first of the three years, while the "outer" two years are estimates of what is planned. Nevertheless, information on future years is useful as it shows government's plans in terms of prioritization going forward.

Most countries introduce the multi-year frameworks gradually, so that it takes several years for all ministries and all levels of government to be covered. Even when the framework has been fully rolled out, parallel old-style budgeting often continues to be the main determinant of allocations. In some cases, for example, Ghana, the public finance reforms are not pursued consistently. Malawi presents a further example where public finance reforms were implemented haphazardly. In Malawi, other factors, including parliamentary decisions to change the budget tabled by the executive, further undermined the thrust of the reforms.

For tracking purposes, what has happened in past years is probably more important than the outer years of the medium-term frameworks. Information on actual spending in past years is important because there can be a big difference between planned and actual expenditure.

BUDGETS SHOULD REFLECT GOVERNMENT PLANS AND POLICIES

Poor countries that developed Poverty Reduction Strategy Papers (PRSPs) in order to be considered for debt relief through the Highly Indebted Poor Country initiative were required to focus their PRSPs on the

[4] The eight documents are the Pre-Budget Statement, Executive's Budget Proposal, Enacted Budget, In-Year Report, Mid-Year Review, Year-End Report, Audit Report, and Citizens Budget.

MDGs. In many of these countries, the PRSPs served a similar purpose to the national development plans of other countries. Some non-PRSP countries also mainstreamed the MDGs in their national development plans. Even countries that did not do this explicitly often had a strong implicit focus on MDG-related goals in their national development plans.

The public finance reforms that have been implemented in many countries emphasize that budgets are meant to follow policy and plans. Ideally, then, a country that has mainstreamed the MDGs in their national plan should have a budget that prioritizes the MDGs. In a few countries this is done explicitly. However, Kenya presents an example of a country where both public finance reforms and an explicit focus on MDGs, which included establishment of special institutional arrangements, failed to achieve improvements in MDG-oriented budgeting.

A challenge arises when, as seen in the Bangladesh case study, the development plan aims to achieve more than available resources allow. If plans are too ambitious and have too many priorities, it is difficult to have sensible prioritization in the budget. This challenge will be exacerbated when countries try to incorporate the SDGs into their plans and budgets, as the SDGs are much more numerous and broader than the MDGs. In countries like Bangladesh, effective planning and prioritization is made more difficult by the separation of responsibilities for the recurrent and development budgets.

Even where countries do not explicitly build the MDGs into their national development plans, budgets may prioritize such sectors as health and education because of strong constitutional or legal provisions. South Africa serves as an example of a country that has not placed much emphasis on MDGs but has nevertheless protected key social spending at times of budget cutbacks. In Ecuador, the constitution specifies minimum allocations for primary education and health.

In most countries it is impossible to identify beneficiaries of the spending, whether in terms of categories (women, children, the elderly, those with disabilities) or by income level (the poorest). This makes it difficult to trace meaningful links from spending to MDG progress and outcomes. Identification of beneficiaries is especially important in countries with high levels of inequality related to income, gender, geography, etc. Among the 11 case study countries, Bangladesh, Ecuador, and Malawi present information in the standard budget documents that illustrates how different groups of citizens will benefit from government spending.

Results-based budgeting strengthens the policy-budget link by requiring that budgets include explicit goals and targets that connect budget allocations to specific outputs and outcomes. At the end of the financial year, ministries and other agencies are then required to report not only what was spent but also what was delivered through the spending.

Colombia is an example of a country that has taken goal setting and performance monitoring seriously. It has set up monitoring and reporting frameworks that promote both transparency and accountability across a highly decentralized system.

CONCLUSION

High levels of budget transparency, budget allocations focused on MDG sectors, and achievement of MDG goals are often found together in countries.[5] However, there are also countries that perform well on one or two of these aspects, but poorly on the other(s). For example, Nepal recorded a dramatic drop in its OBI score but good performance on the MDGs. Nevertheless, there are clear opportunities for using the tools associated with budget transparency and public finance reforms to increase the impetus for, and monitoring of, allocations for priority development goals and related achievements.

