

decentralization MBB  
efficiency PEFA transparency financing  
CapacityDevelopment ChildRights PolicyDialogue  
inclusion value4money CivilSociety counter-cycle workshop progressive  
ResourceMobilization off-budget  
gaps procurement accountability revenue  
corruption leadership PETS markers affordability convening CRC control  
equity PFM  
IMF institutions FirstCall leverage results observatories BudgetSupport empower  
TechnicalAssistance LocalGovernance  
communication MTEF advocacy FiscalSpace tracking costing  
cost-benefit monitoring PRSP Parliament FinanceMinistry ArticleIV  
PrivateSector WorldBank Parliament FinanceMinistry  
outcome measurement investment collaboration AidHarmonization cross-sector benchmarking

# **Public Finance and Vitamin A Supplementation Programs: The *Why*, *What* and *How***

Matthew Cummins

UNICEF New York

Public Finance and Governance, Programme Division

06 April 2016

# Roadmap

- 1. The Why:*** Taking the public financial management (PFM) pulse of nutrition/VAS
- 2. The What:*** Unpacking PFM
- 3. The How:*** Identifying and removing PFM-related bottlenecks
- 4. Discussion***

# The WHY

# Heard from the Nutrition Sector...

## Funding is fragmented across ministries – makes it hard to measure and track

- “One key challenge... *obtaining, classifying and analysing budget data.*”
- “Despite commitments... *unavailability of a comprehensive financial management system to accurately track resource flows.*”

## Allocations are not prioritized

- “*Inadequate budgetary* provision for nutrition from government budget remain key bottlenecks in accelerating progress.”
- “The nutrition sector was allocated 0.4% of the health sector budget... *funding remains insufficient.*”

# Heard from the Nutrition Sector...

## Resources are not used as intended or in a timely manner

- “*Huge discrepancies between planned and actual expenditure.*”
- “*Late release of funds from the national budget.*”
- “A main constraint is related to *irregular payment of salaries.*”

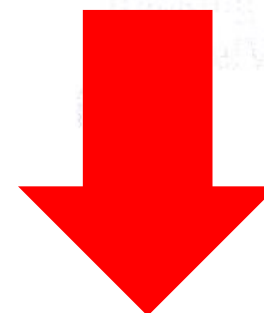
## Spending patterns widen disparities

- “Unequal regional development and *disparities in availability of funds that come from the local level.*”
- “*Unevenly distributed funds* across regions/districts...”

# Additional Considerations: The Changing Financing Landscape for VAS

Figure 1: Sources of finance

	Public	Private
Internal	Tax revenue	User fees to providers
External	Aid from bilaterals or multilaterals	Private foreign companies



