

NEWS RELEASE

EMBARGOED UNTIL 09:30 EST September 25, 2019

ACHIEVING SUSTAINABILITY GOALS HINGES ON CREDIBLE COUNTRY BUDGETS

UNICEF Headquarters, New York—Governments around the world need to set more realistic and credible spending plans if there is any hope of achieving the ambitious agenda laid out in the [Sustainable Development Goals](#) (SDGs).

This conclusion comes from a [new study](#) of 35 countries, across incomes and geographies, by the [International Budget Partnership \(IBP\)](#). The study's findings were discussed today at UNICEF headquarters during an event jointly organized by UNICEF, the French and Zambian governments, and IBP.

The study found countries underspend on average by nearly 10% of their promised budget. Among low-income countries studied, the problem is worse, with 14% average underspend. These figures represent a huge amount of resources; for example, many countries' entire health budgets do not amount to 10% of the total government budget. These and other findings suggest that governments face serious obstacles in sticking to credible budgets, where actual spending matches the approved budget. When the numbers do not add up, delivery of critical public service may be impacted, with ripple effects across society.

In low-income countries, the sectors seeing the greatest underspending tend to be those that are critical to sustainable economic development—health, agriculture, energy, transportation, environmental protection, and housing. In contrast, spending on defense tends to rise during implementation.

IBP also found in a study of 22 countries from the larger sample that roughly 30 percent of the allocated immunization budget was underspent, likely impacting the availability of vaccines. Global data from the World Health Organization and UNICEF suggest that funding or procurement delays can lead to lack of availability of vaccines.

“Lack of credibility in a government's budget can adversely impact the achievement of the Sustainable Development Goals,” said Warren Krafchik, IBP Executive Director. “UN agencies and member states should be paying attention to this issue and collaborating with civil society to develop joint technical and political solutions.”

As countries increasingly focus on implementing policies in pursuit of the SDGs, attention is often focused on the financing gap governments face in meeting their commitments. Not enough questions are being asked about governments' capacity to effectively manage and spend the resources that they already have – or say they have.

“Government's ability to plan, budget and implement their social investments is critical to meeting child related Sustainable Development Goals. It can make the difference between children going to school, accessing medical care, and proper nutrition, or not.” said Alexandra Yuster, UNICEF Associate Director,

Social Policy. “To ensure social investments reach those most in need, we must work to achieve budgets that are adequate, effective, equitable, and efficient.”

Aymeric Chuzeville, Head of the Department of Development, French Ministry of Foreign Affairs, added, “When government budgets are not credible, it diminishes confidence in government, reduces trust of political institutions, and can disconnect officials from understanding what citizens see as priorities. This trend should concern governments that rely on taxes paid by their citizens to fund their budgets. It should also concern the international development community, which has prioritized the expansion of domestic resource mobilization in countries to finance the SDGs.”

In low-income countries the challenge is exacerbated by weaker budgeting systems that affect a country’s credibility in planning and executing budgets.

Governments can take specific actions to build and reinforce their country’s budget credibility. Great strides can be made by strengthening the capacity to more accurately forecast future revenues and improving planning processes, especially for capital investment projects, so that these can be more adequately costed, prioritized and linked to the budget over multiple years.

Streamlining procurement processes by identifying and addressing bottlenecks in budget execution and introducing better ways of tracking spending across the public sector are just two examples of how governments can do more to improve on stewarding critical funds entrusted to them.

In some cases, IBP points to benefits from introducing or amending laws and regulations that limit deviations from approved budgets, and ensure that these changes are better justified, while also providing better checks and balances to executive discretion in shifting resources as needed.

To make real, long-term sustainable progress on realizing credible and effective budgets, governments need and should allow for engagement from legislative bodies, audit institutions, and other parts of society. Donors could provide more predictable funding, improve the integration of their reporting systems with governments’ own, and support capacity building initiatives within recipient governments. Civil society and the media could track priority public services and programs to ensure that governments deliver them fully and call for clear, full explanations when they do not.

“Government budgets are the backbone of the Sustainable Development Goals,” said Krafchik. “Leaders should call for and require full budget transparency and accountability. And countries need to ramp up investment, both foreign and domestic, and ensure this increased funding is spent fully. Only then can we hope to have in place a serious commitment to addressing our world’s most pressing challenges.”

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The [International Budget Partnership](#) works in collaboration with multiple actors – including civil society, governments, international institutions, and the private sector – to bring about a world in which empowered citizens participate in open, inclusive budgeting processes to shape policies and practices that promote equity and justice on a sustainable basis.