Some of the findings from the research on which this brief is based point to a couple of easy "quick wins" that governments could easily adopt, and that could go a long way in ensuring that existing information is disseminated in more user-friendly ways. These include: a) publishing detailed information on actual spending for past years alongside proposed budgets to facilitate tracking spending over time; and b) improving the comprehensiveness and presentation of published budget information to make it more easily accessible and searchable, and to the extent possible relate it to existing information on performance and results.

Other areas of intervention that can facilitate SDG monitoring and tracking – based on MDG-related models and experiences – are more complex and likely to require a longer time horizon. For example, some commentators have suggested the elaboration of a universal SDG-related budget classification that can be linked with other classifications.[6] The difficulty with this suggestion is that, as seen from the case studies, countries are likely to already be using several other classifications, and adding a new classification entails further work and may stretch existing capacity. The suggestion that the new classification be linked with other classifications could limit the additional work involved. However,

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[5] From "Numbers to Nurses: Why Budget Transparency, Expenditure Monitoring, and Accountability are Vital to the Post-2015 Framework" available at http://www.internationalbudget.org/wp-content/uploads/Budget-Brief-From-Numbers-to-Nurses.pdf

[6] See, for example, http://blog-pfm.imf.org/pfmblog/2016/08/how-to-link-sdgs-to-the-budget.html

devising a universal linked system can be complicated by the fact that the other classifications are not necessarily standardized across countries.

A more realistic approach might be to identify expenditure categories that can be linked to particular SDGs or specific SDG targets with relative confidence. The challenge is that countries differ in the extent to which their budget information is detailed and disaggregated, and that the type of disaggregation may also vary across countries. With the MDGs, for example, GSW was not always able to separate out the primary education budget from the education budget as a whole. In some cases, even in countries that have a budget program or line item named primary education, this might not cover all expenditures on primary education. For example, it may exclude teacher salaries, teacher training, or infrastructure. If this is true for the seemingly simple case of primary education, it is likely that there will be even greater difficulties with other SDGs, for example, those that require identifying gender-related expenditure.

It is critical for budget information, whether it is meaningfully mapped onto some of the SDGs or not, to be linked to performance information in order to ensure that the real focus is on development impact and value for money. Countries can identify the output and outcome indicators for different goals and targets. In some cases, these might coincide with the standard SDG indicators, but in other cases specific indicators that relate more closely to expenditures may be more suitable. Countries that have a system of performance- or results-oriented budgets can consider including the suggested indicators in their system. Even if they do not have such systems, countries can set up a simple system to monitor and report on the suggested indicators alongside monitoring and reporting on the financial numbers.

Even more important than any specific proposal suggested above, it is paramount to promote more discussion around the ways in which governments around the world can find ways to usefully track public resources invested in pursuing the SDGs. This will greatly facilitate overall monitoring and enhance accountability of the sustainable development agenda.

ANNEX 1: SUMMARIES OF COUNTRY CASE STUDIES

BANGLADESH

Population (millions), 2015	162.0
GDP per capita (USD), 2015	1,211.7
Income group	Lower middle income
Open Budget Index 2015	56
MDG data available	78%

Bangladesh made relatively good progress on the MDGs, particularly in terms of reducing income poverty and child mortality and increasing enrolment in primary school. However, it did less well on MDG 7 (access to water and sanitation) and MDG 5 (improving maternal health).

TRANSPARENCY AND AVAILABILITY OF BUDGET INFORMATION

Bangladesh's Open Budget Index 2015 score of 56/100 is the highest in South Asia. The country's score improved from 39 in 2006 due to improvements in transparency, as well as to the government's providing greater space for civil society engagement and parliamentary scrutiny.

"READABILITY" OF MDG SECTORS

GSW was able to identify allocations data for all seven sectors. This was made possible by the detailed administrative and programmatic/functional presentation of the budget.

Actual expenditure is more difficult to track, with information available only about two years after the spending occurred. It is also difficult to identify what is funded by donors and what from government's own revenue. This is a serious information gap because foreign loans and grants account for more than 10 percent of government revenue in Bangladesh.[7] The fact that the budget is split between recurrent and development also makes it more difficult to see the full picture.