# The WHAT

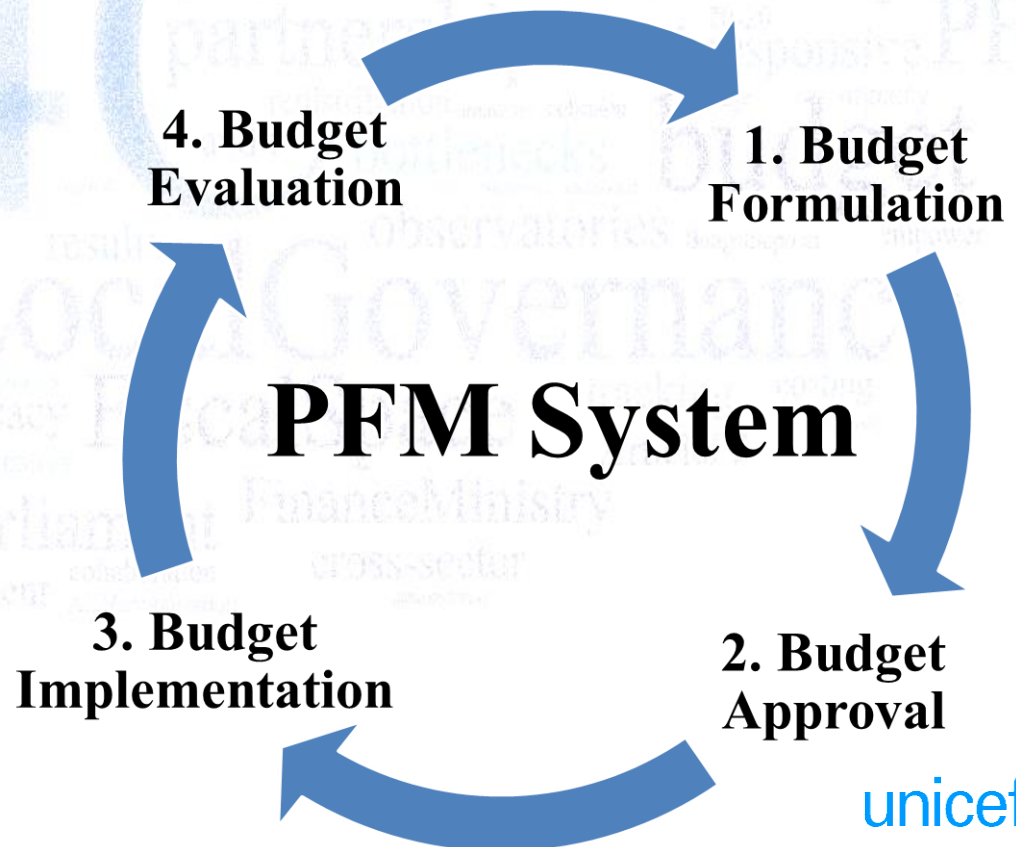


# Public Financial Management (PFM)

The way governments manage public resources and the impact of those resources on the economy or society

- **Processes**: How governments manage revenue and expenditure
- **Results**: Short and long-term implications of financial flows

*A simplified view of a typical PFM system*



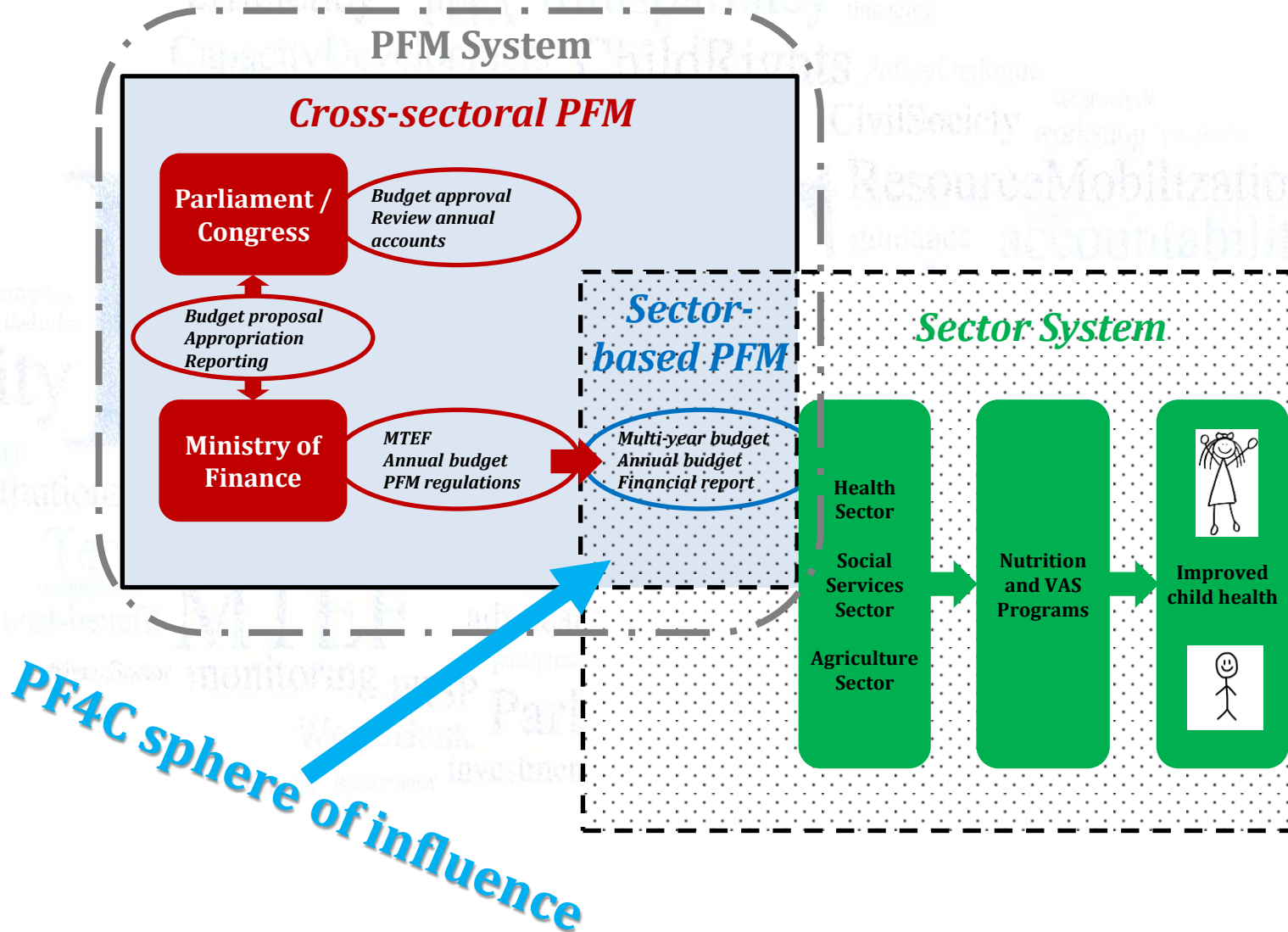
# Public Finance for Children (PF4C)

PF4C describes efforts to increase the transparency, adequacy, value for money and equity of public investments in children – including VAS programs !!!

