Achieving good budgetary governance

To provide a sound basis for development, government budgets should be comprehensive, transparent, and realistic (target 16.6). The Public Expenditure and Financial Accountability (PEFA) Program identifies how well governments execute their budgets in accord with the appropriations authorized at the beginning of each year. Since 2005, 147 countries and 178 subnational governments have carried out a PEFA assessment, with national spending more likely to be on target than subnational spending.

Nearly two-thirds of countries surveyed were within 10 percent of their original national budgets, and nearly half of these were within 5 percent. But nearly one in ten countries assessed deviated by more than 15 percent. Implementing realistic national budgets is particularly challenging in Sub-Saharan Africa, where nearly four-fifths of countries were more than 5 percent off (figure 16f).

16f Public spending was within 10 percent of the budget in two-thirds of countries surveyed

Variation from original approved budgets (above or below), most recent year available during 2006–16 (%)

<table>
<thead>
<tr>
<th></th>
<th>Less than 5</th>
<th>5–10</th>
<th>10–15</th>
<th>15 or more</th>
<th>No data</th>
</tr>
</thead>
</table>

Source: Public Expenditure and Financial Accountability database.
Budget reliability has been assessed at least twice in 102 countries since 2005. Around four of five countries in East Asia and Pacific and South Asia showed improvement, while two of five in Sub-Saharan Africa saw their scores deteriorate (figure 16g).

16g More than half the countries with multiple assessments improved budget execution
Change in budget reliability score of countries assessed at more than one time, various years, 2005–16 (percentage of countries)

Ranging from large states in Brazil to small municipalities in Croatia, almost half the 178 local government budgets surveyed in 34 countries deviated by more than 15 percent from the original budget, and only one in seven subnational budgets was within 5 percentage points (figure 16h). The link between national and subnational performance is not systematic. But Ethiopia and South Africa are good examples of where the majority of subnational and national budgets were very close to the ones the legislature approved.

16h Many subnational governments deviated substantially from their planned budgets
Difference between planned and actual subnational budget expenditures, most recent year available during 2006–16

Source: Public Expenditure and Financial Accountability database.