PLANNING & BUDGETING SYSTEMS AND REFORMS THAT FACILITATE MDG TRACKING

Bangladesh has had six five-year national development plans since 1985. The MDGs and poverty reduction have been central to these plans since 2000. The plans have been supplemented by a series of

[7] http://www.mof.gov.bd/en/index.php?option=com_content&view=article&id=306&Itemid=1

Poverty Reduction Strategy Papers (PRSPs) since 2003. In line with requirements of international financial institutions, the PRSPs have been strongly linked to the MDGs. However, the plans and PRSPs aim to achieve more than the available public resources allow. This raises a question as to whether the planning documents play a strong role in shaping budget priorities. Effective planning and prioritization is made more difficult by the separation of responsibilities for the recurrent and development budgets.

Bangladesh began using a medium-term budgetary framework (MTBF) in 2004, but the old style of budgeting continued alongside it. The MTBF approach was only expanded to cover all ministries for the 2010-11 fiscal year.

The MTBF approach requires that ministries provide output indicators and targets for three years alongside baseline data. In 2006 Bangladesh embarked on a poverty and gender budget initiative that was linked to the MTBF. The initiative required that ministries identify how their budget programs contribute to poverty reduction and women's advancement. By 2012 all ministries participated in the poverty and gender initiative.

The 2011-2015 plan envisaged further reforms, including results-based budgets for certain programs, gradual introduction of medium-term strategic and business plans and performance reports for government agencies, and a medium-term expenditure framework to link budgets to the achievement of planned goals and targets. These reforms are not yet complete.

In 2014 government agreed to a new budget and accounts classification system, which made the different coding systems more transparent.

COLOMBIA

Population (millions), 2015	48.2
GDP per capita (USD), 2015	6,056.1
Income group	Upper middle income
Open Budget Index 2015	57
MDG data available	67%

Colombia has met the education and some of the health MDG goals, and it has also made good progress on gender, child and maternal mortality, and poverty targets. The country has had less success on hunger and water and sanitation.

TRANSPARENCY AND AVAILABILITY OF BUDGET INFORMATION

Colombia scored 57 out of 100 on the Open Budget Index in 2015. The government has put effort into making budget information publicly available over the last decade. Its efforts include the development of an Economic Transparency Portal, which includes budget information.[8]

"READABILITY" OF MDG SECTORS

Both planned and actual expenditure are available across five MDG sectors – all except gender and WASH. The challenges with WASH arise from the budgets for sanitation and water not being clearly disaggregated, and the fact that most of the spending on water occurs at sub-national level and falls under the responsibility of the Ministry of Housing.

PLANNING & BUDGETING SYSTEMS AND REFORMS THAT FACILITATE MDG TRACKING

Colombia "localized" the MDGs through the Conpes (El Consejo Nacional de Política Económica y Social) Social 91 document in 2005, and the Conpes Social 140 in 2011. These documents presented the 53 indicators and associated national targets the government adopted, many of which were more ambitious than the global ones.[9]

Colombia has a high level of fiscal decentralization. In 2001 Law 715 clearly defined responsibilities for each government level and modified the model for resource allocation. Many MDG sectors are very decentralized, but multilevel planning and budgeting processes establish common reporting formats. The

[8] See http://www.pte.gov.co/WebsitePTE/
[9] https://www.minambiente.gov.co/images/normativa/conpes/2005/Conpes_0091_2005.pdf

General Participation System (*Sistema General de Participaciones*) redistributes national funds to social sectors across territories.

Strong multi-year plans, together with transparent and detailed budgeting formats, facilitate tracking and accountability of MDG budgets. The System for Monitoring the Government's Goals, which is linked to a National Performance Evaluation System (SINERGIA), facilitates meaningful performance budgeting. Both the budget and SINERGIA performance information are publicly available through a user-friendly website.[10] The data are regularly updated.

Colombia's "*Plan Nacional de Desarrollo 2014-2018: Todos por un Nuevo pais"* was launched in 2014, before the SDGs were formally adopted. Nevertheless, the SDGs informed the plan. After the SDGs were adopted, Colombia established a "High Level Inter Institutional Commission for SDGs" to oversee implementation.