Focus areas of this work:

- 1. Data and Transparency: How much is being spent?***
- 2. Adequacy: Do budget allocations cover costed needs?***
- 3. Value for Money: Are resources used efficiently?***
- 4. Equity: Are resources addressing disparities?***

# Unpacking Sector-based PFM



# **The HOW:** *Identifying PFM-related Bottlenecks in VAS*

# PFM-Related Bottlenecks: Data/Transparency

*Goal: VAS-specific budget information is generated, publicly available, tracked across the budget cycle and routinely reported*

Indicators	No Bottleneck	Bottleneck
<b>Budget information</b>	VAS-specific	Not identified or packaged under broader programs (e.g. polio)
	Publicly available	Not available
	Tracked across the budget cycle	Not tracked
	Reported routinely and timely	Random reporting or with significant delays

# PFM-Related Bottlenecks: Adequacy

*Goal: VAS-specific budget allocations reflect costed needs*

Indicators	No Bottleneck	Bottleneck
Resource needs	Costed	Not costed
	Reflected in annual and multi-year plans	Not reflected in annual and multi-year plans
Allocations	= Total costed needs in annual budget (and MTEF)	< Total costed needs in annual budget (and MTEF)

# PFM-Related Bottlenecks: Value for Money

*Goal: VAS-specific funds are used efficiently*

Indicators		No Bottleneck	Bottleneck
General	Composition of <b>recurrent and capital spending</b> (eg. salaries vs goods) and <b>across different activities</b>	Reflects evidence-based design	Not reflective of evidence
	Disbursement rates	> 90%	< 90%
	Salary payments	In full & on time	Arrears
Personnel	'Ghost' workers on payroll	Low prevalence	High

# PFM-Related Bottlenecks: Equity

*Goal: VAS-specific funds are addressing disparities*

Indicators	No Bottleneck	Bottleneck
Program resources prioritize vulnerable groups (income, age, gender, disability, etc.)	Vulnerable groups prioritized	Vulnerable groups not prioritized
Program resources prioritize vulnerable areas (geographic, administrative, rural/urban)	Vulnerable regions prioritized	Vulnerable regions not prioritized



**The HOW:**  
*Removing PFM-related  
Bottlenecks in VAS,  
A case study on **financing***

# Step 1: Identify Information Needs and Possible Sources

## *Information needs*

- Resource gap = needed investment - current investment
- Potential new sources of financing
- Investment cases (why more spending is a good thing)

## *Information sources (to address above)*

- Existing literature/studies
- Government addresses
- A partner addresses (e.g. NGO, UNICEF, World Bank)

# Step 2: Generate Information (where needed)

## Resource gap

- **Nutrition/VAS budget analysis**, e.g. as part of SUN activities or a Public Expenditure Review (PER) or a standalone study
- **Multi-year costing**, e.g. child health days, campaigns, fixed outreach
- **Modelling** to show cost of scaling up different VAS interventions and lives saved, e.g. Lives Saved Tool (LiST), scaling up pilots

## Potential new sources of financing

- **Fiscal space** analysis—present different options

## Investment cases *(to support advocacy with finance ministry)*

- **Cost-benefit** analysis to show long-term economic/financial returns of implementing new interventions
- **Cost of inaction** analysis to show long-term economic/financial costs of continuing with business as usual

## Step 3: Influence PFM processes

### *Sample activities*

- Advocate to MoF/MoH using evidence from resource gap analysis, investment cases, fiscal space analysis
- Strengthen capacity of relevant ministries for multi-year costing of VAS programs
- Develop multi-year VAS budget proposals based on costing and modelling exercises
- Support the development and inclusion of VAS targets in results-based budgeting systems or via reforms

# Step 4. Tracking progress of PF4C-enabled VAS

## Possible outcome indicators (priority and size)

- VAS spending as % of total government spending or of total health/social welfare/etc. spending (budget priority)
- Real (inflation adjusted) annual change in VAS spending (increase)

## Possible output indicators (budget framework)

- # of VAS programs/activities costed and linked to budget process
- VAS-specific indicators reflected in annual budget or results-based budgeting reforms

# Discussion