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[10] See https://sinergia.dnp.gov.co

DOMINICAN REPUBLIC

Population (million), 2015	10.5
GDP per capita (USD), 2015	6,373.6
Income group	Upper middle income
Open Budget Index 2015	51
MDG data available	55%

The Dominican Republic made very good progress on MDG targets related to poverty, hunger, and education, and good progress on gender and diseases, but poor progress on child and maternal mortality and water and sanitation.

TRANSPARENCY AND AVAILABILITY OF BUDGET INFORMATION

The Dominican Republic scored 51/100 in the Open Budget Index 2015, a bit higher than the global average of 45.[11] The 2015 score is a substantial improvement over its 2008 score of only 11/100.

"READABILITY" OF MDG SECTORS

There is some expenditure data available for all of the MDG sectors, but more missing information on actual expenditure. This is particularly the case for social protection, where the information is available only by functional classification. The functional classification does not distinguish between contributory and non-contributory elements. It is only the latter the GSW included in their MDG tracking, and lack of disaggregation made this impossible. Also, as with many other Latin American countries, the spending on water and sanitation is not aggregated as a single function.

PLANNING & BUDGETING SYSTEMS AND REFORMS THAT FACILITATE MDG TRACKING

Dominican Republic was one of five countries chosen in 2004-05 to pilot the "MDG Needs Assessment." Government established a Presidential Commission to oversee the process. The country's commitment helped to ensure that budget classifications were built around MDG goals and targets over the period 2005-2010.

The National Development Strategy for the period 2010 to 2030 is accompanied by a rolling Multi-annual Public Sector Plan, which sets targets and actions to be taken over subsequent four-year periods. The

[11] http://www.internationalbudget.org/wp-content/uploads/OBS2015-CS-Dominican-Republic-English.pdf

pre-2015 plans had a strong focus on MDG outcomes, and the 2015 and 2016 plans include SDG goals and targets alongside other national targets.

The new Constitution of 2010 gave increased priority to citizens’ rights to education, health, housing, and social security. It was followed by education and health laws that targeted specified levels of spending compared to GDP. These laws have been a major focus of citizen and parliamentary activism since their introduction.

Annual budgets have been reorganized to ensure that, in addition to administrative and economic categories, they present expenditure information based on the constitution and the education and health laws. This allows, in particular, detailed scrutiny of education and health spending.

The Dominican Republic has had a system of program-based budgeting since 2010. The system is gradually being transformed into results-based budgeting.

ECUADOR

Population (millions), 2015	16.1
GDP per capita (USD), 2015	6,248.1
Income group	Upper middle income
Open Budget Index 2015	50
MDG data available	69%

Ecuador performed very well on all of the MDGs except maternal mortality.

TRANSPARENCY AND AVAILABILITY OF BUDGET INFORMATION

Ecuador's score of 50/100 on the Open Budget Index 2015 is slightly higher than the global average of 45. In 2010, its score was 31, and there has therefore been some improvement over time.

"READABILITY" OF MDG SECTORS

Budget formats in Ecuador are very detailed in their functional categorization. They are also clearly linked to MDG goals and sectors. However, as in many other countries, there are no data available on water and sanitation, and there is not full information on actual expenditure in some MDG areas.

PLANNING & BUDGETING SYSTEMS AND REFORMS THAT FACILITATE MDG TRACKING

Ecuador's 2007-2010 National Development Plan outlined detailed national plans for meeting the MDGs and other national goals. Constitutional reform in 2008 led to a focus on promoting human rights, democracy and transparency, as well as increased investment in social sectors, and support for decentralized participatory planning and budgeting. The 2008 Constitution stated that at least 6 percent of GDP should be spent on primary and secondary education and 4 percent on health, and that these amounts should always exceed external debt repayments.

The National Decentralized Participatory Planning System supports equitable planning within and across the decentralized municipalities through a set of standardized planning and budget tools.

The 2009-2013 and 2013-17 "National Plans for Good Living" (the National Development Plans) place increased emphasis on social sectors and interventions for tackling inequality in development outcomes.

To facilitate the focus on equity, the Ministry of Finance developed equity classification system that uses codes aligned with specified “equity classifiers” to “tag” budgets. The system tracks five equity themes, namely gender, ethnicity, age, disability, and human mobility. In the financial management information system, the classifiers are applied at activity level. The related budget lines can then be tracked throughout the implementation process.

EL SALVADOR

Population (millions), 2015	6.1
GDP per capita (USD), 2015	4,219.4
Income group	Lower middle income
Open Budget Index 2015	53
MDG data available	60%

El Salvador met the poverty, hunger, gender, and education MDG targets. However, it did not achieve the health and water and sanitation targets.

TRANSPARENCY AND AVAILABILITY OF BUDGET INFORMATION

El Salvador's Open Budget Index score was 53 in 2015. This is almost double the country's score of 28 in 2006. One of the contributors to the increased score was the launch of the Fiscal Transparency Portal, which gives access to a budget guide and Citizens Budget, alongside other budget-related information.[12]

"READABILITY" OF MDG SECTORS

Tracking MDG budgets and expenditure in El Salvador is possible for most sectors, but requires a lot of work. There are several reasons for this. First, the budget classification system is organized largely by administrative agency, and the agencies do not neatly match the MDGs. Second, the functional classification is not reliable. For example, some social protection spending is classified as interministerial transfers. Third, the formats of budgets and actual expenditure reports differ considerably. Fourth, decentralized spending is not reported into the computerized financial management information system.

PLANNING & BUDGETING SYSTEMS AND REFORMS THAT FACILITATE MDG TRACKING

El Salvador has had five-year national development plans for many years. However, it was only in 2010 that the plan clearly linked strategic objectives and the purpose of spending, and placed increased emphasis on MDG goals.

El Salvador embarked on budget reforms in 2012. One aspect of the reforms was a shift from classifying spending according to administrative units to program-based budgeting. In 2012 the Marco Institutional de Mediano Plazo introduced sets performance indicators at the level of activities/projects, subprograms,

[12] www.transparenciafiscal.gob.sv

and programs. These are linked to a rolling three-year medium-term expenditure framework. As in other countries, the reforms are being introduced gradually.

GHANA

Population (millions), 2015	27.4
GDP per capita (USD), 2015	1,381.4
Income group	Lower middle income
Open Budget Index 2015	51
MDG data available	75%

Ghana met its MDG targets on poverty, hunger, access to education, and water. However, it missed the sanitation and education gender equality targets and made very little progress on the health-related MDGs.

TRANSPARENCY AND AVAILABILITY OF BUDGET INFORMATION

Ghana's OBI 2015 score of 51/100 is slightly higher than the global average of 45. Ghana's score was 42 in 2006, and thus it has shown some improvement over time.

"READABILITY" OF MDG SECTORS

GSW was able to track planned spending (budgets) on all seven MDG-related areas since 2008, due to detailed and transparent administrative and economic budget formats and clear presentation of donor-funded expenditure. However, Ghana has not produced consistent multi-year analysis. This failure is at least partly due to the changes in budget format over recent years. These changes, in turn, contribute to the lack of availability of consistent information on actual expenditure for the period 2008-2015.

PLANNING & BUDGETING SYSTEMS AND REFORMS THAT FACILITATE MDG TRACKING

As with other countries with poverty reduction strategies, the MDGs are embedded in the Ghana Poverty Reduction Strategy (2003-2005); Growth and Poverty Reduction Strategy (2006-2009); and Ghana Shared Growth and Development Agendas of 2010-2013 and 2014-2017. During the MDG period, Ghana produced biennial MDG progress reports that included information on the resources required to attain the goals.

Beginning in 2003 Ghana's budget statement included a section that reported on progress in achieving the MDGs goal by goal. The Citizens Budget, published since 2006, contained similar information on MDG progress. Unfortunately, the analysis is presented at an aggregate level and so cannot easily be linked to budget allocations, which are provided at activity level.

Ghana has had a Medium-Term Expenditure Framework (MTEF) since 1999. This was introduced as part of broader public finance management reforms, which aimed to introduce program-based budgeting and a computerized financial management information system with program-based codes. The reforms were not fully implemented. Ghana currently uses incremental budgeting, and also has substantial sectoral and decentralized funds that are not included in the MTEF. Until recently, reporting on decentralized funds to central government has been neither consistent nor timely.

A new Ghana Integrated Financial Management Information System was introduced in 2010. In 2013, government again committed to introducing a system of program-based budgeting.

KENYA

Population (millions), 2015	46.1
GDP per capita (USD), 2015	1,376.7
Income group	Lower middle income
Open Budget Index 2015	55
MDG data available	78%

Kenya met only the primary education and TB and HIV/AIDS MDG targets. It did not achieve the poverty, hunger, mortality, gender, and water and sanitation goals.

TRANSPARENCY AND AVAILABILITY OF BUDGET INFORMATION

Kenya's OBI 2015 score is 48/100, only marginally higher than the global average of 45. In 2010 Kenya's score was 49, so there has been no improvement over time.

"READABILITY" OF MDG SECTORS

Information is available for Kenya on planned spending (budget), but there is less information on actual spending. The country's public finance reforms should mean that better information becomes available. However, increased decentralization reforms over recent years make it difficult to compile comparable data across the different levels of government. Reporting on donor funding is also weak.

PLANNING & BUDGETING SYSTEMS AND REFORMS THAT FACILITATE MDG TRACKING

The MDGs have been part of Kenya's long-term development strategy since the 2003 Economic Recovery Strategy for Wealth and Employment Creation. Kenya's "Mainstreaming MDGs in Kenya's Development Process" project aimed to mainstream MDGs in planning, budgetary, and development processes. As part of the project an implementation unit was established in the Ministry of Finance, as well as an interministerial MDG team consisting of MDG focal persons from all relevant government agencies. A costing of the MDGs was undertaken under the auspices of the project, and a cabinet directive of 2005 required all ministries to mainstream MDGs. However, it was only by 2009 that sectoral planning units had been trained on MDG mainstreaming, and government required each ministry to ensure that at least two MDGs or poverty-related projects were explicitly reflected in their programs, targets, and reporting.

Kenya has had a Medium-Term Expenditure Framework since 2000. However, all budgets continued to be designed on an incremental basis until 2005, and recurrent budgets until 2012. Program-based budgeting was introduced in 2013, but it is not yet effectively implemented, especially at the decentralized (county) level.

Coding of the budget is still based only on administrative and economic classifications. There is no separate functional or programmatic classification. However, the detail of the administrative classification makes it possible to derive functional totals through lengthy calculations.

By 2014 approximately one-fifth of revenue was allocated to county governments to spend on health, pre-primary education, and local roads and other functions. In addition, 0.5 percent of revenue is allocated to an “equalization fund” that is spent by the national government in 14 countries using a formula based on poverty, education, health and other indicators.

MALAWI

Population (millions), 2015	17.2
GDP per capita (USD), 2015	381.4
Income group	Low income
Open Budget Index 2015	65
MDG data available	78%

Malawi had very poor human development indicators at the beginning of the MDG period. It achieved the MDG targets for child mortality, reducing disease prevalence, and primary education, and made good progress on hunger. It did not make good progress on the targets to reduce poverty and maternal mortality.

TRANSPARENCY AND AVAILABILITY OF BUDGET INFORMATION

Malawi's OBI score of 65/100 is amongst the highest for low-income countries. The 2015 score is substantially higher than Malawi's OBI 2008 score of 28.

"READABILITY" OF MDG SECTORS

It is possible to track planned spending (budget) for all the MDG sectors except gender in Malawi. This tracking is made possible by the detailed administrative and functional classifications alongside program-based budgeting. However, Malawi publishes very little information on actual expenditure. The published data is based mainly on the administrative classification. One of the challenges in producing better actual spending data is lack of, or delayed, information on donor spending.

PLANNING & BUDGETING SYSTEMS AND REFORMS THAT FACILITATE MDG TRACKING

As with other countries with poverty reduction strategy papers, Malawi's strategies – presented in the Malawi Poverty Reduction Strategy 2002-05, and the Malawi Growth and Development Strategies of 2006-11 and 2011-16 – have emphasized poverty reduction and other MDGs. However, although budgets allocated funds to poverty-reducing spending programs, parliament sometimes changed the priorities. In other cases the programs were not implemented due to shortfalls in budget revenue and donor flows.

Malawi introduced a Medium-Term Expenditure Framework (MTEF) in 2005. However, a review in 2000 concluded that it had not resulted in more effective expenditures. Reasons for the failure included lack of control over supplementary budgets, weak capacity in line ministries, delayed reporting on actual spending, and weak links between plans and budgets. The Public Sector Investment Program was allowed to wither, and only fully reinstated in 2006.[13] The MTEF virtually disappeared and was replaced by a new Medium-Term Budget Framework in 2011.

The MTEF reforms included establishment of an Integrated Financial Management Information System (IFMIS). This, too, was implemented very slowly. The system contained a comprehensive set of administrative, economic, and functional codes, but overspending and corruption continued. A new project to "stabilize" the IFMIS began in 2014.

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[13] For an analysis of these earlier initiatives, see the Malawi case study in African Development Bank (2007), Debt Relief Initiatives, Development Assistance and Service Delivery in Africa, Oxford University press, available at https://books.google.co.uk/books?id=YqPqCS_8PiEC&pg=PR4&lpg=PR4&dq=african+development+bank+debt+relief+service+delivery+in+africa&source=bl&ots=xtJRbvIiMt&sig=k8nht4QOs7149qzgjSCTDXYAwOo&hl=en&sa=X&ved=0ahUKEwjY_anoyfvNAhWGI8AKHS7MBrkQ6AEITDAH#v=onepage&q=african%20development%20bank%20debt%20relief%20service%20delivery%20in%20africa&f=false

NEPAL

Population (millions), 2015	28.5
GDP per capita (USD), 2015	732.3
Income group	Low income
Open Budget Index 2015	24
MDG data available	100%

Nepal met the targets for poverty and hunger, universal primary education, gender equality and women's empowerment, child and maternal mortality, and water. The only target that it missed was sanitation. Nepal achieved most of the targets despite a decade of armed conflict and political instability, and an unfinished political agenda of peace-building, constitution-writing, and state-restructuring.

TRANSPARENCY AND AVAILABILITY OF BUDGET INFORMATION

Nepal's OBI 2015 score is 24/100, only just over half the global average of 45 in 2015, and far below its own score of 44 in 2012. The 2015 OBI country summary notes that the regression in transparency is likely due to the political situation and is expected to be reversed.

"READABILITY" OF MDG SECTORS

There is a complete set of data for planned expenditure in all MDG sectors in Nepal. The country's detailed administrative and MDG-related programmatic/functional classification allows for compilation of data even for the more complicated sectors of social protection and water and sanitation. Strong linkages from planning through to budgets in respect of MDG goals facilitate the compilation. Even donor spending data are available. The only missing data relate to actual spending on water and sanitation.

PLANNING & BUDGETING SYSTEMS OR REFORMS WHICH FACILITATE MDG TRACKING OR DELIVERY

In Nepal multi-year plans (Tenth Five-Year Plan 2002-2007; Three-Year Interim Plan 2007-2010; and 13th Development Plan 2013-16) set the broad parameters for development. The first two served as Nepal's Poverty Reduction Strategy Papers, and therefore had the MDGs as a key focus. This focus was carried forward into later plans.

In 2002 Nepal introduced a three-year Medium-Term Expenditure Framework (MTEF) with detailed actions and project-specific allocations. Coverage of the MTEF was gradually expanded to all ministries.

The MTEF has introduced criteria for pro-poor and gender-responsive allocation of resources. In 2011 government started asking for performance- and result-based budgeting linked to ministries' MDG plans.

Alongside the introduction of the MTEF, Nepal's functional classification structure was revised to facilitate tracking of the MDGs and other core government focus areas. Donor funds were channeled to key MDG sectors, guided by MDG financing estimates and identified gaps

Nepal was one of the first countries to develop a SDG draft plan.

PERU

Population (millions), 2015	31.4
GDP per capita (USD), 2015	6,121.9
Income group	Upper middle income
Open Budget Index 2015	75
MDG data available	100%

Peru met the MDG health, poverty, and hunger targets even before 2015, and came close to meeting the target on water and sanitation. However, it missed meeting the education target.

TRANSPARENCY AND AVAILABILITY OF BUDGET INFORMATION

Peru's OBI 2015 score was 75/100. It tied for eighth place internationally alongside the United Kingdom and Romania. It scored high on budget transparency and oversight, but less well on public participation. Peru had a solid OBI score of 67 as early as 2008.

"READABILITY" OF MDG SECTORS

Peru is one of only six countries for which GSW was able to track budgeted and actual spending across all seven MDG sectors for the period 2008 to 2015. This was possible for Peru because the sector goals are mirrored in five "strategic programs," as described below.

PLANNING & BUDGETING SYSTEMS AND REFORMS THAT FACILITATE MDG TRACKING

The 2007 National Development Strategy, CRECER, included costed plans for government action for the second period of the MDGs. The 2008 Public Budget Law established five strategic budgetary programs aimed at achieving the MDGs. The five areas were thus reflected in the functional and programmatic classification.

Since 2008 Peru has gradually introduced results-based budgeting. This, together with the provision of additional funding by government and donors, contributed to the achievement of the health and nutrition MDG targets. The results-based budgeting approach was piloted in nutrition and health, and then used across all five MDG-related areas. It helped to protect social spending allocations from cuts and encouraged increased allocations. It facilitated monitoring by the Ministry of Economy and Finance of the use of budget allocations and spending. After 2013 results-based budgeting was mainstreamed across all social and economic sectors.

Peru's monitoring of the MDGs included identification of inequality gaps where, for example, some groups were falling behind on achievement of health goals. Once gaps were identified, spending was directed toward closing them.

In 2013 the national Development and Social Inclusion Strategy "Incluir para Crecer" (Include to Grow) was finalized. The strategy introduced an even stronger focus than before on improving equity and the quality of public services.

SOUTH AFRICA

Population (millions), 2015	54.5
GDP per capita (USD), 2015	5,691.7
Income group	Upper middle income
Open Budget Index 2015	86
MDG data available	100%

South Africa met the MDG targets on poverty and hunger reduction, and came close to meeting the target on primary school enrollment. It has, however, not done well on child and maternal mortality rates. These rates increased dramatically as a result of the HIV and AIDS pandemic and, although now decreasing, remain high.

TRANSPARENCY AND AVAILABILITY OF BUDGET INFORMATION

South Africa scored 86/100 in the Open Budget Index 2015, earning it third place globally. Its rating has fallen in both absolute terms (from 92 in 2010) and relative terms (in that it previously held first and second place, respectively). Nevertheless, it scores remain relatively high on all aspects — transparency, public participation, and budget oversight.

"READABILITY" OF MDG SECTORS

Budget allocations can be tracked across all MDG sectors in South Africa. This is facilitated by the existence of a program- and results-based budget that uses international functional classifications, and identifies – at least in basic terms – intended results and beneficiaries. The format of the budget is standardized for national and provincial departments and standard budget documents contain data on seven financial years. The similar formats makes it easier to track spending even within a decentralized system. One complication is that local government, which plays a key role in respect of water and sanitation, utilizes a different financial year to national and provincial government. A further complication arises where parastatals play a role in service delivery, as they do not always report in the same detail as core government departments.

The MDGs were not the foundations for South Africa's planning and budgeting. Nevertheless, strong constitutional rights in respect of socio-economic rights and gender equality result in close alignment with the MDGs.

PLANNING & BUDGETING SYSTEMS OR REFORMS THAT FACILITATE MDG TRACKING OR DELIVERY

South Africa’s Constitution provides for three “spheres” of government: national, provincial, and local/municipal. The nine provincial governments bear the main responsibility for delivery of social services, such as health and education, while local government has responsibilities in respect of water and sanitation. Because most revenue is raised nationally, there is a relatively complex system of large transfers to provinces and municipalities. The main transfers to provinces and municipalities, the “equitable shares,” are determined by evidence-based formulae which take spatial and other inequalities into account.

All national and provincial departments and municipalities are legally required to produce five-year and annual performance plans and report against them within six months of the end of the year in question. The country’s first National Development Plan, “A Vision for 2030,” was finalized in 2012 and identified 14 priority outcomes. A Medium-Term Strategic Framework 2014-2019 was subsequently developed. Performance and service delivery targets are meant to be aligned to these overarching documents.